



# Climate Actions & Consumer Benefits

Euro Coop Seminar  
"Sustainable Food Systems"  
Marjaana Saarikoski, SOK Finland  
21.6.2022





# Marjaana Saarikoski, Director, cooperative affairs

- Vice-President EuroCoop
- Member of the ICA Board and Vice chair of the ICA Gender Equality Committee
- Master of Science (Business Administration), University of Tampere
- Marjaana Saarikoski has been with S Group since 1983 in various leadership positions in sales, marketing, chain/ concept management and its customer loyalty program with wide business experience of retailing and cooperation with various stakeholders.







# This is Finland – the happiest country in the world (United Nations, since 2018)



75 % Forest



Santa Claus from Lappland



WM Ice Hockey 1995,2011,2019 2022  
Nr 1 in Olympic Games 2022



188 000 lakes  
Swan, the national bird



2 000 000 saunas

Hedvig Gebhard, 1907  
Member of the Parliament



The first country in the world  
to give women both the right  
to vote and to stand for elections.





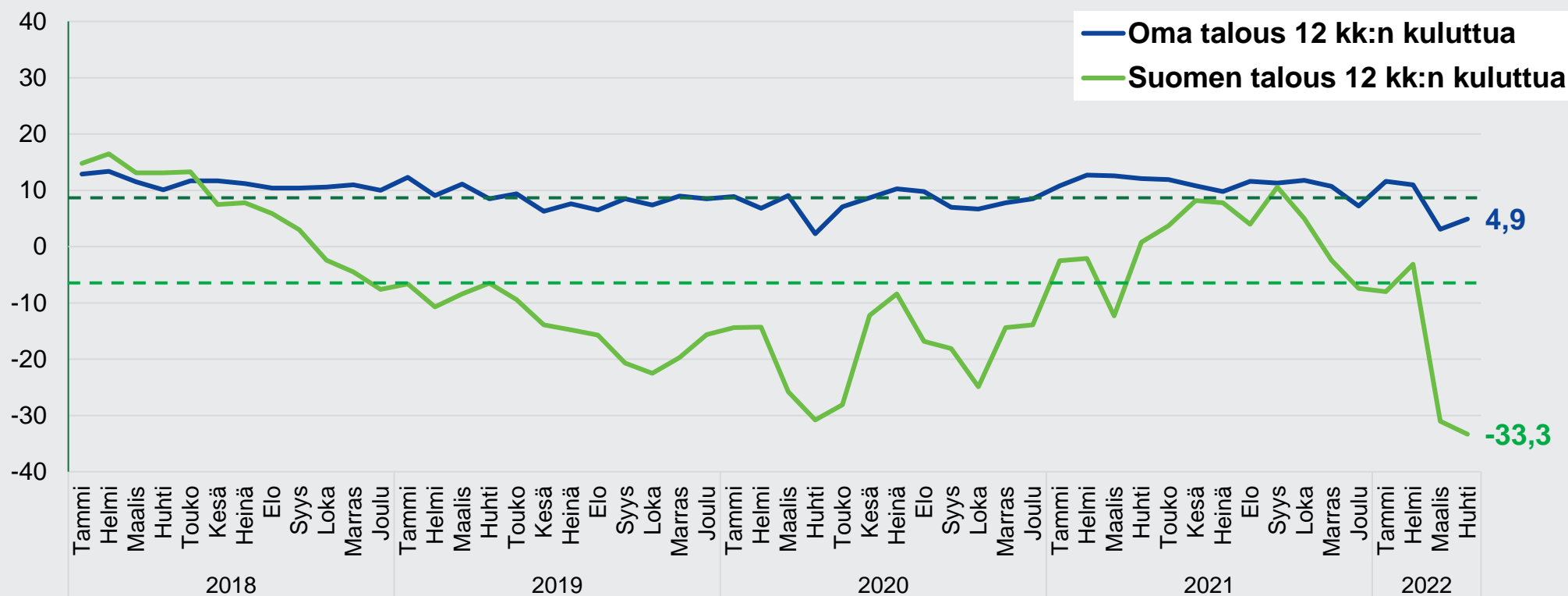
# Consumers are reacting to the global and national situation – lacking the Trust to the future in 12 months

Figures are the highest since 1995

The expectations of consumers to their own financial situation (Blue) and to the one of Finland in 12 months (Green)

My Own  
12 months,  
average  
2018-: 9,5

Finland  
12 months,  
average  
2018-: -7,1



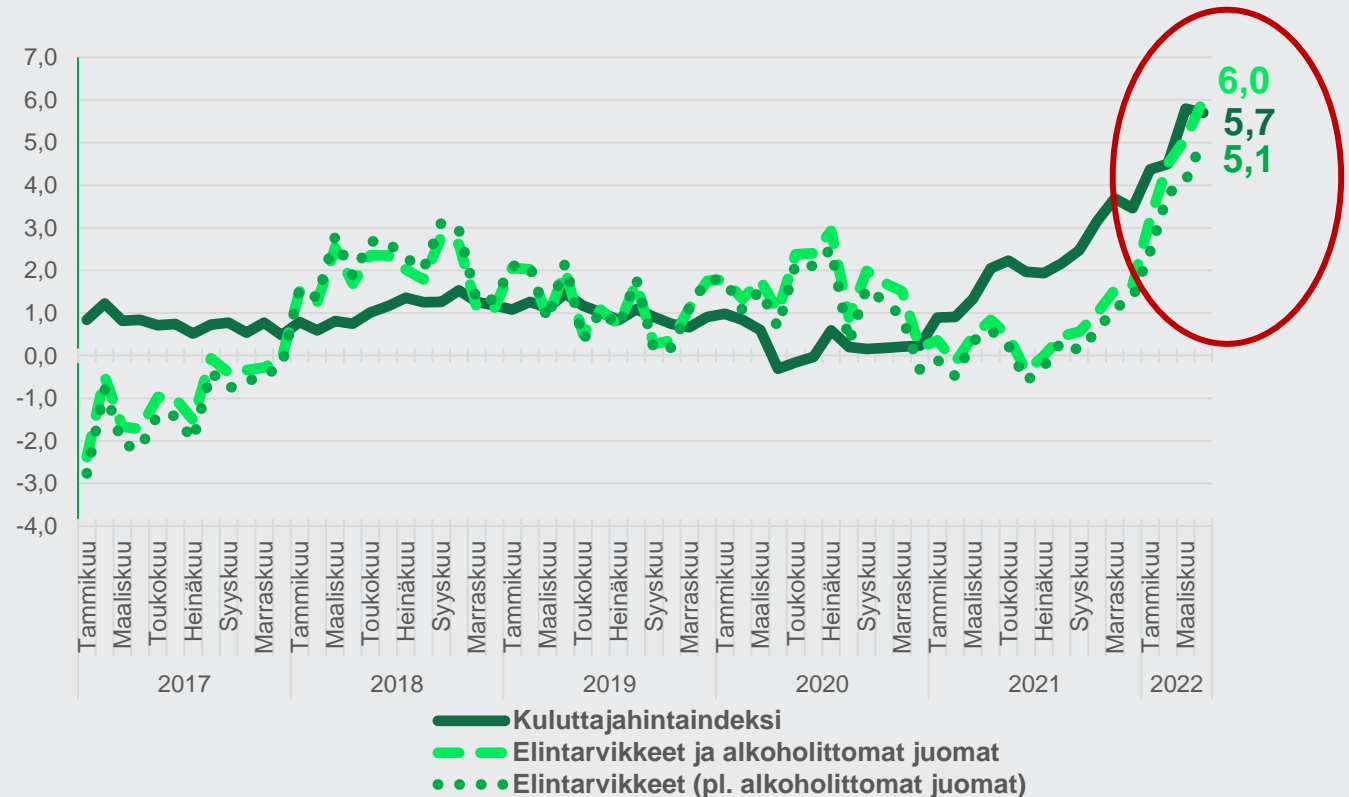


# Already before the crises in Ukraine the prices of food have been increasing

Because of the climate crises and the increase in production costs ...  
and the inflation rate is increasing and will continue to increase ... in Finland now 7 % in May and may end to 10-11 % in 2022.



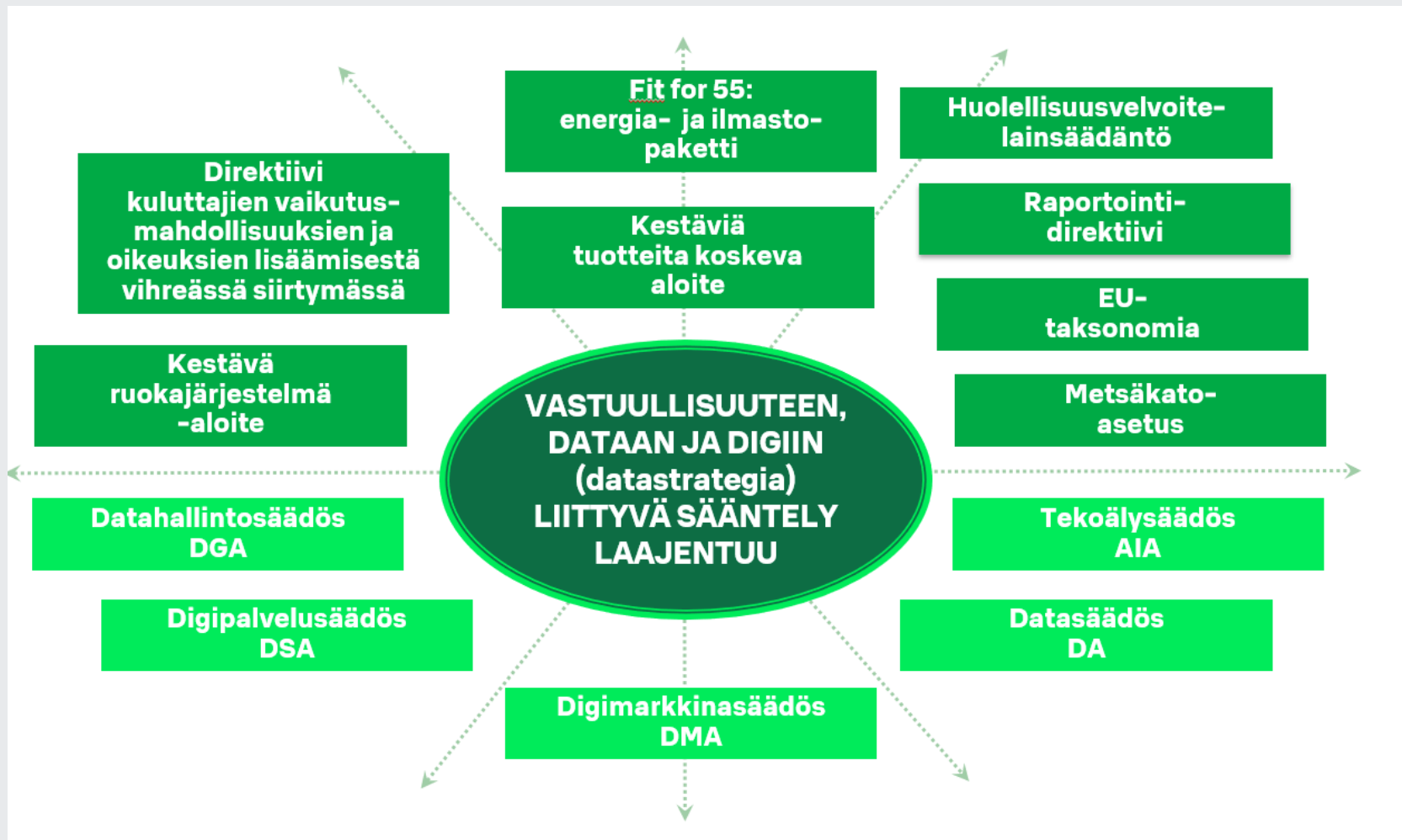
Consumer price index dark green 5,7 %2017-2022/04 (Statistics Finland)  
Grocery products and non-alcoholic beverages 6 %  
Grocery products without non-alcoholic beverages 5,1 %







# Regulation is increasing and you have to be ready and do more than regulation requires to be the Forerunner





# Agenda

## S Group in Brief

- Our Values
- Mission, Vision
- Strategy and strategic objectives
- The competitive landscape
- S Group key figures in 2021
- Portfolio

The Best place to live – program

The actions of our own operations

Together with our suppliers and partners

Communication and digital services



# Values are the basis of our operations



**We exist for the customer**



**We take responsibility for people and the environment**



**We constantly renew our operations**



**We operate profitably**





# Our vision, combined with the other elements defining our operations, says who we are and where we are going

## Elements that define our operations

### OUR MISSION

Together we build a better place to live

### CORE OF OUR COOPERATIVE

“Our businesses provide our co-op members with services and benefits and, in this way, improve their financial wellbeing. ”

### WHO WE ARE

Against unfairness  
Best value for money

} **Relationship of trust**

### OUR VISION

Making your every day taste special

### OUR STRATEGY



**MISSION:** TOGETHER WE BUILD A BETTER PLACE TO LIVE  
**VISION:** MAKING YOUR EVERY DAY TASTE SPECIAL





A woman is walking away from the camera on a dirt road, carrying several cardboard boxes. The road is flanked by green grass and wildflowers. In the background, there is a dense forest of evergreen trees under a blue sky with white clouds.

# Our strategic objectives

- 1** Increasing customer satisfaction
- 2** Increasing market share in groceries
- 3** Improving profitability
- 4** Developing competences and leadership skills





# The competitive landscape is changing

- 1 Digitalization
- 2 Global competition
- 3 Domestic fragmentation and polarization





# S Group key figures 2021

Turnover

**12,3** Billion  
euros

Profit

**280** Million  
euros

Investments

**786** Million  
euros

Outlets

**1 849**

Personnel

**38 500**

**78%**

of Finnish  
households are  
members



**3,9** million  
loyalty  
cards



Bonus and other  
monetary rewards  
paid to members

**435,8** Million  
euros

 #1 IN GROCERY RETAIL



#1 IN HYPERMARKETS,  
CHALLENGER IN DIY



#1 IN DEP. STORES AND  
BEAUTY



**A BROAD, WELL PERFORMING PORTFOLIO**  
The Best offer every Day

#1 IN CONSUMER FUEL



#1 IN RESTAURANTS,  
#2 IN HOTELS



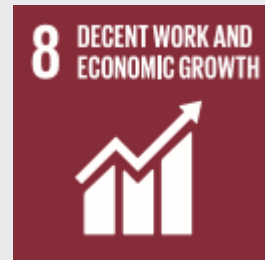
#1 IN RETAIL BANKING  
LOYALTY





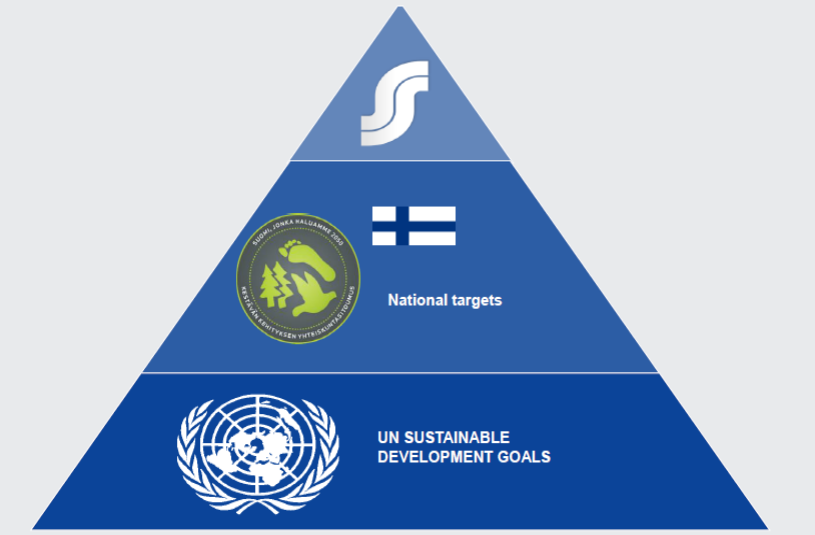


# The Best place to live -program



The best place to live program with 100 acts and indicators:

<https://www.s-kanava.fi/web/s-ryhma/en/100-tekoa>





# S Group`s own operations



# Sustainability at S Group 2030

## SUSTAINABILITY LEADERSHIP

## TOGETHER WE BUILD A BETTER PLACE TO LIVE

**Towards sustainable consumption's  
new normal:  
together one step at a time**

**Promoting:**

- Sustainability, health & wellbeing
- Planetary diet: 65% plant based
- Local: 80% domestic food
- Carbon neutral transport

**Towards sustainable growth:  
respecting nature**

- Carbon negative 2025
- Towards circular economy
- Strengthening biodiversity

**Towards equal world:  
removing inequalities**

- Respecting Human Rights
- Main food raw materials:  
100% audited
- Increasing transparency: origin &  
sustainability information  
available
- Common, non-discriminative,  
diverse S Group
- Strengthening inclusive society

- ✓ We exist for the customer
- ✓ We take responsibility for people & the environment

- ✓ We constantly renew our operations
- ✓ We operate profitably





# Carbon negative S Group by 2025

We help our customers towards climate smart life

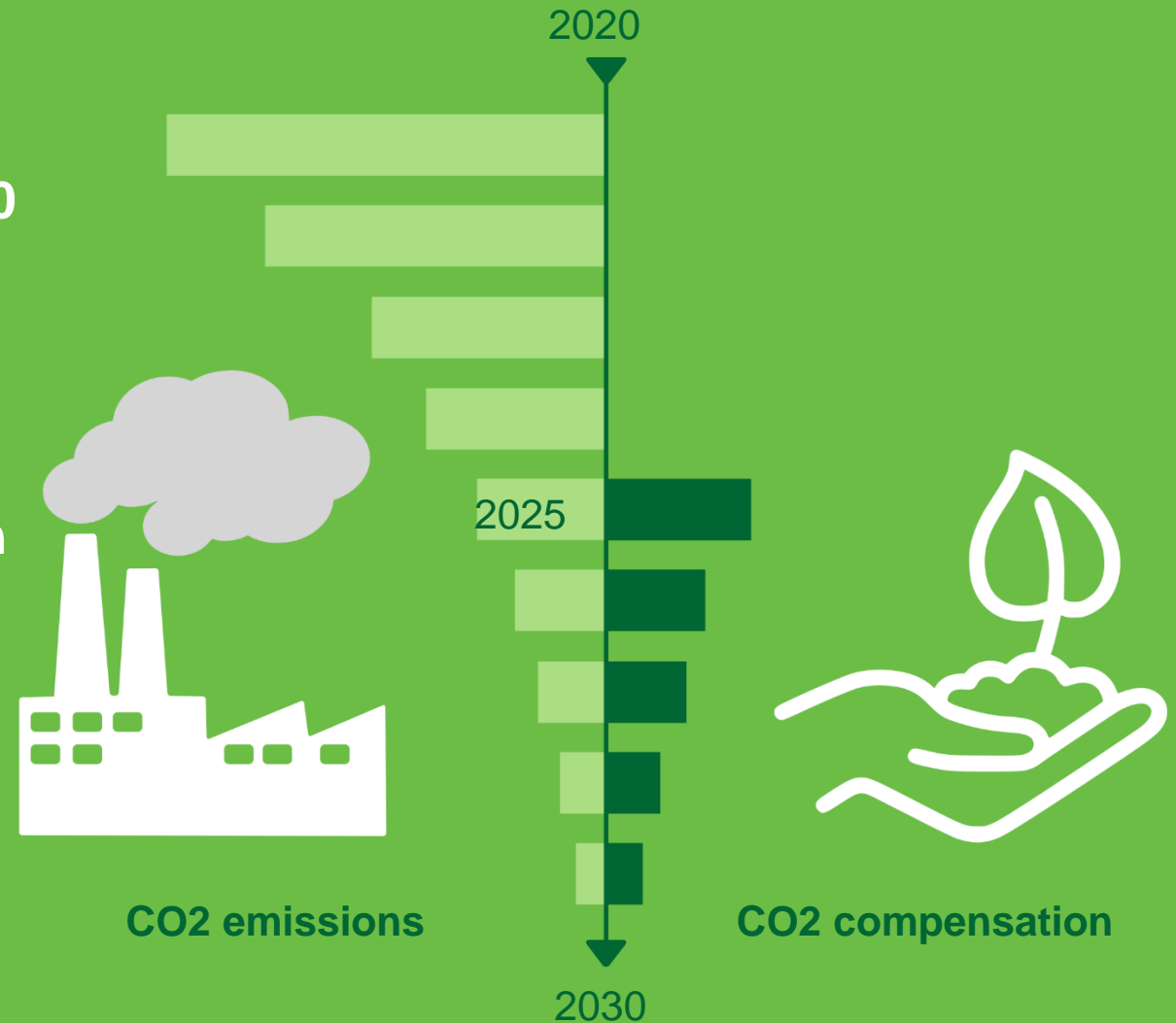
We encourage our suppliers & partners setting in their climate targets





# How to reach the target?

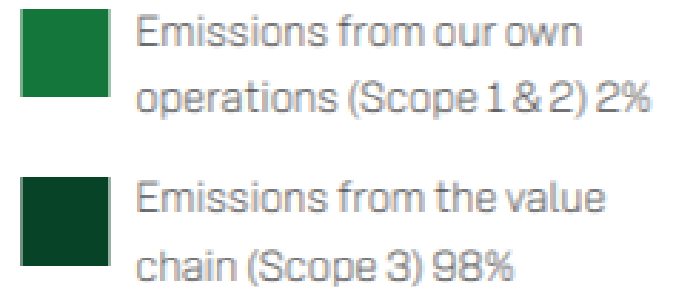
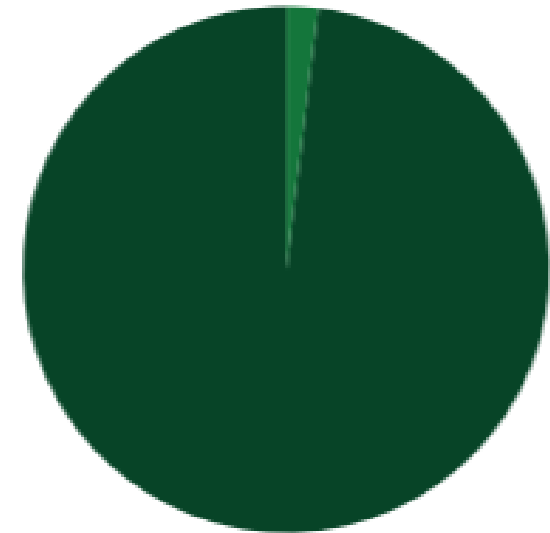
1. S Group will reduce climate emissions from its own operations by 90% by 2030
2. 100% renewable electricity 2030
3. Energy efficiency investments
4. Compensation & carbon sequestration





# S Group's climate impact 8 milj.tn CO<sub>2</sub>

## S Group's emissions 2020





# Other climate activities

- **Investments** on the own renewable electricity production: wind and solar power. S Group is the **biggest producer** of the solar power in Finland
- Piloting different compensation methods and marketplaces
- Supporting **climate research** for creating a carbon sequestration verification system that will enable emission compensation in the farmland
- Supporting **e-learning** for carbon farming
- Sustainable **consumption** and circular economy actions strongly related to the climate impact of the value chain





# Together with suppliers and partners



# S Group climate action & supplier engagement

- We have an absolute value chain emissions reduction target of **one million tonnes CO2** by 2030 via Big Deal Campaign
- We encourage our significant **suppliers** (2/3 of spend) to set their (science-based) emissions reduction **targets** by 2023
- In order to track the climate performance of our significant suppliers, in 2019 we joined the international **CDP Supply Chain program** and asked a share of our suppliers to **report** their **climate performance** for the first time
- We want to **help** and **support** suppliers in setting the targets and will be offering information and insights regarding target setting and CDP reporting







OY ARVID NORDQUIST FINLAND AB







# Communication and digital services



# What can we as a retailer do to support customers' sustainable choices?

- **Respect** the customer decisions
- Nudge towards more **sustainable consumption**
- Support the shift towards constant increasing the amount of **vegetables**: in 2020 over 5% increase in fruit & vegetable category group
- **Campaigns**
- Supporting **seasonality**
- Promoting **organic**
- Providing **information**





# Domestic fish

- One of our greatest successes in the grocery trade in 2019 was a significant **increase** in the sales of fish, which reached an entirely new level.
- Our work to further develop our **selection** and **quality** of Finnish fish began in May 2019.
- The results of this work were very well received among customers: the sales of fish increased by **20% year-on-year** and have remained at this level, which is an exceptional for a single group of products.





# My Purchase Service

- Carbon footprint **calculator** to follow your grocery purchases carbon footprint
- Target is to **inform** customers on their footprint and encourage to increase the share of **vegetables** in their diets







# Personal Trainer: Nutrition Calculator

*Combine environment & health aspects of your diet*

- The new nutrition calculator in the My Purchases (Omat Ostot) service of the S-mobiili mobile app helps you monitor the **health** aspects of your groceries and make **wiser shopping decisions**.
- The calculator has been developed in cooperation with leading nutritionists in Finland. It helps you monitor the quality of your groceries and reveals the sources of **saturated fatty acids, fibre, salt and sugar**.





# Thank You!