

Responsibility in S Group

Anne Santamäki



Global megatrends in sustainability

Global megatrends

Climate change

Energy and fuel

Population growth and ageing



Vanishing ecosystems

Scarcity of natural resources

Food security and food safety

Scarcity of water

What is our impact on global sustainability megatrends?



Stakeholder engagement means dialogue

Open dialogue with stakeholders is a central part of S Group's responsible operations. Trust in S Group grows through transparent operations.



Listening customer owners

1 We asked you what you think are the essential elements of responsibility.



2 You thought it over...



3 and let us know.

energy saving well-being
recycling authentic local food
responsibility freshness
product trust safety origin



4 This is how S Group's four major responsibility themes were established



Well-being through
co-operative activities



Personnel well-being
and motivation



Responsible products
and services



Resource efficiency



S Group becoming a forerunner in responsibility



Well-being through
co-operative activities



Personnel well-being
and motivation



Responsible products
and services



Resource efficiency

Responsibility derives from a cooperative set of values
which is present in all choices and decisions – in everyday work.

Responsible products and services

Key areas of improvement in product responsibility

1

Improving the traceability of products and the transparency of their origin

2

Developing social and environmental responsibility monitoring of the production chain

3

Developing raw material responsibility



Transparent information on product origin

- S Group wants to provide customers transparent information on product origin.
 - Country of origin of the primary ingredient of own brand food products:
 - At the moment the country of origin information is indicated in 90 % of the own brand food products.
 - The country of manufacture of private label consumer goods:
 - The labelling is already available on slightly more than half of own brand textile products.

COUNTRY OF ORIGIN INDICATED

90%

The country of origin of the main ingredient is indicated on up to 90% of the products in 2013.

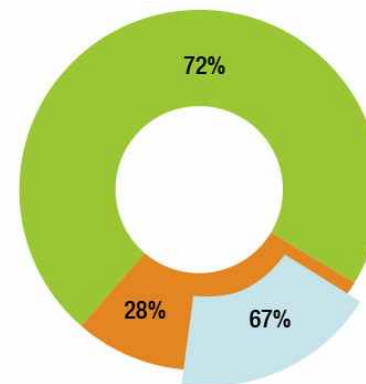


Monitoring supply chain responsibility

S Group is member of Business Social Compliance Initiative (BSCI). The aim of BSCI is to improve working conditions in risk countries and harmonize social compliance monitoring.

More than **1,300** participants 

More than 1,300 European companies participate in the BSCI system.



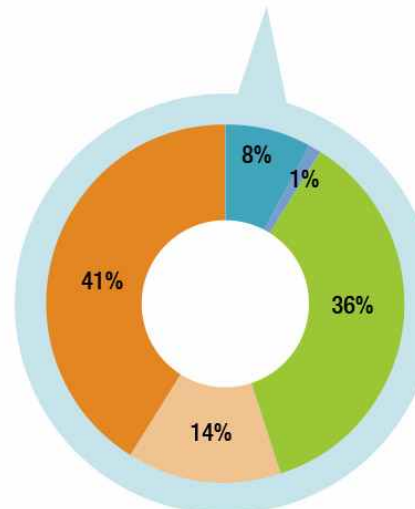
S Group's private label purchases

Purchases from non-risk countries 72%

Purchases from risk countries 28%

Audited risk country purchases

Includes the purchasing volume of private label products and own imports in S Group's grocery and consumer goods trade.



Results of the BSCI audits in the consumer goods trade

SA 8000

ICTI

BSCI Good

BSCI Improvements needed

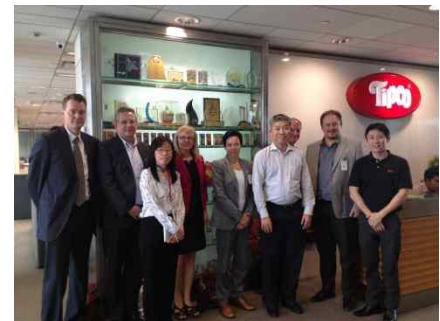
BSCI Non-compliant

Includes the grocery trade and consumer goods trade audits.



Stakeholder and supplier dialogue

- Active dialogue and cooperation with suppliers is needed to improve working conditions in the global supply chains.
- S Group has visited suppliers to discuss current responsibility topics, e.g. fire and building safety in Bangladesh and migrant workers rights in Thailand.
- Other Thai stakeholders were also met to discuss working conditions and migrant workers rights: Migrant Worker Rights Network and Ministry of Foreign Affairs and Ministry of Labour.
- Changes don't happen overnight but we are committed to work in cooperation with stakeholders to achieve results.



Sustainable fish policy

S Group has had a sustainable fish policy since 2009. Regular updates, latest in spring 2014.

- S-group does not accept any critically endangered, endangered and vulnerable species defined by IUCN (International Union for Conservation of Nature).
- S-Group does not accept fishing methods that are destructive to the environment such as explosives and toxic chemicals. All farmed fish has to be sourced from farms that meet the requirements of sustainable aquaculture (ecological as well as social responsibility)
- Certified products range (MSC etc.) is developed further
- Origin of the fish as well as method of catching must be known.
- The principles of the policy as well as the list of accepted species and special criteria are evaluated regularly.

15% MSC-certified products

The share of MSC-certified products in the sales of frozen fish and shellfish in the product category in 2013.



Developing resource efficiency



Improving resource efficiency

HEAT CONSUMPTION

-9.5%



S Group's heating energy consumption was 9.5% lower than in 2012.

-5.4% of waste



S Group's outlets generated 5.4% less waste than in 2012.

88% recycled and reused

88% of S Group's waste was recycled and reused in 2013.



Powered by the wind

- S Group has made considerable investments in wind power projects.
- The goal is for wind power to account for 50 per cent of electricity used by S Group in 2016.
- Benefits of wind power:
 - A renewable, zero-emission and environmentally sound form of energy
 - Improved self-sufficiency in terms of energy
 - Building wind power provides jobs and increases property tax revenue



Fair Trade Products in S-Group

Situation 20.10.2014

Anne Santamäki



Sales of Fair Trade Products 10/2013 – 09/2014

- Sales of Fair Trade products is growing
- Sales index compared to last year is 124%
- Over 200 products (flowers and food)
- Fair trade products
 - Tea (65 products)
 - Coffee (35 products)
 - Sweets/chocolate(21 products)
 - Ice Cream (20)
 - Fruits (12)



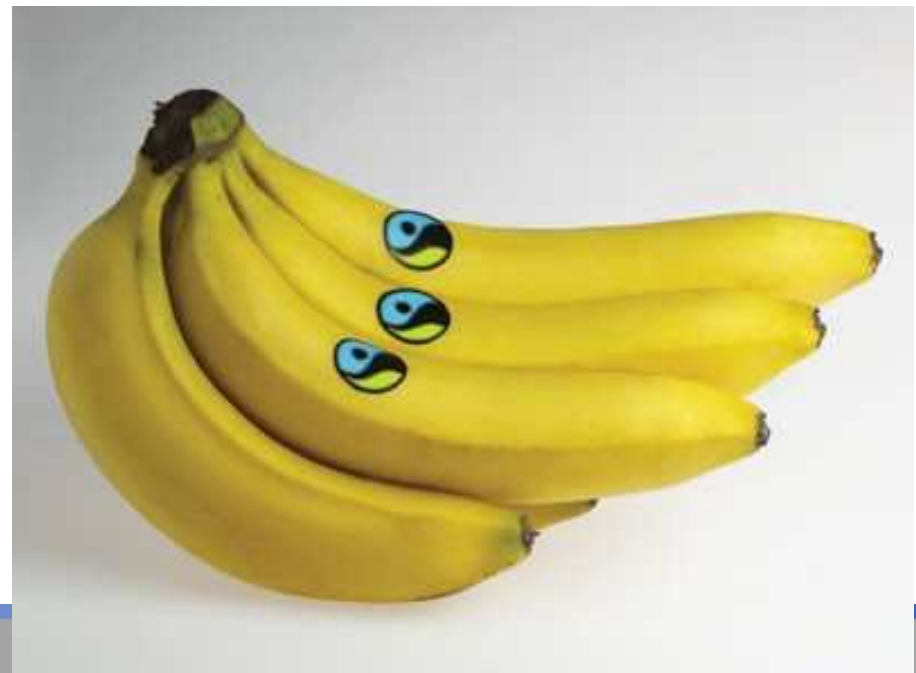
Fair trade products—market share in product group

• Flowers	21%
• Bananas	12%
• Tea	4%
• Sweetening prod.	4%
• Ice Cream	4%
• Coffee	2%
• Cacao	2%



Fair Trade and Organic food

- From over 200 Fair trade products 114 are also organic food
- From the sales of Fair trade products 56%
and from the volym 76% are organic



Cooperation in Finland

Facts and Figures

Total number of cooperatives in Finland according to Trade Register was **4 626** (June 2014).

1) Meat from producers

2) Milk from producers

3) Eggs from producers

4) Share of market logging from private forests

5) Consumer cooperatives sales

6) Deposits (incl. S-Pankki)

7) Premium income

2013	Amount	Members	Personnel	Turnover Mill. €	Market share %
<i>Meat Co-operatives</i>	4	7 074	12 078	3 906	¹⁾ 77
<i>Dairy Co-operatives</i>	23	8 552	5 206	3 351	²⁾ 97
<i>Egg Co-operatives</i>	1	171	116	47	³⁾ 45
<i>Vegetabel Co-operatives</i>	5	300	60	53	
<i>Forest Co-operatives</i>	1	123 275	10 741	4 932	⁴⁾ 38
<i>Animal breeding</i>	1	10 507	405	36	100
<i>Tradeka (Restel)</i>	1	263 437	5 046	512	18
<i>Electricity Co-ops</i>	7	34 775	126	84	
<i>Phone Co-ops</i>	11	100 516	2 589	484	
<i>Retail Co-ops</i>	29	2 109 025	41 784	11 353	⁵⁾ 45
<i>Co-op Banks</i>	219	1 549 074	12 704	2 760	⁶⁾ 39
<i>Mutuals</i>	27	3 102 568	5 850	355	⁷⁾ 9
<i>Co-ops in total</i>	4 626				

