

Co-op Showcases Sustainability at Milan Expo

BY PAUL HAZEN

On a vacation in Italy with friends in October, our itinerary included a day visiting the Milan Expo. The theme of Expo 2015 was “Feeding the Planet, Energy for Life.” This was the first such international expo focused on food. While there were predictable national exhibits, the ones that were particularly thought-provoking were those exploring the theme.

Each country came up with ideas surrounding global food supply and sustainability of the planet. There were also corporate exhibits from some of the world’s largest multinationals, including McDonald’s and Coca-Cola. These stirred up some controversy since many question these companies’ roles in the food supply and their records on sustainability.

Supermarket of the future

What I did not expect, but was delighted to see, was a significant exhibition from Coop Italia, the huge food distribution cooperative serving Italy’s consumer food cooperatives. With an 18 percent market share, Coop Italia and its 115 cooperative members operate 1,500 stores, employ 60,000 people, and serve 7.4 million members. Its annual sales are \$14 billion.

While other corporate exhibits told stories about what their companies are planning to do about food sustainability, Coop Italia opened a fully functioning store at the expo to demonstrate its past record and showcase its plans for the future. Coop Italia’s Supermarket of the Future created a high-tech shopping experience for fair goers, which illustrated its goal to develop products that express the highest levels of quality, convenience, safety, ethics, and sustainability.

The store was beautiful and open to the public. It featured the Coop’s private-label products and advanced technology. As you shopped, this technology provided information about the products via interactive tables and vertical shelves, with touch screens at points throughout the store.

High tech on display

At one interactive table, I pointed my finger at a product, and behold—there was everything you could want to know about it. Information included its history and main features such as price, allergens, ingredients, origin, energy values, environmental impact, and other details, as well as photos and videos. It was hard to imagine leading U.S. food companies providing that level of information to consumers!

“The most important job that Coop has done is collect all the information on each product,” said Gabriele Tubertini, Coop chief information officer, during a visit to the supermarket. “The result is a real supermarket that uses the best technology available today.”

One star of the supermarket was Yumi, an anthropomorphic robot made by the Swedish company ABB. Yumi is designed to carry out manual tasks and was bundling apples the day we visited. “That way, the staff has more time to spend with customers, which promotes sociability between the retailer and customer,” said Tubertini.

Collaboration among Coops

To understand the cooperative sector in Italy, a little background is needed. There are three confederations of cooperatives, which began as being politically distinct and competitive with each other. Over the past two decades, there has been a lessening of distinctions and an increase in collaboration, says David Thompson, president of Twin Pines Cooperative Foundation.

Working through Coop, the three confederations are leaders in environmental approaches and sustainable sourcing of products. With their own label, manufacturing, and processing, they’re able to control their entire supply chain.

I was especially impressed with Solidal, their line of fair-trade products. The commitment to fair trade began at Coop in 1995 when coffee, its



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first fair-trade product, landed on the shelves. There now are more than 40 fair-trade products at Coop, both food and nonfood.

Committing to sustainability

Coop Italia has been working toward food sustainability for decades, unlike most of the other exhibitors at the expo. They demonstrate their commitment to the environment through the following 10 policy principles:

1) Make sustainable development a reality for future generations. Coop adopted the principle of sustainable, “direct development to continuously improve the quality of life on earth of present and future generations, ensuring all people the enjoyment of their rights and freedoms.” (*Declaration on Guiding Principles for Sustainable Development*, EU 2005).

2) Protect the environment, always. Make the environment an integral part of the shared values of the system, inspiring management of



the entire supply chain in all its activities by the principles of accountability and rationalizing consumption.

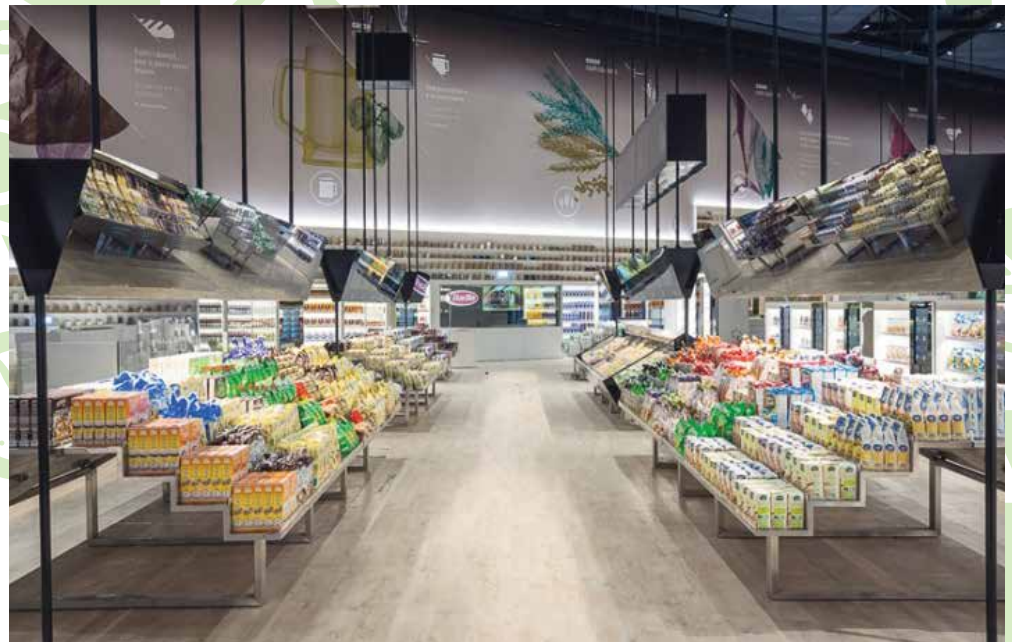
3) Make greener products and services. Pay attention to the environmental impact of goods and services offered to members and consumers.

4) Reduce waste and recycle materials. Its own brand offers goods meeting the most advanced eco-compatibility standards. Coop reduces upstream waste by acting directly on packaging and promoting strategies to reduce, reuse, recover, and recycle.

5) Manage the entire supply chain. Commit to implementing the principles of the ecological cycle from the various levels of production, storage, and distribution up to the point of sale and to the homes of consumers.

6) Reduce the transportation of goods. Work to optimize the flow, handling, and transportation of goods along the entire supply chain in order to reduce emissions.

7) Train workers. Provide workers and employees the information, tools, and environmental education that enable them to operate in a better way that respects the environment.



8) Provide information for shareholders and consumers. Commit to offering members and consumers information, tools, and environmental education to increase their environmental awareness.

9) Conduct research to reduce waste. Encourage the dissemination of instruments for assessing the environmental sustainability of products, packaging, manufacturing processes, and structures.

10) Support laws to protect the environment. Take action on national and international consumer initiatives that support the development of an environment-friendly regulatory process and stimulate the behavior of all players in the sector.

Learning from Coop Italia's example

Three key factors drive Coop Italia's successful sustainability efforts:

- Size and scale: with 18 percent market share, they can provide the leadership to change the market.

- Solidarity with other types of cooperatives in Italy and around the world: cooperation among cooperatives often leads to business between sectors. This was on display at Coop's supermarket, with many of the products sourced from producer cooperatives or processed by worker cooperatives. Coop Italia prides itself on this solidarity and actively seeks tcooperative partners.
- Financing strategy. In Italy, there's a national strategy to capitalize and finance various cooperative sectors. This includes partnerships among cooperative financing

institutions and consumer cooperatives that have led to their growth and success.

Last year, I joined the board of directors for the National Cooperative Bank (NCB) to continue my work on expanding the cooperative sector, in part by focusing on the same factors that have benefited the Italian consumer Coops. NCB has a long history of support for the consumer cooperative sector, but I was pleased to find significant interest and support from the management and board.

As NCB CEO Chuck Snyder has said to me, “We want to do more business with food cooperatives.” As a director, I'm going to do everything I can to promote a closer relationship between consumer food cooperatives and the NCB. The innovation on display at the Milan Expo by Coop Italia was impressive, but the same type of innovation and spirit is alive here in the U.S. □

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