

# Climate change and consumer co-operatives: Taking the challenge forward

2013 Report





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**Foreword** 

It is with great pleasure that I'm introducing to you to the fourth follow-up report to the Euro Coop project "Climate Change and Consumer Co-operatives: Taking the Challenge forward". As it was for the previous editions, it illustrates some of the initiatives consumer co-operatives are undertaking in the field of environmental sustainability as a contribution to the overall fight against Climate Change.

You will have the opportunity to read about initiatives that can be considered as good practices in several different areas of activity. In fact, consumer co-operatives, as retailers, have a broad reach in several sectors of economic activity, starting from the sourcing and production of the products they sell, through the transformation and distribution logistics up to the point of sale.

Most importantly, being owned and democratically controlled by consumers, consumer co-operatives have an increased responsibility in informing and educating consumers about the environmental impacts of the products they sell and about the consequences of their consumption patterns. A true sustainable future cannot be achieved without sustainable production and consumption patterns.

This report was elaborated by Euro Coop in collaboration with Consumer Co-operatives Worldwide (CCW). Therefore the examples shown also cover countries outside Europe. This shows that, all around the world, consumer co-operatives continue to act according to their values and principles despite the strong pressures from an increasingly difficult economic situation.

I wish you a pleasant read,

**Yours Sincerely** 

Rodrigo Gouveia,

Secretary-General

Euro Coop / CCW

Rosita Zilli

Senior Policy Advisor

Euro Coop

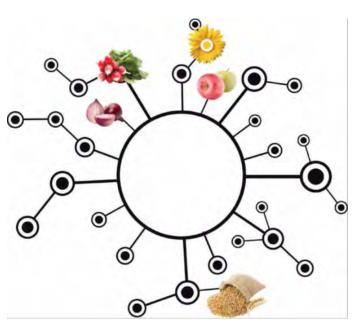
# **Enhancing Sustainable Production and Consumption**

Consumer co-operatives identified sustainable consumption and production as a key area of action in 2012.

Many have in fact intensified their efforts to source more goods bearing sustainability certifications in the areas of:

- Ecological production;
- Sustainable fishing;
- Organic farming;
- Sustainably managed forests.

Improvement in all these areas is critical to combating climate change. In this process, consumer co-operatives' own-brand products proved again to be an important tool in strengthening environmental criteria and inducing the desired change in consumer co-operative members' behaviour.





# Boosting eco-friendly products

Eco-friendly products are those which have a limited impact on the environment – whether in the production, use or disposal phase.

The sourcing of eco-friendly products is therefore an important step in protecting the environment, as well as in bringing about change in daily consumption patterns. Consumer co-operatives have long since understood that if no attempts are made to switch to green alternatives, we will very soon be surrounded by the pollution and toxins caused by producing, using and disposing of non-green items. In order to meet this challenge, consumer co-operatives have continued to deploy a wide range of initiatives in 2012, the most significant of which are listed here.

#### **Coop Italy**

To begin with, Coop Italy's 'Vivi Verde' (literally 'live green') line of eco-friendly products spread to a broader number of consumer co-operatives across the country and consolidated its performance.

The line, which now includes around 475 items, merges primarily ecological (24 of them Ecolabel-certified) and organic products. No products in the 'Vivi Verde' line contain tropical fats, (the kind of fats found in coconut, cocoa, palm fruit and palm kernel), or flavouring agents, even natural ones.Products include:

- Disposable dishes and glasses produced with biodegradable maize plastic;
- Rechargeable batteries;
- Bulk detergents.

Alongside the two new products launched in 2011 (reusable nappies and stationery made of 100 % recycled materials), May 2012 saw the introduction of the new "Vivi Verde" cosmetics line, with 14 skin care products. All products are rich in natural ingredients, dermatologically tested and do not contain synthetic substances.

#### **S** Group

In 2012, the grocery and consumer goods stores of S Group (Finland) carried 881 products with the Nordic Ecolabel (the Swan label). New Swan-labelled products are frequently added to the private label range; with most being textiles. In addition to this, the range and sales of ecolabelled products in Coop Norway also continued to rise in 2012. For example, of all the paint sold by Coop, 40% was eco-labeled.

#### The Co-operative Group

Since 2008, the Co-operative Group (UK) has produced its own-brand ecological cleaning range of seven products. This was the first range to be launched in the UK carrying both the EU's Eco Flower logo and a 'Cruelty-Free' logo from the British Union for the Abolition of Vivisection (BUAV).

#### **Coop Norway**

In February 2012, Coop Norway offered organic fruit and vegetables at the time prices as conventional products, something which led to a substantial increase in the sales of organic greens in stores.



# Preserving the marine environment

The marine environment is at risk – primarily from over-exploitation, the intensification of human activities and the effects of climate change.

Seas and oceans cover over 50% of the territory of the European Union, stretching from the Arctic and through the Baltic, Atlantic, Mediterranean and Black Seas. They are a major source of food, employment and economic income and a potential supply of still unknown mineral and biological resources.

The challenge for the future will be to ensure that we can continue to benefit from this precious resource, while protecting it for future generations. Consumer co-operatives are active in this area and strive to reduce their impacts on the marine environment through a wide variety of actions.

#### **Coop Italy**

Coop Italy continued its commitment to three projects aimed at safeguarding marine resources and promoting ecologically and socially sustainable fishing policies:

- The 'Friends of the Sea' project, aimed at sourcing sus tainable fish from both wild catches and aquaculture;
- The 'Dolphin Safe' project, for the protection of dolphins during tuna fishing;
- The 'Red Tuna' project, to safeguard this nearly extinct species.

In 2011, in addition to independent audits by the Earth Island Institute, Coop Italy ran seven audits both in Italy and abroad on aquaculture plants and some fish processing establishments with which it collaborates. In 2012, additional information on the source of tuna was provided on its packaging.

#### **S** Group

In Finland, the S Group's grocery stores carried in 2012 43 fish products certified by the Marine Stewardship Council (MSC). The Group aims to continue expanding its range of fish products with environmental labels.

#### The Co-operative Group

The Co-operative Group in the UK launched in 2008 its 'Responsible Fish Sourcing Policy', which governs the sourcing of all own-brand wild and farmed seafood. The policy is underpinned by a checklist, which examines individual species based on:

- Fishery location and method of catch;
- The species' resilience to fishing;
- Fishery by-catch estimates;
- Whether the species are noted as critically

endangered or endangered on the IUCN Red List, as well as on stock assessments from NGOs such as Greenpeace and the Marine Conservation Society (MCS).

The aim of The Co-operative Group is to maintain its position as one of the UK's most responsible retailers of fish. In 2012, the Group came joint first in the Marine Conservation Society's biennial Supermarket Survey where it scored 84% and earned a gold award for sustainable seafood. All own-brand fish products show the 'responsibly sourced' label and, in 2012, the Group increased the number of MSC-certified fish products sold from 37 to 40, representing 55 % of its wild fish and seafood range. Furthermore, The Co-operative Group does not sell any products identified by the MCS as 'Fish to Avoid'.

#### Eroski

In Spain, the Basque consumer co-operative Eroski signed an agreement with WWF to encourage a more sustainable model of fishing, making it the first Spanish distributor to undertake an initiative of this size. Through this agreement, it will be possible to evaluate the sustainability of Eroski's supply of fish and shellfish.

#### Coop Sweden

As for Coop Sweden, it continued to follow its innovative fishing strategy of:

- Reassuring the consumer that Coop Sweden only sells sustainably sourced fish that is on a specific list complying with strict environmental criteria. The list is updated twice a year by the Coop's internal team of experts in consultation with outside experts;
- Offering a broad range of KRAV and MSC-certified fish and shellfish;

- Promoting traceability of seafood sourced in the Baltic and on the Swedish western coast through the Närfiskat certification;
- Requiring its providers to report where and how fish are caught;
- Requiring providers of farmed fish to explain production and feeding methods;
- · Avoiding selling beam trawled fish;
- Avoiding GMOs in the KRAV-labelled fish breeding.



#### **Coop Netherlands**

Coop Netherlands continued to challenge overfishing, destructive fishing techniques and environmentally damaging cultivation methods. All of Coop Netherlands' fresh wild caught fish is MSC-certified and, since 2011, a large part of the frozen range also bears this label. Moreover, Coop Netherlands has its own Fishing Guide that meets the North Sea Foundation standards, which allows consumers to learn about the different types of fish sold.

#### **UKOOPSPILKA**

In Ukraine, in 2012 a fish curing plant was re-opened which produces fish cured with natural wood scraps and which is not treated in any way by chemical agents or colorants.

# Sourcing organically farmed products

The organic philosophy covers opposition to the use of synthetic fertilisers, pesticides and herbicides as well as support for as animal welfare, energy efficiency, social justice and empowering local farms to grow produce for the community.

#### **S** Group

In 2012, the Finnish S Group's demand for organic products was clearly on the rise. Its grocery stores' product range included more than 2,200 different organic products (an increase of 500 from 2011), which counts products from the nationwide chain's product range and those purchased locally through co-operatives. The sales of organic products by S Group's grocery trade increased in 2012 by 26 % compared with the previous year. S Group is the largest seller of organic products in Finland with a market share of 45%, according to Nielsen Homescan (a national consumer panel). Of all the organic products sold by S Group, 63% originate from Finland. The Group has a strong presence in the development of the organic food chain through the Pro Luomu organic product association – of which S Group is a founding member and the current chair.

#### **Coop Norway**

As for Coop Norway, in 2012 sales of organic fruit and vegetables increased by 60% in comparison to 2011. Total sales of all organic products also rose slightly.

#### The Co-operative Group

At The Co-operative Group in the UK, since 2008 all shell eggs sold have been free-range, and all own-brand eggs have been certified either Freedom Food (98%) or organic (2%). While Freedom Food accreditation stipulates lower outdoor stocking densities than conventional free-range outdoor standards, organic standards offer enhanced animal welfare provision, including the prohibition of mutilations such as beak trimming.

#### **Coop Sweden**

In Sweden, all of Coop Sweden's stores are KRAV-certified, meaning that they are required to feature a broad range of organic products. Obtaining this certification implies that the staff has received basic training about KRAV and organic production. In 2012, the Coop Sweden's proportion of organic products sold was 5.6% of total sales.



#### **Coop Italy**

In Italy, results show that in 2012, Coop's 'Vivi Verde' line, which includes organic products, spread to a larger number of consumer co-operatives across the country thus consolidating its performance. Coop's organic products now represent more than 45 % of organic branded products in Italy.

#### **JCCU**

Though uptake of organic agriculture in Japan has progressed slowly, the Japanese Consumers' Co-operative Union is raising awareness about organic products through its own brand. The most popular item is green tea, with a market share of 1.68%.

# Supporting sustainable forestry management

When they originate from well-managed land, forest products are renewable resources, from which all consumers can benefit. The improper harvesting or trading of these resources can damage or obliterate them, along with the future of the world's plants and animals. Consumer co-operatives have understood this capital challenge and strive to establish a transparent supply chain.

#### The Co-operative Group

In 2012, The Co-operative Group (UK) purchased 35,082 m3 of wood and paper products, compared to 33,928 m3 in 2011. As in 2011, 94 % of wood and paper sold was certified by the Forest Stewardship Council (FSC) (99% of own-brand and paper products). An additional 2% was sourced from recycled post-consumer waste, 3% from recycled pre-consumer waste and 1% from known, legally sourced virgin material,

The Co-operative Group also works with the Roundtable on Sustainable Palm Oil (RSPO) to improve the sustainability of palm oil production and to strengthen supply chain sustainability. 2,382 tonnes (49 %) of the Group's palm oil was obtained through segregated, traceable or identity-preserved CSPO sources. By 2015, The Co-operative Group aims to use segregated CSPO for all its own-brand requirements.

#### **Coop Italy**

Since 2001 Coop Italy has sold only cellulose-based FSC-certified own brand products, such as handkerchiefs, napkins and toilet paper. Since 2011, 15 paper products were added to the FSC-certified line. Furthermore, in order to tackle deforestation, Coop Italy decided not to sell products made of wood from primary forests or from trees at risk of extinction and to progressively increase recycled or certified paper usage. All of the paper used for Coop's communication campaigns (leaflets, catalogues and flyers) is recycled or FSC-certified. By 2015 Coop aims to have 51 % of all paper on the shelves based on sustainable cellulose. Currently, the figure is at 42%.

Coop Italy also campaigns for the sustainable management of the production of palm oil. In 2009, the co-operative asked its suppliers to stop the supply of palm oil from Indonesia until there were concrete guarantees for the sustainable management of palm cultivation. Coop supported reforestation and the treatment of ten thousand plants planted in nine oases managed by LIPU and WWF, two associations working for the protection of the environment. For this purpose, in 2012, Coop created a special edition pack of the cellulose Vivi Verde line with the message: "cheer for our trees".

#### S Group

In Finland, all tropical wood furniture sold by the S Group bears the FSC certification. In addition, the Group's Kodin Terra, Prisma and S-Rautamarket chains no longer sell parquet made of tropical tree species. For years now, in addition to the responsible procurement of palm oil, the S Group has focused on replacing palm oil with other oils; S Group's private label cosmetics line, for example, contains no palm oil. In products in which palm oil cannot be replaced with other oil alternatives, Roundtable for Sustainable Palm Oil (RSPO) – certified palm oil is preferred. 12% of palm oil used in private label products in S Group's grocery trade is certified. In 2011, the S Group was admitted to the RSPO.



#### **Coop Norway**

Coop Norway's approach to tropical timber has been to phase it out from all timber goods and to replace it with either other timber products or other materials. Coop Norway also adopts a 100 % FSC strategy. Throughout the years, it has maintained a close dialogue with the NGO Rainforest Alliance, which specializes in tropical forestry issues.

Furthermore, Coop Norway removed palm oil from a lot of bread and bakery products in 2012, with the overall aim being to phase out palm oil from all food in the coming years.

#### **Coop Denmark**

Since 2009, Coop Denmark has adopted a 100% FSC strategy on kitchen ware and furniture. In 2012, three new FSC products from Honduras were launched.

#### Eroski

Basque consumer co-operative Eroski offers only FSC-certified garden furniture and stationery products.

#### **JCCU**

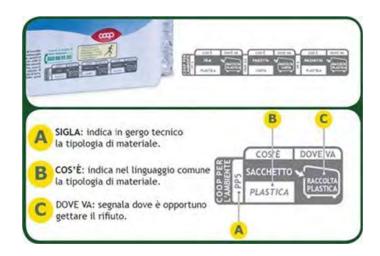
JCCU continues the expansion of eco-friendly products in the market through its launch of the FSC-certified CO-OP pulp kitchen roll. JCCU provides information on the kind of forests where the tree was produced and on the processing and distribution mechanism which conforms to environmental standards. With this new product, JCCU moves forward in the expansion of environmental friendly goods.

# **Preventing and Managing Waste**

Reuse and recycling became more central to the actions of Euro Coop's members and garnered much attention, particularly in regards to how to appropriately treat and dispose food waste.

Throughout 2012, the consumer co-operatives gathered in Euro Coop have pursued:

- An active waste minimisation policy;
- An enhanced waste prevention activity.



# Further promoting the '3R' approach

Reduce, reuse and recycle: the three R's of waste management in packaging, are effective measures that serve as alternatives to the undifferentiated disposal of waste in landfills.

Today, several options are available to handle the waste that we produce, requiring society as a whole to take care of discarded goods in order to effectively preserve the environment. Consumer co-operatives are more and more attentive to this key aspect and have committed to address it even more intensively.

To promote separated collection and to minimise waste, consumer co-operatives often used other tools in 2012, such as:

- The indication on the label of how to dispose of the packaging (Coop Italy, Coop Norway);
- Deposit schemes for beverage packaging (S Group, Coop Norway).

#### Coop Italy

For more than ten years, Coop Italy has been changing its packaging in line with the '3R' ('risparmio, riutilizzo and riciclo') strategy, focusing on:

- Reducing the use of raw material at the production stage;
- Reusing bottles and containers through recharge stations and the sale of bulk-size products;
- Using recycled materials instead of virgin ones.

Coop Italy collects waste separately according to whether it is comprised of paper and cardboard packaging, plastic, organic waste, toners, batteries, plant and drain oils, hazardous and cumbersome waste.

#### The Co-operative Group

The Co-operative Group in the UK reported in 2012 that it had generated 112,962 tonnes of waste, 42,215 tonnes of which were disposed of – reductions of 1% and 5% respectively when compared to 2011, and reductions of 29% and 38% compared to 2006. The Co-operative Group has set a new target to reduce the carbon impact of packaging by 10% based on 2009 levels. Between 2009 and 2011, the carbon impact of packaging declined by 17%, putting them on-track to reach their target, although the figures for 2012 will not be available until mid-2013.

#### **S** Group

As regards Finland, in 2012 the S Group generated 110,000 tonnes of waste, of which 85 % was recycled or recovered. In 2011, the figure was 82 %. The amount of the Group's waste disposed in landfills decreased by 7% from 2011 to 2012.

#### Consum

In Spain, in 2012, Consum recycled 14,146 tons of card-board and recovered about 900 tons of plastic. Other initiatives reduced the distribution of plastic carrier bags (see next section) and promoted the use of 100% recyclable and biodegradable packaging. All these actions allowed for a 29 % reduction of Consum's carbon footprint compared to last year. Finally, in 2012 Consum contributed, in collaboration with Ecopilas, to the collection and processing of 44.5% of batteries on the market (44.6 tonnes).



#### Eroski

The Basque consumer co-operative Eroski has, through a new computer application, analysed the environmental impact of containers and packaging for around 100 ownbrand items. The result of the improvements made to these products was a reduction of 950 tonnes of CO2 output equivalent to five million fewer kilometres by car or planting 2,800 trees. This will also save around 540,000 euros.

#### **Coop Netherlands**

Coop Netherlands continued to focus in 2012 on the separation and recycling of waste streams (in particular paper, cardboard and plastic) and encouraged the sale of products featuring environmentally friendly packaging.

#### **Coop Norway**

In Coop Norway's distribution centres, more than 95 % of the waste was recycled or recovered.

#### iCoop Korea

iCOOP Korea has, in 2012 decided to recycle resources and reduce costs by collecting packaging material such as styrofoam boxes, cake plates, condiment and juice bottles and egg boxes. The South Korean consumer cooperative is also increasing the return rate of reused bottles by installing recycling bin containers inside stores that collect side dish bottles and juice bottles.

#### **Cooperativa Obrera**

In Argentina, Cooperativa Obrera is a member of the 'Your Apple Recycles' programme taking place in the Buenos Aires province as organised by the Provincial Agency for Sustainable Development. This initiative aims to recover recyclable materials which have been dumped as urban waste. Based on the '3Rs' approach, the waste is separated into organic and non-organic materials and then either reused or recycled.



#### Coop Brazil

Coop Brazil also implements an environmental labelling system which indicates whether the packaging is made of aluminium, steel, glass or paper to facilitate recycling.

#### **JCCU**

In Japan, Coop has recycled in 2012 68% of its milk cartons (compared to the 38% national average). It also has a range of non-food items which are made of mostly or entirely recyclable materials.

# Ending the single-use plastic carrier bag era

In 2012, most consumer co-operatives intensified their efforts to reduce the use of single-use plastic carrier bags and offered more sustainable alternatives.

Single-use plastic carrier bags represent less than 1% of household waste but they are considered by many to be an icon of a "throw-away society" and contribute to visible litter. As consumer co-operatives educate their consumer-members about more sustainable living as part of their mission, many actions were concentrated on this measure in 2012.

#### Coop Italy

With the objective of eliminating disposable plastic bags, Coop Italy in 2012 continued to offer its consumer-members many alternatives, reusable bags in a variety of materials such as cotton, jute, Fair Trade coffee bags (up from 12,000 in 2008 to 7.2 million in 2012) and biodegradable plastic bags (224.5 million sold in 2012—down 50% from 2008) that can be also used for sorting waste at home.

#### The Co-operative Group

In the UK, the number of single-use carrier bags distributed to customers by The Co-operative Group was reduced by 63 % in 2012, compared to 2006, with a final objective of achieving a 75 % reduction by 2013. Over one billion carrier bags have been saved as a result of increasing customer awareness through:

- Re-use messages on carrier bags;
- The launch of a reusable Fairtrade cotton carrier bag;
- The removal of single-use bags from prominent display at checkouts.

#### **S** Group

In Finland, the S Group's grocery stores sold nearly 150 million shopping bags in 2012. Of these, 101.5 million contained recycled or recyclable plastic (an increase of 5.3 million from last year). The sales of bags made of virgin plastic have decreased by two million. Thus, the S Group has succeeded in increasing the proportion of recycled or recyclable plastic in plastic bags.

In 2012, S Group's grocery stores sold nearly 620,000 reusable and durable multi-purpose bags (up from 582,000 in 2011). The stores also offer biodegradable fruit and vegetable bags free of charge. In 2011, biodegradable fruit and vegetable bags accounted for 3.8 % of the total volume, but in 2012 their proportion was over 4.5 %.

#### Consum

In Spain, Eroski replaces reusable bags for free should they break or deteriorate. This policy, implemented together with OXFAM, is intended to make it easier for customers to adopt responsible behaviour and to respect the environment.

#### Eroski

Consum saw an increase in the demand of single use carrier bags and, to counter this trend, launched the certified Consumcarrier bags, which quarantees 15 uses.

#### iCoop Korea

In South Korea, iCOOP Korea's Natural Dream stores use fewer or no plastic bags at all by encouraging the use of recyclable grocery bags and recycled boxes whereas in Japan, co-operatives up and down the country have been reducing the use of plastic bags to the extent that CO2 emissions have been reduced by over 20,000 tons.

#### Cooperativa Obrera

In Argentina, Cooperativa Obrera has been developing an 'Eco-bag' project since 2008. Based on the '3Rs', the campaign tries to both REDUCE the use of polythene bags and to encourage the use of REUSE(able) bags (which are especially strong and durable) and which are also, most importantly, RECYCLABLE.



# Enhancing awareness and action on food waste

Consumers erroneously believe that food waste, being entirely organic matter, simply rots away into the ground where it does no environmental harm. In fact, once at the landfill, rotting food produces methane, a greenhouse gas 25 times more potent than CO2.

Changing consumer attitudes is therefore crucial to reducing the amount of food waste that goes to landfills. Consumer co-operatives are aware of this issue and are continuously seeking to reduce the amount of food waste produced in their stores.

#### The Co-operative Group

To help customers reduce food waste, The Co-operative Group prints storage instructions for fruit and vegetables on fresh produce bags. It has also committed to increasing its work with charities such as Fareshare, which distributes surplus food from retailers to communities suffering from food poverty across the UK. In 2012, The Co-operative Group redistributed an estimated 51 tonnes of food via Fareshare from four depots.

#### **S** Group

In Finland, the quality of fruit and vegetables is systematically evaluated. Turnaround and temperature control in warehouses is being continuously improved in order to keep the products fresh and in a good condition for as long as possible.

#### **Coop Norway**

Coop Norway is engaged in a business-led project on food waste which aims to reduce the amount of edible food waste by 25 % before 2015.

2012 saw the creation of the *Coop Environmental Prize* by Coop Norway. This first year the Prize was to be awarded to the best idea for reducing food waste. A lot of ideas were received and the prize was awarded to a local work-training project and food bank, *The Musketeers*.

#### **Coop Italy**

Coop Italy has, since 2003, promoted the 'Buon fine' ('Good end') project which aims to recover still edible, unsold food products, and to donate them to charities and people in need. This project, carried out on a national level, is managed locally by the co-operatives. In 2012 it involved 544 shops, and allowed the donation of 5,115 tonnes of food products to 813 beneficiaries that accounted for an overall economic value of 26,553,683 Euros.

#### **Eroski**

Fifteen years ago, Spanish consumer co-operative Eroski launched its first project to collect food for the most disadvantaged, and in 2012, it once again collaborated with the Spanish Federation of Food Banks (FESBAL) to organise a campaign during which consumers could donate food products at in-store collection points. In the first of the bi-annual collections, which took place in June, 92,792 kilos of food were collected (up 5% from the same time last year). The second took place in October where a similar amount was collected.

#### **JCCU**

In Japan, Coop is a major proponent of the Food Recycling Law which aims to recycle 20% of all food waste. Indeed, in 18 Co-ops, the level is at 50% and in 13 Co-ops, the level is over 80%. Alongside this, Coop tries to recycle as much general waste as possible into compost.

#### **Coop Brazil**

In Brazil, Coop ensures that no food is needlessly discarded by sending those items which are either past their sell-by date or have damaged packaging to regional Food Banks. In 2012, 137,044 pounds were donated.

# **Transporting Goods and People Sustainably**

The transportation of goods, consumers and staff has a significant impact on the environment.

Furthermore, goods can occasionally cover long distances before being displayed on the shelves. Consumer co-operatives pursue a range of initiatives to optimise transport efficiency and sustainability, such as intermodality, lowering impacts of individual modes, investing in new technologies and co-operating with key supply chain partners.



#### **Coop Italy**

Coop Italy continued in 2012 with its policy of rationalising goods transportation by:

- Optimising the supply;
- Guaranteeing fully loaded vehicles.

Furthermore, Coop Italy has been promoting a car sharing service for its members since 2010 by offering a 35 % discount on annual subscriptions. The service exists in Bologna, Brescia, Florence, Genoa, Milan, Padua, Palermo, Parma, Turin and Venice and counts a total of 1,255 members – an increase from last year.

#### **S** Group

In Finland, Inex Partners Oy, the S Group's procurement and logistics company for groceries and consumer goods, requires transportation companies to undertake continuous improvement of their operations in order to reduce their environmental impact. Inex Partners performs transport company audits each year to verify the quality of their operations. Two transport companies were audited in 2012.

#### The Co-operative Group

In 2012, The Co-operative Group in the UK reduced transport-related CO2 equivalent (CO2e) emissions by 2 % (28 % since 2006) and reported mileage by 4 % (26 % since 2006). This was largely due to a six million mile reduction in road distribution mileage for The Co-operative Food, equivalent to 3,021 tonnes of CO2e.

At the end of 2009, The Co-operative Group also launched a Green Travel website, which encourages employees and visitors to use more sustainable travel options such as walking and public transport.

#### **Eroski**

Basque consumer co-operative Eroski continued many of the initiatives launched in previous years. Through its 'purchases from the source' (directly from the suppliers' company) scheme, vehicles from the supplier companies collect the products, travel a shorter distance and considerably reduce the number of empty kilometres. There are already more than 300 companies involved. 'Purchases from the source' has involved the movement of 73,000 lorries which in most cases work on the basis of fixed routes with an associated reduction in CO2 emissions. In 2012, Eroski saved 19 million Euros and used this gain to reduce product prices.

#### Consum

Still in Spain, Consum favours eco-efficient means of transportation such as the train compared to other means of transportation for its employees' business trips. In accordance with its conciliation policy, it also encourages proximity of the workplace to the employees' homes, thus reducing indirect energy consumption. Furthermore, in 2011 it initiated a pilot project for the use of electric vehicles aimed at developing a more sustainable distribution network for home shopping. In terms of logistics, its new 'Cotillas Towers' platform is so energy efficient that direct emissions of greenhouse gases decreased by 60% in 2012.

#### **Coop Sweden**

In Sweden, KF has reduced its output of greenhouse gases by 52% since 2008. Indeed, in 2012, Coop Logistics received the environmental award Energy Efficiency Leader Award of Thermo King for the dedication and determination shown to increase transport efficiency.

#### **Coop Norway**

Due to more efficient transportation, Coop Norway was able to transport substantially more goods in 2012 than 2011 without increasing emissions. Modern trucks and lorries with more efficient engines contributes to this result, and will continue to do so in the coming years.

#### iCoop Korea

In South Korea, consumer co-operative iCOOP Korea has promoted the installation of bicycle stands in front of its shops, with the aim of encouraging consumers to leave their cars at home.

# Improving energy efficiency in buildings

Buildings have direct environmental impacts, ranging from the use of raw materials for their construction and renovation to the consumption of natural resources, like water and fossil fuels, and the emission of harmful substances.

They are therefore a major area of concern in which consumer co-operatives are active and to which they plan to be even more committed in the future. Research and innovation in this field are continuously advancing and in 2012 significant progress was made to reduce the overall environmental impact of consumer co-operatives' buildings.



#### **S** Group

Energy efficiency is taken into account in daily work and the renovation of outlets and offices. Many S-markets that were renovated last year improved their energy efficiency. Refrigeration renovations included new equipment with doors or lids. In 2012, developing lighting solutions included replacing shelf lights in cooling equipment with spotlights, increasing the use of LED lights in external and bill-board lighting as well as reducing general lighting in stores in areas where furnishings have integrated lighting.

#### The Co-operative Group

In 2012, The Co-operative Group invested £7.3 million in their Food store retrofit programme and prioritised retrofitting inefficient stores by carrying out 375 projects to improve energy efficiency. Energy consumption was reduced by 2 % compared with 2011 and by 38 % compared with 2006, a figure achieved through a 5 % reduction in electricity respectively. Gross energy-related greenhouse gas (GHG) emissions have fallen by 43 % compared with 2006 and continued use of renewable electricity (please see the following section) across The Co-operative businesses reduced the net energy-related GHG emissions by 72 % over the same period.

Furthermore, the Group constructed a new flagship building in Manchester which has achieved the BREEAM 'Outstanding' rating at design stage and score one of the highest ever number of BREEAM points, making it one of the most sustainable office buildings in the world.

#### **Coop Norway**

Coop Norway launched a new energy efficiency project in 2012 with the overall goal being to reduce energy consumption in all Coop stores and buildings by 100 mill kWh by 2016. The projects is co-financed by Norwegian energy authorities and has a total budget of €75 million.

Coop Norway established CO2 as standard refrigerants when refurbishing or building new stores. Widespread implementation of doors on fridges and cabinets are also contributing to increased energy efficiency. This is a vital issue in the overall environmental performance status for Coop Norway.

The energy consumption in Coop distribution centers was reduced by 4% in 2012, compared to 2011, and the CO2-emission reduction was estimated to be at11%.

#### **Coop Italy**

In 2012, 263 points of sale were built or refurbished following the Greenlight Protocol (23 more than in 2011). This has allowed Coop to save more than 700,000 kWh energy this year. In addition to this, Coop Italy was awarded the European "Greenlight Award 2012" for its "The Desio Supermarket" Programme (in Lombardy) for the innovative

green technology used in this point of sale.

#### Consum

In Spain, Consum's eco-efficient stores numbered 280 in 2012, representing 63 % of the total of own-brand stores. They all feature several energy saving devices, including an energy management system for the monitoring and control of energy consumption. As such they consume 25% less energy than a conventional supermarket. This marks a 3% increase in the number of eco-efficient stores and means that Consum have managed to reduce its CO2 emissions by 5%.

#### **Coop Netherlands**

Coop Netherlands adheres to its long-term "Energy Efficiency Plan", which foresees a gradual replacement of all existing wall refrigeration appliances with new energy-saving equipment with integrated doors. By the end of 2012, approximately 60 % of Coop Netherlands' branches will be equipped with new refrigerator appliances, extending this measure to all its stores by 2015.

#### Co-op Sapporo (Japan)

Co-op Sapporo (Japan) has introduced a high-tech energy management system with the aim of enhancing energy efficiency in the stores through measuring the buildings' energy performance. For the first time, large-scale installations of the device can be seen in Hokkaido, where it measures power consumption of gas, air conditioning and other electric equipment and displays the information on a PC or on a smart phone screen. The provider of the device monitors and sends alerts when the consumption exceeds a certain level of consumption. In one year and a half the system will be installed in 92 stores out of 107, producing electricity savings of 10 % from year to year. This system has already been used for ten years in large buildings such as department stores, where electricity is centrally controlled, but it will be now applied for the first time to small buildings.

# **Developing Renewable Energies**

In 2012 the use of such energies was further strengthened to follow and even go beyond the European Commission targets set for year 2020.

Renewable energy is energy generated from natural resources that are naturally replenished. Renewable energy technologies range from solar power, wind power, hydroelectricity/micro hydro, biomass and biofuels for transportation. Energy generated from renewable sources has long been a priority for several consumer co-operatives gathered in Euro Coop.



#### Coop Italy

As regards Coop Italy, in 2012 it counted 136 photovoltaic plants (38 more than in 2011) on the roofs of as many shops and warehouses, which produced 31,860 MWh. This allowed avoiding the emitting into the atmosphere of 16,700 tons of CO2.

#### **S** Group

In Finland, in addition to investing in wind power, the S Group investigates opportunities to use renewable energy in new construction projects, among others. Inex Partners' consumer goods logistics centre completed in Sipoo (metropolitan area), in spring 2012 uses geothermal heat and bio energy for heating and cooling. Approximately half of its yearly heating needs is covered by geothermal heat and the rest by pellets.



#### The Co-operative Group

As concerns The Co-operative Group in the UK, all the electricity used in 2012 (some 973 GWh) came from high-quality renewable sources, mainly wind and hydro technologies. Green electricity counted for 98 % of the total and The Cooperative Group also negotiated green energy contracts on behalf of 16 independent co-operative societies for a total of 301 GWh. Output from The Co-operative Group's on-site renewable energy installations totalled 48 GWh, compared to 31 GWh in 2011, meeting 5 % of energy requirements with the target to generate the equivalent of 25 % of their electricity needs from on-site renewable sources by 2017. Since 2005 the Group has been operating turbine wind farms that generated an estimated 184,000 MWh a year, equivalent to over 18 % of The Co-operative's electricity requirements. Furthermore, The Co-operative Group supported micro-generation technologies through their Green Energy for Schools programme, which included 189 installations and a £5.5 million Solar Tower project in Manchester that is the UK's largest solar power installation.



#### Consum

As regards the Valencia-based consumer co-operative Consum, 67 % of the electric energy consumed in 2012 came from renewable sources. This is a 23% increase from last year.

#### **Eroski**

With regard to Eroski, it has cleverly decided to use the Spanish sun to its advantage by increasing the number of hours natural light is used in its logistics platform in Elorrio from two per day to ten over the past year. In 2012, this saved over 347,000 kilowatts and prevented the emission of nearly 183,000 kilos of CO2. The entire lighting system was in fact renovated so that when the light is used, far less energy is consumed – so far this has saved 234,000 kilowatts and 123,000 kilos of CO2 per year. The next step will be to extend this system to all logistics platforms throughout Spain.

#### **JCCU**

In Japan, consumer co-operatives have been planting trees so as to negate some of their output of CO2. Over 3,000 trees have been planted since 2006.

## **Boosting Education, Training and Information for Employees and Consumer-Members**

Education, training and information to employees and consumermembers are strategic areas of action for consumer co-operatives.

With consumer-members having a say in the management of the co-operative, they need to be aware of the importance of sustainability policies.

Most consumer co-operatives use a variety of channels for this, ranging from traditional tools like magazines and brochures to new media, like websites, blogs and webcasts.



#### **Coop Italy**

Coop Italy concluded in June 2012 the campaign of the PROM-ISE project - Product Main Impacts Sustainability through Eco-communication — which is aimed at developing communication strategies to reduce the environmental impacts of products and to raise awareness of sustainability issues among consumers, suppliers, enterprises and public authorities. The project was launched in 2010 together with the Liguria and Lazio Regions, the regional development agency ERVET and the industrial association Confindustria.

#### The Co-operative Group

The Co-operative Group in the UK launched in 2011 the Green Schools Revolution, a new sustainability education programme, and has now registered over 5,300 UK schools to take part (by the end of 2012). The programme draws together a range of existing community projects, including From Farm to Fork, Energy Works and Walking Buses, as well as offering a range of new teaching materials on themes of biodiversity, fair enterprise and sustainable buildings, as well as opportunities for school visits and participation. Additionally, in 2012 an online environmental training programme for over 13,000 store managers and supervisors was rolled out. The focus was on energy management, waste reduction and awareness of environmental initiatives.

#### **Coop Netherlands**

Coop Netherlands encouraged consumers to enjoy a healthy and responsible lifestyle through the publication of "Coop Conscious", a magazine presenting facts, news and tips for a healthy life.

#### **Coop Hiroshima**

In Japan, Coop Hiroshima has implemented in 2012 an energy saving programme for members which attempts to save electricity, gas and kerosene in the following three areas: air conditioners, sand-by energies and hot-water supply and heaters. Saitama Coop runs an 'Eco-life Day' every June and December which encourages people to consider the ways in which they can reduce energy consumption in their daily lives. Over 40,000 people take part each time.

#### iCoop Korea

iCOOP Korea collaborates with schools through a "School Lunch Committee", whose actions including working with parents to promote eco-friendly school lunches.

# Improving sustainability reporting

Corporate Social Responsibility (CSR) reports represent useful tools to communicate to employees, customers and the general public about the activities that enterprises carry out in the sustainability area. The fact that social and environmental sustainability stays at the very core of the consumer co-operative philosophy makes such reports particularly relevant.

The Swedish, Norwegian, Finnish, Danish, British, Spanish, Dutch and Italian consumer co-operatives publish a sustainability report every year. Also, in terms of mandatory greenhouse gas reporting, The Co-operative Group mobilised 190 businesses and civil society organisations in 2011 to sign an open letter to government ministers, asking that reporting be introduced for large companies. Throughout the year, they mobilised members and customers to contact their Members of Parliament in support of an Early Day Motion, finally achieved in June 2012 when the government announced all companies listed on the London Stock Exchange will be required to report their GHG emissions beginning in April 2013.

# **Further Campaigning**

Campaigning is an essential tool to spread awareness about climate change and the urgency to deploy co-ordinated actions at all societal levels in order to fight it effectively.

This instrument therefore complements the daily activities carried out by consumer cooperatives in the domain of information and education for employees and consumermembers.



#### iCoop Korea

iCOOP Korea has collaborated with the Village Meeting Committee and the Package Recycling Committee since August 2010 to plan and carry out ethical consumption campaigns, and has promoted environment protection by setting up the new member participation section on the iCOOP KOREA website featuring different subjects each month.

#### **Cooperativa Obrera**

On a smaller scale, Argentinian Cooperativa Obrera has supported the FRAAM Foundation Campaign for Clean Beaches (which aims to protect marine fauna as well as the coast itself) through the provision of a huge poster which informs visitors of the Villa del Mar beach of the characteristics of the flora and fauna of the area and guidelines for their conservation.

#### **Coop Italy**

Since 2011, Coop Italy has carried out the "Water from my own place" campaign", an initiative aimed at raising awareness among consumers about the issue of water scarcity and responsible water use. In 2012 it launched the "maximum transparency on water" campaign to raise awareness on sustainable water consumption. Specific tables on chemical and physical features of tab water were shown in 500 Coop stores. Moreover, one million brochures were distributed to consumers, explaining the meaning of each feature. A new supply source from the Cottian Alps was added to Coop own brand range.



Furthermore, Coop Italy granted more visibility to local mineral water and provided consumers with information on the distance between the points of sale, the mineral water sources and the mineral water's content.

Moreover, in order to raise consumers' awareness about the consequences of deforestation, Coop Italy continued its information campaign which included, among others, the publication of a scientific report and the airing of a TV commercial. It also created its own "friend of the forests" logo, affixed to all wooden products sourced from sustainably managed forests according to international defined environmental requirements and certified FSC or TFT (Tropical Forest Trust).

As for Fair Trade, in 2012 Coop Italy launched the "Vesto come penso" campaign, the first Solidal clothing line designed by Katharine Hamnett. The first polo shirts Solidal was launched in 2005 and in seven years the textile Solidal reached a turnover of 28 million Euros. The products were sold in 90 Hyper-coops and some supermarkets and for the International Year of Cooperatives, Coop designed a special edition T-shirt with the slogan "Together is possible".

#### The Co-operative Group

One of the issues the Co-operative Group campaigned against in 2012 was the exploitation of shale gas – something which could significantly reduce the chances of meeting UK climate targets; displacing investments in renewable energy; and the contamination of groundwater. Throughout 2012, nine screenings of the film Gasland were held, showing the impacts of shale gas in the US. In June 2012, the Co-op arranged for an Early Motion on this to be tabled in Parliament calling for a moratorium until the risks have been properly identified and addressed. By February 2013, 25 MPs had signed it.

In collaboration with the Forum for the Future, the Group brought together civil society organisations representing over 16 million members to form the Community Energy Coalition. On 1st February 2012, it published a joint 'vision for community energy' which calls for a dramatic increase in community energy projects. In November 2012, The Co-operative Group arranged for Early Day Motion 684 (Community Energy) to be tabled in Parliament. By February 2013, 97 MPs had signed.

In 2009 and 2010, The Co-operative Group supported the Renewable Energy Association (REA) and Friends of the Earth in securing the introduction of feed-in tariffs (FiTs). In April 2012, the Group submitted a response to the Department for Energy and Climate Chance consultation on FiTs and helped secure he introduction of a 'community energy tariff' and measures that benefit community schemes.

#### **Coop Norway**

In February 2012, Coop Norway launched the "same price campaign" which charges customers the same for organic fruits and vegetables as conventional products.

### Raising Political Awareness at EU level

For Euro Coop, climate change continued to be a top priority in 2012.



In 2012, Euro Coop developed several initiatives to profile at EU level the efforts carried out by its members in tackling climate change as well as to promote the exchange of information and best practices internally.

The Euro Coop Sustainability Policy Working Group (SPWG) worked during the three meetings on the third follow-up to the project: 'Climate change and consumer co-operatives: Taking the challenge forward'.

Throughout the year, Euro Coop has also participated in and given regular input to the work of the Food Sustainable Production and Consumption Round Table (SCP RT). It took part in the SCP RT Steering Committee as well as in the work of the SCP RT Working Groups on Environmental Information Tools (WG2) and Continuous Environmental Improvement (WG3).



Euro Coop also continued to participate and contribute regular input to the work of the Retail Forum for Sustainability in 2012. In this regard, it put forward several commitments in the framework of the Retailer's Environmental Action Programme (REAP) database and actively participated in the drafting of the issue papers on measurement and reduction of carbon footprint of stores, labelling and packaging optimisation.



Against this background and to further its commitment, Euro Coop continued its collaboration in 2011 with the Belgian NGO initiative "CompenCO2", which is now represented by the organisation "CO2logic", to offset the CO<sub>2</sub> produced by staff when travelling. Through this initiative, it submitted quarterly reports to CompenCO2 for calculation and payment.

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## **Members of Euro Coop**

#### **Bulgaria**

#### **Central Cooperative Union (CCU)**

Rakovsky Street 99 BG -1000 Sofia www.ccu-bg.com



#### **Cyprus**

#### **ESEL-SPOLP LTD**

Union of Limassol Co-operative

Societies and

Co-operative Supply Organisation

of Limassol-Paphos Achaion 4 -3022 Limassol

P.O. Box 50311 CY-3603 Limassol www.eands.com.cy



#### **Czech Republic**

#### **Union of Czech and Moravian**

**Consumer Cooperatives** 

U Rajske zahrady 3/1912 CZ - 130 00 Prague 3 www.scmsd.cz



#### **Denmark**

#### **Coop Danmark**

Vallensbæk Torvevej 9 Dk-2620 Albertslund

www.fdb.dk



#### **Estonia**

#### Eesti Tarbijateühistute

Keskühistu (ETK)

Kalda 7c

EE-11625 Tallinn www.etk.ee



#### **Finland**

#### Suomen Osuuskauppojen Keskuskunta (SOK Corporation)

Street address: Fleminginkatu 34,

Helsinki Finland

Mailing address: P.O.Box 1, FIN

00088 S Group, Finland

www.sok.coop



#### **Germany**

# Zentralverband deutscher Konsumgenossenschaften e.V. (ZDK)

Baumeisterstraße 2 DE-20099 Hamburg www.zdk.coop



#### **Hungary**

# AFEOSZ – COOP SZÖVETSÉG (COOP federation)

Könyves Kálmán körút 11. HU-1097 Budapest www.afeosz.hu



#### Italy

# Associazione Nazionale Cooperative di Consumatori-COOP (ANCC-

COOP)

Via Guattani, 9 Palazzo delle Associazioni di settori, piano 4 IT-00161 Roma www.e-coop.it



#### **Netherlands**

#### Coop Nederland u.a.

Postbox 87 NL-6880 AB Velp www.coop.nl



#### **Norway**

#### **Coop Norge SA**

Box 1173 Sentrum NO-0107 Oslo www.coop.no



#### **Portugal**

#### **FENACOOP**

Federação Nacional Das Cooperativas de Consumidores, FCRL Av. Santos Dumont, 57, 2°. Esq PT- 1050-202 Lisboa www.consumo-pt.coop/



#### Romania

#### CENTROCOOP

#### **National Union of Consumer**

#### **Co-operatives**

46-48 Calea Plevnei

Sector 1,

RO-010233 Bucharest www.centrocoop.com



#### **Slovak Republic**

#### COOP Jednota Slovensko, s.d

Slovenská republika sd, Bajkalská 25 SK - 827 18 Bratislava

www.coop.sk



#### **Spain**

#### **HISPACOOP**

Confederacion Espanola de Cooperativas de Consumi-

dores y Usuarios

Calle Vallehermoso 15, 1° ES-28015 Madrid www.hispacoop.es



#### **Sweden**

#### **Kooperativa Förbundet (KF)**

P.O. Box 15200

SE-10465 Stockholm 15

www.kf.se



#### **Ukraine**

#### **UKOOPSPILKA**

Central Union of Consumer Societies of Ukraine

Kreshatik Street, 7/11 UA-1001 Kiev

www.coop.com.ua



#### The UK

#### The Co-operative Group

New Century House P.O. Box 53

Manchester M60 4ES UK www.co-operative.coop

The co-operative

# **CCW Members Included in Report**

#### **Argentina**

# COOP Brazil Cooperativa de Consumo

Rua Conselheiro Justino, 56 Bairro Campestre – Santo André Br -09070-580 São Paulo www.portalcoop.com.br





#### **Brazil**

Cooperativa Obrera Ltda. De Consumo y Vivienda

Paraguay, 445 B 8000 HXI Ar -Bahia Blanca www.cooperativaobrera.coop



#### Japan

Japanese Consumers' Cooperative Union (JCCU)

CO-OP PLAZA 3-29-8, Shibuya, Shibuya-KU JP-150-8913 Tokyo www.jccu.coop/eng/



#### **South Korea**

iCOOP Korea

Association of Consumer Co-operatives

171-9 Singil-dong Yeongdeungpo-gu Seoul R.O.Korea(150-050) www.icoopkorea.coop

