
Berlin Sept. 24th 2015

**Growing sustainable chemistry
through the supply chain
- challenges and solutions**

MALENE TELLER BLUME

**MANAGER NONFOOD, QUALITY AND
SOCIAL COMPLIANCE, COOP DENMARK A/S**



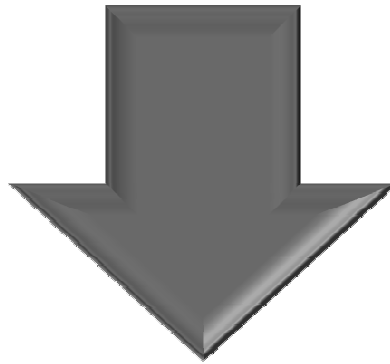
About Coop

Coop is Denmark's largest retail enterprise and is owned by its members.

Coop Danmark operates the chains Kvickly, SuperBrugsen, Dagli'Brugsen, LokalBrugsen, Irma, fakta, fakta Q, coop.dk and Irma.dk.

Together with the independent consumer cooperatives, the organisation has some 38,000 employees.

Coop can trace its roots back to the cooperative movement in the late 19th century. In 2013, FDB (the Danish Co-operative Union) and Coop merged.



Private labels

Own brand in food and daily nonfood – more than 3500 products



Änglamark covers environmentally friendly, allergy friendly and organic products



Coop are goods of high quality which give "value for money"



X-tra is Coop's price fighter series which offer good products for low prices



Private labels



Own brands in nonfood

Home Accessories, Leisure & Electronics

Textiles and Shoes



COTTONFIELD
REG. TRADEMARK



Friends

HUGIN

coop cookware



HOMEWORK

RosesandGold

coop

Coop quality requirements

The aims are:

- To secure highest level for safety
- To maintain role as a first mover in the market
- Opportunity to make responsible choice
- Cover ALL private label products(including discount range)



Examples for Coop requirements on TOP on legislation

1976: first allergy friendly brand in the world??

2006: First mover: Ban of **hormone disruptions** – parabens, sun screens etc.

2005: no use of anti bacterial ingredients like **Triclosan**

1995: ban all **allergenic perfume** and **preservatives** in personal care and cleaning – cover all private label.

1999: **Ban PVC in all packaging** (and many products categories)

2008: **No SVHC**

2009: No harmful phthalates – counts today a list of 16P

2010: No biocides in consumer products

2012: No use nano and micro pearls in personal care

2014: **Ban all fluorinated compounds in food contact materials**

2014: Ban of allergenic preservative Methylisothiazolone (MI)

2015: **Coop will ban Bisphenol A (cans and thermal paper)???**



Challenges in sustainability in supply chain

Green chemistry – need investment in time and money

-knowledge at sub suppliers is quite often not high enough!

Supply chain complexity

-will requirements be communicated back in supply chain?
-chance for comply?



Chemical confusion and switching risk

-when do we take action or wait? Is it seriously?

Higher price and poor performance

-Is a risk for lower sale – not success



Supply & demands

– are the consumers with us?
- will the investments be paid off?



Challenges in sustainability in supply chain

Can be difficult to communicate

-This is just “basic bottom level” – or legislation



Substitution is indeed challenging!

-we have RSL – but not positive lists !

High responsibility and sustainability is not aligned with economical results

– secure goal are set for green actions!

Commercial benefits?

-Can sometimes be hard to decide (Brand protection – and bad media cases we do NOT have)

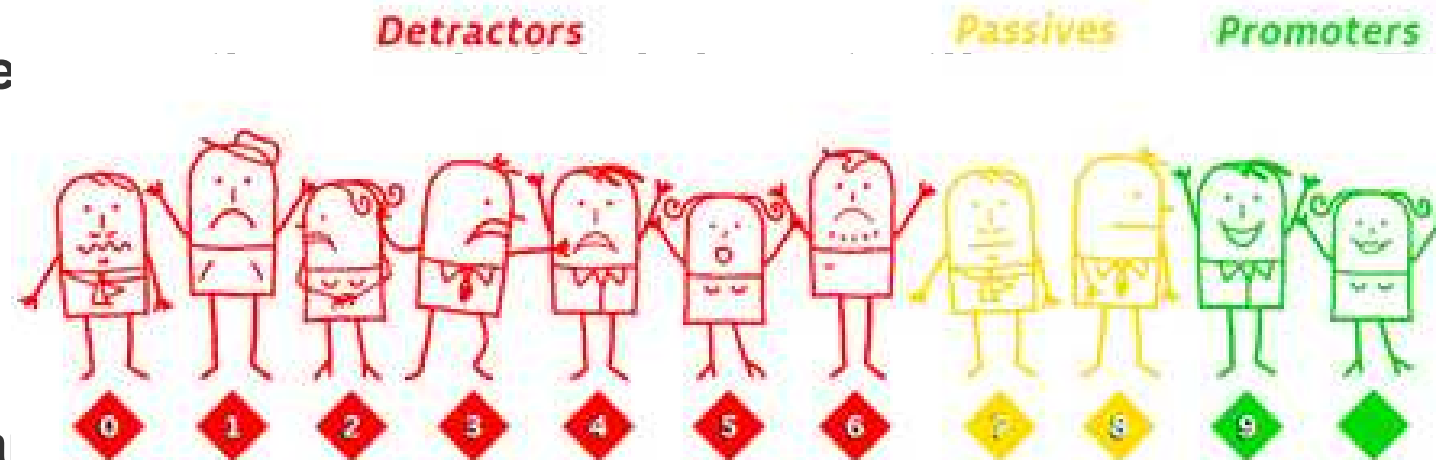
Power and solutions

Driv

On a scale from 0-10 what's the likelihood that you will recommend us to a friend or a colleague?

Use

Bra



Net Promoter Score = % promoters - % detractors

Source: Bain & Company



Power and solutions

Communication is important

- Coops chemical strategy – moving from passive to proactive
- Pull: educate customers' – helps to take the right decision.



Collaboration – NGO, Ecolabels, stakeholders and authorities

- use of ecolabel's extremely important
- network and informations
- secure high attention



Case: Sept 2014 - Coop Bans PFC

- Leading experts in the world stated that the “Tolerable Daily Intake – TDI” for fluorinated compounds level is 100-1000 to high
- Children particularly vulnerable
- Urgent action needed

Minister vil forbyde fluorstoffer i mademballage

Popcorn og lagkagebunde skal ikke pakkes ind i emballage med giftige stoffer.



UDENLANDSK. Mange danskproducerede mademballager er nu uden flourstoffer, men fx popcorn til



Microwave popcorn – Ban May 2015

Microwave popcorn is the only product where substitution was not possible.

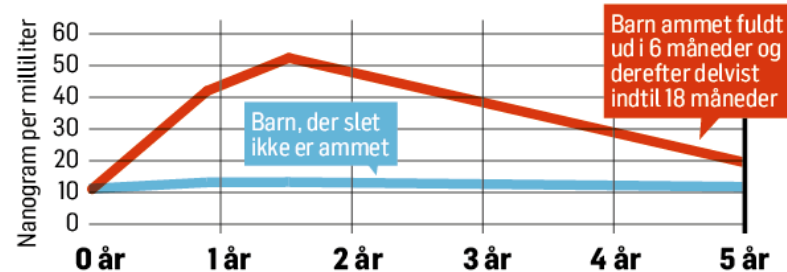
New scientific analysis shows dramatic impact on human health:

- 16 higher risk for abortion
- Breast feeding: the baby will absorb the PFC in quite high level from the mother.



Fluorstoffer i børn

Danske forskere har testet blod hos 81 børn for 5 forskellige fluorkemikalier. Kurverne viser mængden af PFOS-fluorkemikalierne i 2 børn fra studiet. Ud over fluorstoffer fra modermælk får børn ligesom alle andre mennesker fluorstoffer fra eksempelvis husstøv, madindpakning, fisk m.m.



Kilde: Breastfeeding as an Exposure Pathway for Perfluorinated Alkylates, Grandjean et al., 20. august 2015, Environmental Sciences and Technology

Microwave popcorn

- 100 numbers of different publicity, Television (interviews), newspapers, radio etc. on Coops action.
- More than 6000 shared posts on facebook and massive positive comments.
- It was mostly positive feedback, and all experts, NGOs and authorities supported us. Challenges other retailer to withdraw!
- Value of Coops branding more than 1 million Euro (value of branding and announcement)
- All suppliers of popcorn did take innovation into highest priority !



Coops chemical strategy: Dirty Dozen

1. Coop has identified the 12 kinds of chemicals in everyday products, which is the biggest threat to the Danish population's health and the environment - the dirty dozen.

2. By the end of 2017, Coop will work for the ban of all 12 chemical in our own private label products

3. Coop will also make a great effort to influence/challenge suppliers of branded (famous) products to phase out the substances in their products.



Coop's chemical Strategy 2015-2017



Det kan tage flere år før
EU forbyder **mistænkelige
stoffer** i plejeprodukter

Det er til at få røde
knopper af

Derfor tager vi selv affære og forbyder bl.a. alle cremer, deodoranter og andre plejeprodukter, som indeholder det stærkt allergene stof MI, i vores butikker.

Når det kommer til mistænkelige stoffer vil vi hellere være for forsigtige end bagekløge. Tag nu f.eks. konserveringsmidlet MI (methylisothiazolinone). Stoffet er årsag til en eksplosiv stigning i allergitilfælde. Rammes man af MI allergi, slipper man aldrig af med den igen, og den kan være stærkt forringende for ens livskvalitet. Miljøstyrelsen anbefaler derfor, at man styrer uden om stoffet i

kosmetiske produkter. Et forbud i EU kan imidlertid have lange udsigter. Det synes vi ikke, du skal vente på. Vi har aldrig tilladt MI i vores egne varemærker, og nu har vi også krævet at vores mærkevareleverandører fjerner MI fra bl.a. deodoranter, cremer og andre plejeprodukter. Så har du én ting mindre at bekymre dig om, når du handler.

I Coop har vi udpeget 12 stofknopper. Vi kalder dem 'Det Beskættede Dussur'. Selv om de endnu er lavlige, gør vi, hvad vi kan for at holde dem væk fra hylderne. MI er blot seneste eksempel på, hvordan vi hele tiden forbedrer kernen mellem varer og mennesker.

Du kan læse mere på
coop.dk/bedreksami

coop

Announcement in
all big newspapers in
Denmark September 7.

Informing our
approach to the
allergenic preservative
MI and our new
chemical strategy

The legislation is to
slow to cover the risk

coop

Branding of Änglamark



DIT HÅR BLIVER LIGE SÅ RENT SOM DIN SAMVITTIGHED

Änglamark er økologiske, miljø- eller allergivenlige produkter af høj kvalitet. De spænder vidt. Fra vaskepulver til tomater. Fra baby mad til sengetøj. Der er over 600 forskellige varer i Änglamark familien.

Og dermed mere end rigeligt til at blive en helt naturlig del af din hverdag. Ikke alle varianter findes i alle butikker. Følg os på facebook.com/anglamark



Kvickly

Super Brugsen

Dagli Brugsen



EN HELT NATURLIG DEL AF HVERDAGEN

coop

Änglamark is a commercial success



Änglamark was launched in 2006 and today it covers more than 600 products within different categories.

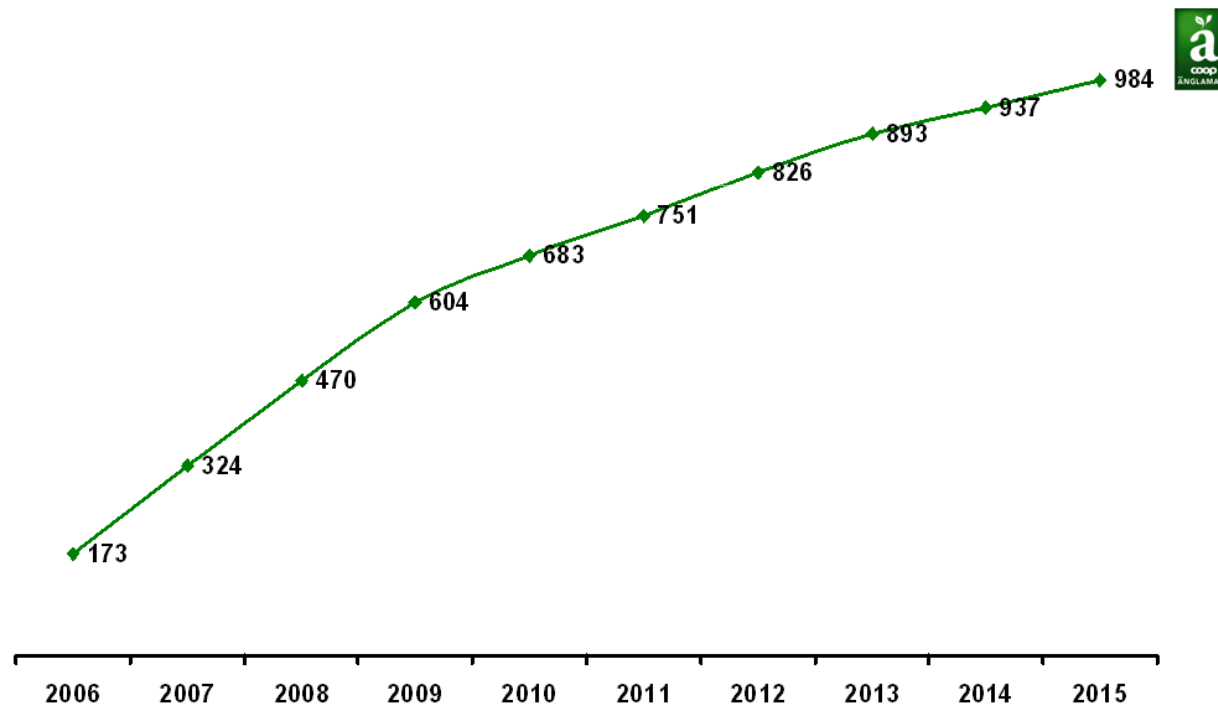
More than 94% of the consumers have a detailed knowledge of the Änglamark brand.



Sale

Salget af egne varemærker – Änglamark

Millioner kroner



Änglamark Sunscreen



Änglamark Run



ÄNGLAMARK ÖNSKER DIG ET
RIGTIG GODT NYTÅR



Änglamark on Facebook



Concluding comments

- Coop has a proud tradition within CSR and recently education of employees and nudging has become approaches we use to influence behaviour change.
- We do believe that our QR contribute to change behaviour – directly as well as indirectly.
- Well known labels can be an effective marketing tool.
- We have experienced that being responsible can be a competitive advantage.
- Communication and interaction with consumers is a very important part in working with CSR.

MANY THANKS FOR LISTENING!

Questions?