

# COOP SAPPORO CSR REPORT 2018



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Since 2005, COOP SAPPORO has published the Environmental and Social Contributions Report. In 2007, seeking to further report on our corporate social responsibility (CSR) efforts, we revised the publication into a CSR report and are actively disclosing a range of information of interest to our diverse stakeholders. COOP SAPPORO's CSR activities are achieved through the combination of both our businesses and the activities of our members.

Our Report focuses on conveying COOP SAPPORO's day-to-day trajectory based on our core approach and the progress therein, updating our stakeholders on our current status.

As we aim to achieve a sustainable society, we hope you get a glimpse of report conveys, albeit partially, what COOP SAPPORO's role in that process is and what initiatives we are taking to meet this goal.

● The Report time period

The focus of this report is on our core activities for FY 2017, but we also incorporate supplementary information on prior years and on ongoing initiatives and goals through FY 2018 and beyond. This summary of our business is as of March 20, 2018.

● Disclosure on our web site

In addition to this report, COOP SAPPORO publishes this information on its web site. In addition to finding this report online, our site includes the FY 2017 business report, profit and loss data, and other detailed information only in Japanese. (The internet publication of this Report is slated to be published in June 2018).

CSR Report URL  
<https://www.sapporo.coop/>

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## CONTENTS

### COOP SAPPORO's Businesses and Activities ..... 01

Feature **Solving problems  
in the local communities**  
-COOP SAPPORO and social business- ... 02

#### FY2017 Activities Report

### Connecting People to People ..... 08

### Connecting People and Food ..... 12

### Connecting People with the Future ..... 18

#### 2017 Environmental Activities Report

### Environmental Philosophy and Policy ..... 23

### Environmental Topics ..... 24

### Environmental Activities Report ..... 28

#### About COOP SAPPORO

### Messages from COOP SAPPORO (New set of principles) ... 29

### About Us ..... 30

### Membership Demographic ..... 31

### Locations and Formats ..... 32

### Opinions to Co-op Sapporo CSR Report 2018 ... 33

## COOP SAPPORO's Businesses and Activities

Resolving social issues

Community building

Mutual aid

- COOP *Todok* delivery services and watching elderly people (page 8)
- Efforts in stores (page 9)
- *Marugen* and efforts for preventing dementia (page 10)
- Opening of New Feriae Hall (page 11)
- Shopping bus service (page 11)



Connecting  
People to People

Connecting  
People with  
the Future

Connecting  
People and Food



Creating a rich  
Hokkaido culinary culture

Food education  
(*Taberu-Taisetsu*)

Food safety and security

- COOP Meal Delivery Service (page 12)
- Efforts to provide safe and secure food (page 13)
- Cooperative efforts on food (page 13)
- *Taberu-Taisetsu* Festival (page 14)
- Fish cooking classes (page 15)
- Children's Job shadowing program (page 15)
- Restaurant on the Farm 2017 (page 16)
- COOP Sapporo Agriculture Award (page 17)
- Experience *sake* rice harvesting (page 17)

- *Todok* Food Bank (page 18)
- First Child Box (page 19)
- *Ehon ga Todok* (page 20)
- College scholarship (page 20)
- Better work environment (page 21)
- Relief fund Donation for Northern Kyushu Rainfall Disaster (page 22)
- Peace study tours (page 22)
- 10th anniversary of the unification of COOPs in Hokkaido integration (page 22)
- COOP Future Forest Fund (page 24)
- Polar Bear support project (page 25)
- Promoting renewable energy (page 26)
- Efforts at Eco Center (page 26)

Feature

# Solving problems in the local communities

— COOP SAPPORO and Social Business —

In 2017, COOP SAPPORO celebrated its 10<sup>th</sup> anniversary of integrating all the local COOP organizations in Hokkaido. Over the last 10 years, the member population in the prefecture has reached 1.7 million. We have regional headquarters, logistics networks, and communities across Hokkaido and operate services beyond municipal-borders.

We expect that collaborative initiatives with each and every city and towns to watch elderly people will be completed shortly.

Taking advantage of our scale, tackling social problems of each local community as a business, in another word social business, is COOP Sapporo's strength and a mission to practice as a cooperative in Hokkaido.



Top Interview

## Harnessing the resources of COOP SAPPORO to create a “Hokkaido-wide” system

COOP SAPPORO has gained a lot of business methods that can be used to solve problems of local communities through its efforts. In order to make use of them, the CEO and president, Hideaki Omi talks about the outlook of the next generation of cooperation.



CEO and president of COOP SAPPORO

**Hideaki Omi**

### Business entity called COOP enables to focus on contribution to Hokkaido

As the membership of COOP SAPPORO reached 1.7 million in February, it is expected to reach 2 million in the next few years. Seeing the fact that 1.7 million in approximately 5.4 million people in Hokkaido have joined our membership, it is high time for us to question the conventional idea that COOP SAPPORO is merely a private business entity. Currently equipped with 108 grocery stores, delivery centers, logistics and infrastructure covering all the areas of Hokkaido, COOP SAPPORO is asked to play a role to contribute to the communities by making good use of them.

Celebrating the 50th anniversary in 2016, COOP SAPPORO restructured its basic principles; How COOP SAPPORO can contribute to Hokkaido now. It is our new social mission to make people feel happy to live in Hokkaido and makes it happen through our businesses. We are asked to respond to the needs and issues of the people in Hokkaido and solve their problems.

The strength of COOP is that it is a non-profit business organization. In other words, our new challenge is how to create a sustainable business model in which return on cost/investment does not affect the profit/loss balance.

### Expand the system to support the declining rural functions due to labor shortages

The urgent problem in Hokkaido is a labor shortage. Unless we take measures to secure workforce in rural areas in the next 7 to 8 years, they cannot continue some functions because of the shortage of manpower. We desire to stop such disaster in local areas by replacing COOP

SAPPORO's functions.

For example, if a local hospital tries to provide hospital meals individually, it will require high costs for cooking and deliveries. We have delivery services, factories, and logistics. If we deliver semi-processed food, such as cut vegetables, they can reduce the total labor costs at the cooking site. Also, it is even more preferable if they could provide hospital patients with meals made of seasonal ingredients of Hokkaido, they will bring the joy of life.

If our meal delivery department can collaborate with hospital meal businesses, we will be able to establish specialized facilities inside COOP SAPPORO'S meal factories all across Hokkaido and prepare menus catering to each health requirements. If we give feedback and know-how to the meal factories, they will be able to provide lunches to those who have home medical cares. This will also support the care services as a whole.

We are certain that it is possible to put such initiatives in to practice, if we can construct a structure to work on a island-wide basis. Currently, however, some areas have



COOP Meal Delivery Service

systems and others don't, and there is no data in some other areas. COOP SAPPORO will pursue to reconstruct a system of Hokkaido-wide base, by collaborating with parties that are currently separated.

**Energize the local economies with the power of their own communities**

In 2016, we started to open *Todok* Stations in our *Todok* delivery centers as a community place for the people in the neighborhoods. As a result, for example in Nakashibetsu area, 500 people signed up. That is an amazing number compared to the district's population.

In *Todok* Station, used clothes, toys and picture books are sold as a program we call flea market. The proceed from the program are used to buy equipment inside the Station such as wooden toys and height scales for children. In other word, people sell goods they don't use anymore to people who need them, while accumulating a small amount of money to form their common assets. People gather to cooperate with each other, to raise the value of the places they use. This is a typical model of co-operative which we would like to spread all across Hokkaido.

We believe that bringing such invisible value started by connecting people. Unless communities continue, no region will continue. We would like to put emphasis on what we can do about the activities where they maintain and nurture the connection among people.



Todok Station

**Continue talking with municipalities to find the needs of cooperation**

In 2013, COOP SAPPORO signed a comprehensive partnership agreement with Hokkaido government. Back Since 2010, we have visited cities and villages to conclude watch-over agreements for elderly people every year, and we will soon complete entering into causes with all the municipalities in Hokkaido.

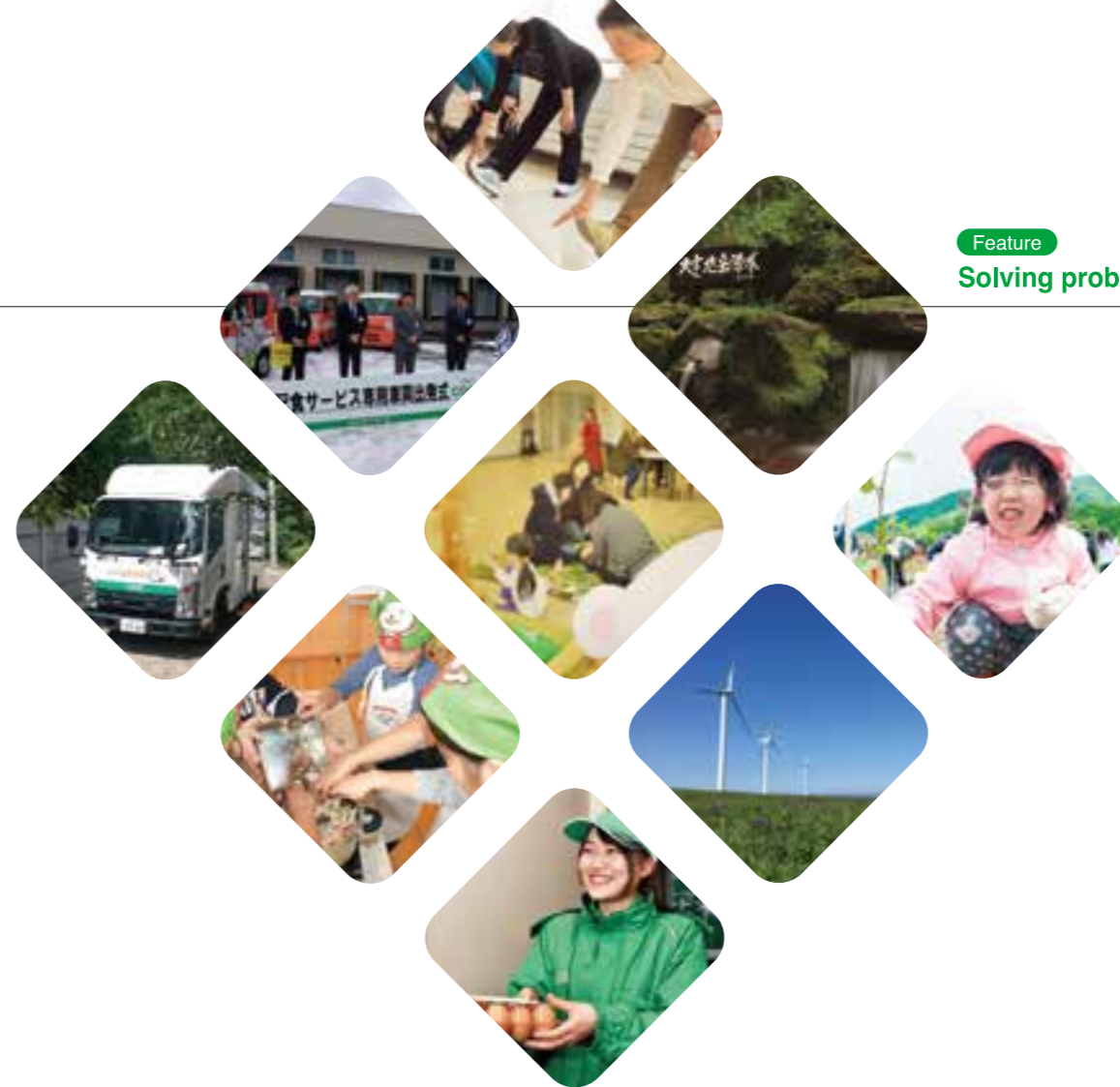
In 2016, *Todok* Delivery Service, which has been a core of the watching network, celebrated its 10th anniversary. To commemorate, we carried out the *Todok* Smile Caravan 179, with which the mascot of *Todok* visited to all the 179 cities and villages in the prefecture and expressed gratitude to the local people. Our board members accompanied *Todok* and discussed with each local government once again, and found that there were a variety of demands and needs. COOP SAPPORO, which has resources such as facilities, logistics, and people, began to consider how to play a new role to respond to each local demand.

The public sector has its own mechanism; various



Todok Smile Caravan 179

**Feature Solving problems in the local communities**



procedures different from the private sector. In order to effectively cooperate, it is necessary to understand how the government sector process things, to figure out what can be done and what the roadblocks are, so as to see how we can supplement them.

Therefore, in fiscal 2018, we would like to establish a Regional Policy Department to respond to the need of municipal governments. We will have talk sessions with each of them every week to share the opinions and problems to find their needs. We are planning to have conversations with 50 municipalities a year, aiming for visiting all the cities and villages across Hokkaido in three years.

**Boost the strong field of each local government and support to become prosperous**

One of the roles of the regional Policy Department is how the characteristics, or strong field, of cities and villages function in the businesses of COOP SAPPORO. For example, Shimokawa town is a forestry town, and we have made disposable chopsticks from thinned woods in the town since 2008, when they began to address environmental issues. In the future, we plan to establish an

internal section by which people can get professional consultation on sales channels and utilizing techniques.

Such collaboration may become one model example and spread to other cities and villages. Also, the Department plans to promote activities through mutual personnel exchanges. For a starter, we will ask two local governments to dispatch officials to us, and plan to increase the people in the future. If there is a request, we will also dispatch staff to demonstrate our abilities whenever private sector's know-how can be utilized. Through personnel exchanges, we aim to expand the practice after being evaluated by both public and private sectors mutually, and create new initiatives as a synergistic effect.

Although the Japanese government aims for regional revitalization, it is almost impossible to make sustainable efforts only led by the government. To establish a collaborative alliance between the private sector and the public sector while developing a sustainable enterprise; that is COOP SAPPORO's vision of social business.



# COOP SAPPORO's evolving social businesses bring about sustainable communities



## Aiming for sustainable communities -Efforts for SDGs-

The Sustainable Development Goals, SDGs, were adopted at the United Nation's Summit in September 2015, and the 17 Goals were built as clear goals to achieve an improved future by linking the economy, society, and the environment, while the people enjoy sustainable communities. We firmly believe that COOP SAPPORO can contribute to the communities in Hokkaido by working for these goals. In the following pages, we use the icons particularly related to our activities.



### Community building

Details ▶ page 8

Since its establishment, COOP SAPPORO has promoted cooperation among members and has been working on creating communities in various ways as a place where people help each other. We have provided parenting events in Co-op stores so that parents can bring their children and talk about parenting problems. In addition, we launched *Todok* Station at the one of our delivery centers in 2016. We also started "Chokotto Cafés" in 2015, where elderly people can take a break and interact with each other. We are increasing the stores with the Café.



### Todok Food Bank

Details ▶ page 18

It was started in 2016 as a part of efforts against food loss where food are disposed of not because they are expired but of the distribution requirements, and as a part of supporting children in foster homes. We provide returned food from our *Todok* delivery services to those homes for free.



### Monitoring seniors

Details ▶ page 8

Our weekly delivery services such as *Todok* also work as a watching program for elderly people in which we confirm their safety while our staff visit them at their doorsteps. Since 2010, we have established a system with municipalities by forming agreements for watching elderly people, started *Todok* Watching, a watching service on behalf of long-distant families, and enhancing our staff training. In 2015, we created the *Todok* Safety Supporters who visit elderly people aged over 70 living alone to support them using our delivery services and listen to their requests. In FY 2017, we visited 8,060 households. Currently we have 25 Supporters and are target to 40.



### Marugen

Details ▶ page 10

*Marugen*, which started in 2014, is a system to provide exercise programs for health maintenance and preventive care of elderly people in the communities through the cooperation of academic, public and private sectors. COOP SAPPORO employs health exercise instructors and dispatches them to cities and villages, so that the each local government can reduce labor costs as "cooperative purchase of workforce". In recent years, the program developed to prevent dementia by conducting researches.



### Taisetsu Water Resources Conservation Center

In order to conserve Hokkaido's water resource for the future, we established a bottling factory of Taisetsu Asahidake Source Water, selected as one of the 100 Selected Water Spots by the Ministry of the Environment, located in Higashikawa-town, by joint investment with Higashikawa government and JA Higashikawa. Sales from April 2017 to February 2018 reached JPY 290 million. We are expanding the brand values by supplying not only COOP SAPPORO but also Honshu-island as well as internationally.



### COOP Meal Delivery Service

Details ▶ page 12

Responding to the rapid increase of single seniors and senior couples' households COOP Meal Delivery Service established in 2010 as a service to deliver meals to families who have hard times preparing meals. In 2012, we added kindergarten meals, in 2013, we started meals for those with particular nutritional requirements and postpartum meals for new mothers, and in 2014 we introduced nursing care meals. Utilizing the knowledge on manufacturing and distribution, we are aiming to launch meals for hospitals and nursing care homes. In 2017, we introduced home delivery vehicles dedicated to these services.



### COOP Future Forest Fund

Details ▶ page 24

In 2008, we founded the COOP Future Forest Fund where we reserve fund by balancing the amount of the plastic bags our members declined. In addition to supporting forestry organizations and holding tree-planting festivals for members, we also make opportunities for children to interact with forests and wood products, strengthening environmental education and tree-growing activities.



### Kakeru Mobile grocery

Details ▶ page 12

It is difficult for the retailers to survive in the rural areas where aging and depopulation are progressing, causing shopping refugees who have no means of transportation to go to a distant store. We therefore started mobile grocery service in 2010. Based in the stores of COOP SAPPORO, dedicated vehicles carrying about 10,000 items go around areas where there are few retail stores. We also added the services in the Sapporo area in 2016 to visit elderly people's houses.



### Renewable energy

Details ▶ page 26

Since we started addressing the environmental issues in 2008, we have carried out various activities such as building eco-friendly stores and conserving energies. After the Great East Japan Earthquake in 2011, we reconsider about the energies, and have promoted to abolish nuclear power generation and using renewable energy. In particular, we developed a bio-gas plant which is a solution to the waste problems of dairy farming industry in Nanae-town in the southern Hokkaido. Utilizing its accumulated knowledge, we are constructing another plant in Shimizu town in the eastern Hokkaido, aiming to launch in 2019.



# Connecting People to People

It is another role of COOP SAPPORO in the aging and depopulating areas to keep people's connections by building communities as well as to support people's lives by delivering goods and services.



## Watch-over communities and build relationships while delivering goods

COOP *Todok* delivery services and our elderly watch over program

### Review our logistic network to reinforce contact points with our members

COOP *Todok* Delivery Services visit more than 350,000 households and deliver products to their doorsteps in 179 cities and villages across Hokkaido. It is a system that people can do grocery shopping conveniently even in areas where there are few stores.

Currently, we are increasing contact points with our members and strengthen our connections. We reviewed the arrangement of home delivery centers and depots (bases), and in FY 2017 we divided the large Obihiro area where they had to go long distances for deliveries, and established Obihiro North Center and Obihiro South Center. This improved efficiency such as reducing delivery time and vehicles, and we were able to strengthen the contact points with our members.

#### Registered members for the Delivery Services

352,335	105.3% of the previous year
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### Expand the elderly monitoring to all around Hokkaido

Since the regional staff of *Todok* visit the homes of our members on a fixed day and time every week, they are expected to monitor the socially vulnerable when visiting them. We have concluded Elderly Monitoring Agreements with each municipality so that the emergency contact system can work smoothly. Over 90% of municipalities in Hokkaido have entered. We are aiming for agreeing with all 179 municipalities in Hokkaido.

#### Elderly Monitoring Agreements

Number of municipalities that have concluded agreements for watching elderly people	166 (in FY 2017, we will conclude with another 21 municipalities)
Number of emergency cases in FY 2017	30

### Todok centers as the bases of community gathering Expansion of "Todok Station"

In order to make full use of delivery centers which were not open to the public before, we are establishing the *Todok* Stations in our delivery centers as a space where people can interact with each other. In FY 2017, we opened Stations in five locations: Teine, Obihiro North and South, Minami Sorachi, Asahikawa South. The total number of the Stations has become nine. We are planning to open more Stations in FY 2018.

At *Todok* Stations, we collect clothes, toys, picture books that can still be used, and sell them at low prices in *Todok* Flea Markets. With the profits, we buy wooden toys so that children can play with in *Todok* Stations.



#### Number of visitors to Todok Stations in FY 2017

Number of visitors	9,569
Collected for <i>Todok</i> Flea Markets (between March 2017 - February 26, 2018)	
Picture books: 21,315 / Toys: 5,275	
Sales performance from <i>Todok</i> Flea Markets (between April 2017 - February 18, 2018)	
Picture books: JPY 339,900 / Toys: JPY 339,400 / Old clothes: JPY 101,500	
Total: JPY 780,800	

### The world's first AutoStore technology in the food sector

In August 2018, we will introduce the next generation robot storage system "AutoStore" to Ebetsu Dry Set Center. This is a logistics system which robots on grids receive and deliver products that are stored at high density, which is the first in the world to handle food. By starting with a product lineup of 8,000 SKU (Stock Keeping Unit) as a step to 20,000 SKU, we aim to satisfy our members further and increase the foot traffic.



### The Regional Award of Japan Marketing Award

On May 1, 2017, the 9th Japan Marketing Award was announced to commend the excellent marketing activities of 2016, and our *Todok* Delivery Services received the regional award. In addition to being an excellent marketing project, which is the selection criteria for regional awards, it was appreciated for its management resources based in the region, contributing to regional revitalization, and employing a business which employs the traits of the region. Activities such as the importance of home delivery for people who have limited access to groceries, watching the elderly, *Todok* Food Bank (see page 18) were praised, and *Todok's* dedicated services contribution of *Todok* to Hokkaido has been recognized.



Ceremony of Japan Marketing Award

### Our Motto: Connecting



### Efforts in stores

#### Re-Opening of Fukagawa Store

We dismantled the old shop which was built 41 years ago, and opened the new Fukagawa Store on December 1, 2017. We doubled the sales area to 2,777 square meters with a seafood counter, a deli kitchen where everything is within view of the shoppers, a drug section, and an expanded neighborhood vegetable section. In the parking lot, 40 out of 120 spaces are senior-friendly.



#### Delica Sweets

We started selling sweets brand C-Sweets on May 19, 2017. Professional pastry chef make sweets in affiliate factories, and you can purchase sweets of authentic flavor conveniently at our stores. In 2017 it was introduced to 44 stores, and we are planning to further strengthen our lineup such as baked sweets.



#### Membership card with electronic money function Cho-co-tto Card

From April 2017, we introduced *Cho-co-tto* Card, a new membership card with electric money functions. By showing your Card at the checkout, you can gain the loyalty points, and you can refill it to pay as an e-money. It is also automatically topped-up for every 500 points.



#### Same-day delivery service

A same-day delivery service, *Rakuchin Tojitsubin*, was launched as one of Chibikko (kids) Coop Day services, which our members with children aged between new born and the 3rd graders of junior high school are eligible. After you check out, pack, and apply at the customer service, the goods will be delivered to your doorstep on the same day. The registered members to on the Chibikko Coop Day with children under 3 are eligible for this service. Chibikko Coop Day has 20,000 registrations.

#### Custom Order Service

COOP SAPPORO has a Custom Order Service in which we procure the products we don't have at our stores, or the ones we sold in the past as much as possible. The Service started in 2012 and we have received 32,000 orders so far. Even though some products are no longer available or others took a long time to get, we will brush up our services to respond to our members.

# Connecting People to People



## Lively communities where people can live peacefully even they are senior, or have dementia

*Marugen* and efforts for preventing dementia

### *Marugen* and *Yurugen* to revitalize the communities with exercise classes

COOP SAPPORO cooperates with NPO Social Business Promotion Center and Hokusho University to work on the Community-wide Health Program, or *Marugen*, and offers communicative fitness classes for senior citizens. In 2017, we held 69 classes in 21 towns in Hokkaido with 1,300 registrants.

In addition, we are spreading the *Yurugen* exercise, a soft exercise program developed by Hokusho University for seniors so that they can enjoy safely. We implemented a *Yurugen* Instructor Certification Course to promote the exercise. With the 307 certified instructors, we protect the people's health in rural areas.

In 2017, with these efforts, we were recognized and awarded funds by the Japan CO-OP Insurance Consumers' Co-operative Federation (JCIF) to support our activities.



*Marugen* has guidance of appropriate exercises according to the exercise capacity of each person.



*Yurugen* can be done while sitting on a chair.



*Marugen* Hokkaido Summit

### *Marugen* Hokkaido Summit to widen the circle of Health

In October 2017, the first *Marugen* Hokkaido Summit was held, and managers and staffs in charge of *Marugen* of 17 of 21 municipalities gathered. This was an opportunity to discuss the definition, the roles, the effects, and the daily activities of *Marugen* in the preventive care business. *Marugen* managers of each municipality in the first part and staffs in the second part discussed passionately to exchange knowledge about the strategies of *Marugen* promotion.

At the Summit, three notable persons participated, including Takuyasu Goto, the manager of regional comprehensive care from the Elderly Health and Welfare Section of the Elderly Support Bureau of Health and Welfare Department of the Hokkaido Government. A wide range of people took part in the Summit, including other regional Co-ops nationwide, municipal governments that have not started *Marugen*, Hokusho University, Hiroshima University, banks, and Agricultural Co-ops, total of 95 people gathered at the event.

### Research on dementia has started in Suttu-cho and Hokuryu-cho

In order to prove that *Marugen* and *Yurugen* are effective for preventing dementia, we have had discussion meetings with Hokusho University and conducted scientific researches of exercise program. It seemed almost impossible to present its factual evidence because we needed a large amount of research expenses and cooperating local governments. However, with the support of the Health Promotion Support Plan by the JCIF, we managed to set up a system that can conduct researches on the disease dementia. Allocating the budget to Hokusho University research team for two years, with the support of Suttu-cho and Hokuryu-cho which have already declared "Dementia-free Town", we conduct cognitive function tests on all the senior residents over 70 years old.

Last year, Sarabetsu village declared "Dementia-free Town", and currently nine cities and villages have declared. We will continue to positively engage in activities that will lead to early detection and support, which is said to be the most important factor in preventing dementia.

### Healthy social life for everyone Holding lectures to learn dementia

We held Dementia Prevention Lecture in eight areas of Hokkaido to get the correct knowledge and learn the need for prevention of dementia. Local governments, regional comprehensive support centers, and medical experts gave lectures and the attendants delved into knowledge about dementia. With a theme of "Connecting people with future", it attracted 826 participants in total. At each venue, many of the participants asked specific questions, which highlighted interests of them. In the future, we are planning to have lectures with more satisfactory contents with the cooperation of local doctors and local governments.



Date	Venue	Lecturers	Number of participants
April 17	Kitami	Shigeo Yoshida: Director of Kitami Red Cross Hospital	74
April 21	Muroran	Nobuyuki Morita: Director of Noboribetsu Keiai Hospital	80
April 25	Hakodate	Makiko Hakamada: Head of the hospital ward of Hakodate Kyoaikai Hospital	82
May 19	Sapporo	Katsuya Urakami: Professor of Medical Faculty of Tottori University	184
May 20	Asahikawa	Katsuya Urakami: Professor of Medical Faculty of Tottori University	177
May 26	Kushiro	Katsue Miyoshi: Facility Manager of Nursing Home Cosmos	71
June 19	Obihiro	Katsue Miyoshi: Facility Manager of Nursing Home Cosmos	95
June 23	Tomakomai	Nobuyuki Morita: Director of Noboribetsu Keiai Hospital	63

### Our Motto: Connecting



#### New *Feriae* Hall

COOP Family Funeral *Feriae* owns *Feriae* Hall in Tsukisamu, Toyohira ward, Sapporo as a funeral house operated directly by COOP SAPPORO. With the requests from our members, we opened *Feriae* Hall Shin-Kotoni in Kita-ward, Sapporo in November 2017. Our concept is to offer a high quality and peaceful atmosphere with hot meals, and transparent pricing to spend comfortable time with the families. More than 200 members visited the private viewing of the Shin-Kotoni Hall. We will improve the visibility for more foot traffic.



*Feriae* Hall Shinkotoni



Private viewing

### Efforts for elderly people

#### Shopping Bus

COOP SAPPORO provides shopping buses at Akabira Store and Socia Store in Sapporo. Since there is a hospital next to the Akabira store, many people use them for shopping as well as going to the hospital. There are two bus routes; Moshiri/Hiragishi Course and Showa/ Horooka Course. Socia Store has two routes; Kawazoe/Nakano-sawa/Minami-sawa Course and Makomanai Course. Members can ride them for free by presenting a membership card.



Shopping Bus of Akabira Store

# Connecting People and Food

To live is to eat, and food supports health and happiness. We protect the food scenes by connecting producers and consumers so that we can enjoy safe and secure food anywhere all through our lives.



## Reliable and Healthy Everyday Meals to Meet Needs

### COOP Meal Delivery Service

#### Expanded the delivery areas of Obihiro New mascot to improve the visibility

COOP SAPPORO started the COOP Meal Delivery Service in October 2010 and has worked on the dinner delivery while monitoring mostly the elderly households. We added delivery areas in August 2017 when the new Obihiro Factory was launched. Currently, 6 factories in Hokkaido are operating to prepare bento boxes and other foods. To increase the visibility, in 2017, we called for the name for its new Hokkaido squirrel mascot, and named as Coop Meal Delivery *Kururin* out of 9,509 applications.



New mascot, Kururin, Hokkaido squirrel

#### Offering healthy meals to meet diverse needs

COOP Meal Delivery Service also offers special diets to meet the needs from those who have dietary requirements. We deliver low-calorie, low-sodium, and low-protein foods as well as soft foods for those with chewing and swallowing difficulties, to support our users' well-being. Our customers are not only older people but also pre-school children. To meet the requests from the children with food allergies, we provide Allergy Free Meals for Preschoolers which look like that of their kindergarten peers and enable them to enjoy lunch time together.

#### Start of the chilled food delivery including milk and yogurt

The dedicated delivery vehicles were introduced across Hokkaido in 2017. Standardizing cold storage allows us to deliver refrigerated products. To meet the demands from users for milk and yogurt delivery in addition to salads, the delivery of these 2 products started in March 2018.

Currently, over 200 delivery vehicles are operating for meal delivery and watch-over services. We continue to improve our services to deliver enjoyment and reliability through food.



## Added Operation Areas to Care Homes

### Kakeru Mobile Grocery

COOP's *Kakeru* Mobile Groceries operate for those living in the food deserts due to aging and dwindling population. 87 trucks cover 126 areas across the prefecture and approximately 27,000 people use our services. We serve for 50 to 60 people a day.

In 2017, we expanded the operation areas in Nishi ward in Sapporo city. Based in Nishi-Miyanosawa Store and Nijuyon-Ken Store, the food trucks started to visit Nishino

and Fukui areas. The Nishi-Miyanosawa truck visits 4 care homes and sees between 80 and 100 foot traffic a day. The residents enjoy shopping the sweets and daily goods by seeing with their own eyes and touching with their own hands.

In Sapporo area, we are eyeing to advance into Minami ward while adding more nursing homes.



## Safe and Reliable Quality Products to Your Tables

### Efforts to Provide Safe and Secure Food

#### Cage-free eggs

EU is shifting to ban the sales of caged eggs from the animal welfare view. Also, in Japan, more consumers prefer to cage-free eggs today and all COOP SAPPORO stores started handling cage-free eggs. We work with 20 producers in Hokkaido and procure and sell quality cage-free eggs.



#### New product of *Naruhodo* Brand

COOP SAPPORO's private label *Naruhodo* Brand added an additive conscious *Naruhodo* Baumkuchen to its lineup. By joining forces with the manufacturer, we are able to launch emulsifier free sweets with slightly hard texture free from unnecessary additives.



New product, Baumkuchen

#### Improving the allergy-friendly product lineup

The majority of those with allergy are under six years old and they are on the rise each year. COOP SAPPORO has special shelves with allergy-friendly retort foods and condiments. Since its launch in 2014, the users are increasing from 3000 to 9000 monthly shoppers over the last three years.



Allergy-friendly product shelf

### Our Motto: Connecting



## Cooperative Efforts on Food

#### Business partnership with Family Mart

An affiliate company of COOP SAPPORO, COOP Foods, started its first OEM business by manufacturing 20 items including Bento boxes and rice balls for a convenience store, Family Mart. About 22,000 *Ehomaki* roll packs were produced for Family Mart in February 2018, resulted in the monthly shipment of 60 million JPY at the end of the FY 2017. We will leverage the know-how of the convenience store operation to further grow COOP SAPPORO as well as to provide better products.



#### Cooperation with high school and university students through food

Annual High School Student Challenge Gourmet Contest came back in 2017 to call for original recipes with local ingredients in collaboration with local producers. COOP SAPPORO Prize went to Bihoro Pork Tomato Coppe by Bihoro High School and Happy Don by Business Information Department off Hokkaido Kitami Hokuto Part-time High School. Their deli products were sold at 104 stores over the island. The bento developed by students of the Food and Nutrition Department of Hakodate Junior College were sold at 12 stores in Hakodate area. On the launch day, the students demonstrated their bentos.

Happy Don proposed by Hokkaido Kitami Hokuto Part-Time High School students



Bento box proposed by Hakodate Junior College students

#### Improving your Abilities! Bento Day lecture

COOP SAPPORO invited Mr. Kazuo Takeshita, the advocator of Bento Day in July 2017 for the lecture commemorating the 10th anniversary of COOP SAPPORO Hokkaido unification. The Bento Day is a movement to encourage children to plan menu, go shopping ingredients, cook and clean the kitchen for themselves without support of grownups. In his lecture, Mr. Takeshita emphasized the importance of cooking with children at kitchen since many grownups cannot cook because their parents didn't let them cook in the kitchen in their childhood.



Mr. Takeshita



# Connecting People and Food



## Families Learn the Importance of Food through Experience

Taberu Taisetsu (Importance of Eating) Festival 2017

Over 300 hands-on experience programs bring the importance of food across Hokkaido

COOP SAPPORO's biggest food education events, *Taberu-Taisetsu* Festival, disseminates Hokkaido's local cuisine and the importance of local production for local consumption to consumers by collaborating with the exhibitors such as local producers, manufacturers, governments, and schools. We started the events in 2007, and marked the 10th anniversary last year.

The events offer multiple hands-on experience programs related to food, lifestyle, and the environment such as fun educational quiz and simple cooking classes for people of all ages. COOP SAPPORO works with each organization on the program development and improvement, and holds Experiential Program Contest in each venue to award organizations with excellent attempts.

In the 2017 events, 361 projects took place, up by 34 projects from the previous year, which totaled 47,423 projects since 2007.

### The event loved by locals and producers

In each venue, participants of hands-on experience programs received a Point Ticket (Fes Ticket) to enjoy the Love COOP Convini shopping experience.

Thanks to these efforts, we received a record number of visitors for the consecutive 2 years. Also, we had over 600 exhibitors and more than 4,000 contributors. We will make continuous efforts to further improve the food education events which also help revitalize the local communities.



"Let's make a personalized salad dressing!" by Mizkan Holdings Co., Ltd.



"Make your original blended rice!" by Hokuren Douou Branch

### Event Result by Venue (Number of Visitors, Exhibitors, Supporters)

Date	Venue	Number of Visitors	Number of Exhibitors	Number of Supporters
August 26	Sapporo	7,466	120	1,078
September 16	Kitami	3,621	72	470
	Hakodate	3,455	65	380
September 23	Tomakomai	3,556	65	405
	Muroran	2,325	70	450
September 30	Asahikawa	4,652	82	540
	Kushiro	3,016	60	330
October 8	Obihiro	3,721	87	460
Total		31,812	621	4,113

### Results of the Contests

Sapporo	Hokkaido Federation of Fisheries Co-operative Associations Sapporo Branch : Master how to cook soy sauce marinated salmon roe
Kitami	Marukita Co., Ltd. : Make your own Sushi like a seafood chef
Hakodate	Hokkaido Coca-Cola Bottling Co., Limited : Experience vending machine!
Tomakomai	Hokuren Douou Branch : Make your original blended rice!
Muroran	HOKURYO CO.,LTD Noboribetsu Office : Cook savory egg custard with Kogane Sodachi Eggs
Asahikawa	Mizkan Holdings Co., Ltd. : Let's make a personalized salad dressing!
Kushiro	Hokuren Kushiro Branch Office : Let's Cook Hakucho Motcheese rice dumpling!
Obihiro	Asunaro Farming : Make! Eat! Handmade Butter

### Participants' feedback

- We had a variety of experiences.
- It was a good opportunity to learn about the products.
- There were new findings. Not only my kids but we also had fun.
- I realized the importance of food through activities.



## Learn Culinary Skills to Get to Know Seafood

Fish cooking classes

In recent years, we have witnessed the decline of the fish consumption and are concerned about preserving the Japanese gastronomic culture. COOP SAPPORO has organized Fish Cooking Classes with the Sapporo Central Wholesale Market eyeing for passing on our food tradition and promoting seafood consumption.

2017 marks the fourth year of our Cooking Classes with total of 101 sessions in Sapporo and other regions. Students learn how to prepare and cook shellfish like scallop and smooth lumpfish in a homey atmosphere. We will continue these activities in order to encourage more consumers to cook fish casually as familiar foods.



Parent-child workshops

### 2017 Event Results

Cooking workshops (including local events)	92 Sessions	1,200 Participants
Parent-child workshops	5 Sessions	60 Participants
Advanced class	4 Sessions a Course	10 Participants a Session



## Get Children Interested in Food Through Work Experience

Children's job shadowing program

We have organized Children's job shadowing program for children between the third and the sixth graders to try a real work experience as a part of our food education activities. Children try preparing and packing perishables, operating cash registers, and displaying products in a real work setting with the real uniforms, tools, and products. Through the program they learn the flow of the supply chain to the consumers, the challenges and the pleasure of working.

In addition to the work experience, they learn service manners including greeting and gain knowledge about foods which they handle in the program. We spark their curiosity about foods by training them with their familiar seafood and fresh produce.

In 2017, 22 stores held the program and 488 children took part in. We got positive feedback from the parents such as the experience changed their children's views on foods.



Children try to cut Sushi rolls evenly at the backyard



Working at the cashier and scanning a loyalty card

### Participants' feedback

- My child learned earning money is tough, so now she helps me a lot at home.
- My child was very happy to be praised by other someone other than his parent and said he wanted to work hard to make his dreams come true in the future.
- My child shows interest in food expiry dates and now always checks the labels at shops and home.
- My child often started to ask me about where the food comes from after the experience.
- My child tries to eat what she doesn't like if it were what she packed at the store. She is motivated to make sushi rolls at home.

# Connecting People and Food



## Celebrity Chefs Add Artistry to Local Ingredients

Restaurant on the Farm 2017

**Encourage interaction with producers and savor the local ingredients in unique settings**

COOP SAPPORO has engaged in various activities to promote of Hokkaido food, linked producers and consumers through local foods, and added new-found value to its products. Our Restaurant on the Farm is a green tourism program where prominent chefs open a one-day restaurant on a farm of the winners of the COOP SAPPORO Agriculture Awards. (See page 17). The chefs visit with a customized kitchen car to serve a full-course meal using the produce fresh from the farm. In 2017, we collaborated with local governments to hold Machi Special (Town Special) in which locals entertain the guests, and Café on the Farm in which you can try plate lunches and sweets.

These events are a part of our food education activities, including producers' presentations of the produce and sea foods, and picking your own fruits and vegetables.

The events caught on and received a lot of applications.



Participants enjoy the lunch in the sunshine



### FY 2017 Restaurant on the Farm (regular program)

Date	Venue	Chef	Participants
June 11	Oshitani Farm, Naganuma Town	Chef Ritsuji Kawasaki, Ricci	57
June 18	Nishikawa Farm, Bibai City	Chef Hironori Sato, Meli melo	53
June 26	Masada Farm, Mori Town	Chef Kazuyuki Matsunaga, L'oiseau par Matsunaga	48
July 2	Fleur Blanc, Tomakomai	Chef Takashi Tsukamoto, Capri Capri	46
July 9	Yogo Farm, Eniwa City	Chef Yuto Wada, TAKU Maruyama	45
July 16	Ishizaki Fishery, Hidaka Town	Chef Yosuke Sato, SIO	40
July 22	Emikuru, Mihara, Ebetsu City	Chef Hideki Horikawa, Trattoria / Pizzeria Terzina	35
July 23	Asada Farm, Naganuma Town	Barista Satoru Oiso, Standard Café	47
July 30	Tada Farm, Kami-Furano Town	Chef Daisuke Kasahara, Day's Kitchen Sou	58
August 6	Sapporo Beer SP in Furepe, Shimokawa Town	Chef Noriyasu Aoyama, Kitchen Support Ao	42
August 11	Otsuka Farm, Shin-shinotsu Village	Head Chef Hiroshi Matsuoka, Sushi/ Chinese Fukurokuju	46
August 20	Takahashi Farm, Erimo Town	Chef Fumiaki Ito, ippocampo	62
August 27	Takahashi Farm, Urahoru Town	Chef Hiroyoshi Okada, BISTRO poele	35
September 3	Suzuki Farm, Mikasa City	Chef Tomoya Kaneko, Barcom Sapporo	43
September 10	Lake Syumarinai Fishery Cooperative Union, Horokanai Town	Chef Katsuhito Aoki, Horokanai High School & Hand-Kneaded Soba Noodles and Food Mimi	41
September 17	Ashida Farm, Chitose City	Chef Hajime Saito, iL SOLITO	52
September 24	Tsurunuma Winery, Urausu Town	Chef Masato Okawa, Le Gentilhomme	44
October 1	Hakkenzan Winery, Sapporo City	Chef Masato Hiraki, Gravita	44
October 8	Otsuka Farm, Shin-shinotsu Village	Student Challenge/ 19 Years Old's Restaurant Qualified Student Teams and Teachers of the Keisen Cooking College	32
October 9	Otsuka Farm, Shin-shinotsu Village	Vegetable Sommelier Riyo Ogawa, Mr.Otsuka's Veggie Sweets Café Chef Toriumi Syunsuke Chef, Athome Trip	48
Total 20 Sessions			918



## Support Producers to Promote Agriculture and Fishery

COOP SAPPORO Agriculture Award

**Recognize producers in Hokkaido to boost sixth industrialization**

Since 2004, COOP SAPPORO's Agriculture Award has recognized producers of produce and fishery who have taken actions in the food safety, the environment, and the interactions with the communities and consumers. Thanks to the supports from governments and many organizations, we celebrated the 10th Awards in FY 2017. Along with the Agriculture Award, the Fishery Award, and the Interaction Award, we added the Business Model Award for Agriculture and Fishing, which recognizes those who promotes 6th industrialization, and the Contribution Award for the Agriculture and Fishing Industry in Hokkaido from the past winners. We had 71 applications for the producers' awards, out of which 27 won the prizes. The honorees expressed excitements as follows: "The prize encourages me to further contribute to Hokkaido's primary industry." "The Award is a motivator for new farmers."



Local panel of judges for the Awards



## Families Help Local Sake Brewery in Tokachi and Learn Rice Cultivation

Experience sake rice harvesting

In September 2017, we held an event where families tried to harvest rice specially designed for brewing local sake, Tokachi-Bare. The program has taken place since 2013 in collaboration between Tokachi Sake Brewery Revival Project and COOP SAPPORO's Member Committee of Tokachi Region.

Around 50 parents and children who planted rice seedlings in May tried to reap rice and learned the process from rice production to sake brewing. They also visited



Rice planting experience



Staff of the Yamaguchi Farm, a hasukappu (blue honeysuckle) farm who won the Hokkaido Governor's Award of the Agriculture Award (Above)



Hasukappu preserves produced at the farm (Right)

**Learn from producers and pass on to consumers**

Our challenge here is how we integrate the Agriculture Awards into our businesses. Inspired by the Award, we started the Neighborhood Vegetables which expanded the sales channels of the producers while reducing the food miles, followed by the launch of Ugly Vegetables and the Organic Vegetables. We also tap the relation with the producers to continue our Restaurant of the Farm events.

By those efforts above, we will delve into every chance to support the primary industry in Hokkaido.



Kikko-gura cellar tour at Tanaka Sake Brewing Co., Ltd in Otaru

The reason to solve social issues one by one is to sustain the local communities for the future generations. Uniting with the children, we will create a sustainable and COOPerative society.



## Reduce Food Waste and Food Education

### Todok Food Bank

#### Utilize returned products to solve food waste problems

There are food close to the expiration dates and substandard goods with defect packaging or printing at food manufacturers and retail stores. Those foods are destined to be dumped even though they have no quality problems. This is called food loss problem. Food Banks are efforts which collect such foods from businesses and donate to fostering facilities.

COOP SAPPORO started *Todok* Food Bank in 2016 aiming to solve this Mottainai problems. We donate returned foods from our *Todok* deliveries by order errors without quality problems to foster homes. We also established the *Todok* Food Bank Foundation in November in the same year by the joint forces with the seven food companies. As a result the 2017's donation reaped from the 2016, with a lot of positive feedback from the foster homes. Since FY 2017, we started to donate to 17 foster homes and a children's living support facility.

#### Strict management for appropriate use of donated foods

COOP SAPPORO conducts strict information management to check whether the donated foods are appropriately used. A list of donated items is provided at the time of handing over foods to check every single item and the facility is asked to keep the list. In order for the donated foods to be properly used for children in need, understanding the facilities are required to grasp the information on the donated foods and make plans for the usages. For that purpose, they are provided a self-assessment Checklist to keep records and required to submit it to the Food Bank.

In addition, as the secondary destination, the Food Bank donates foods to foster parents and young adults aged out of the facilities. They are also asked to submit the records on the donated foods.

#### How *Todok* Food Bank works

##### ① Collect returned foods to home delivery centers

Returned foods without quality problems are gathered in a home delivery centers in each region. Then the shelf-stable processed foods and frozen foods which best before date is more than one month ahead among them are donated through the *Todok* Food Bank.

##### ② Handing over the donated foods

The staffs of foster homes visit the nearest *Todok* delivery center once a week or two weeks and receive donations.



#### 2017 Activity Results

Number of facilities using the food bank	41 facilities
Items donated	102,320 items (equivalent to 48.39 million JPY/ 156% increase vs.2016)
Donations from sponsors	7 organizations equivalent to 13.49 million JPY



#### From children to adults, the Food Bank offer food education activities

Another activity of *Todok* Food Bank is food education. In 2017, the *Todok* Food Caravan visited 11 foster homes. Eri Noto, a children's cooking expert of *Nokotabe* LLC, visited those homes and taught children the enjoyment and the pleasure of doing something good for someone through cooking together.

We also sponsored a food waste course organized by the Department of Agriculture of the Hokkaido government with 20 participants for the each session from October to November. People learned about the food loss and waste and attended cooking classes by Akiko Shoji, a cooking expert. Many people were satisfied with the event and requested the next opportunities.

#### Feedback from the foster homes

- The Food Bank offers a variety of food which changed what's on the children's eating tables. Thank you.
- As we receive a lot of honey, we spread it on toasts. Our children love this and it became our standard menu.
- We will use Ohagi Mochi Sets for our food education.
- Pork cutlets were so delicious our children were happy. The next time I will serve it with eggs.
- Last month we received a lot of rice when our stock was scarce so the donation helped us so much. The young adults who left our home were happy too.
- Two of our former foster children visited us for food donated by the Food Bank. They said they will share them with other former children in the neighborhood. I am happy to hear their kindness.



Cooking with children at the *Todok* Food Caravan



Food education events for the high school seniors who soon have to leave their children's foster homes.

#### 2017 *Todok* Food Caravan (for Former Children) Results

Date	Number of participants
September 2	4
October 7	7
November 4	8
December 9	8
January 6	9
<b>Total</b>	<b>36</b>

#### 2017 *Todok* Food Caravan (at foster homes) Results

Date	Facilities the Caravan Visited	Number of participants
August 2	Hokkoshu Fukuju-en	9
August 3	Hitsujigaokayogoen	15
August 10	Tokachi Gakuen	5
August 12	Sapporo Ikujiin	12
August 19	Utasutsusenshin Gakuen	17
October 21	Hikarigaoka Gakuen	19
October 22	Kuromatsunai Tsukushien	10
October 28	Sakuragaoka Gakuen	20
November 26	Hokko Gakuen	14
December 3	Hakuyousou	13
December 10	Asahikawa Ikujiin	18
<b>Total</b>		<b>152</b>



## Gifts for the New Moms to Support Child Raising

### First Child Box

In April, as a collaborative project with our suppliers, we started to present First Child Boxes to new expecting mothers. The box contains baby products and clothes which are must have items for the first time mothers, which we modeled after Finnish child care support program in Hokkaido.

On top of this, COOP SAPPORO takes every opportunity to support parents such as maternity concerts and baby food cooking classes.



The box contains products with safety, quality, good design, and various sizes



## Picture Books Nurture Parent-Child Relationship

*Ehon-ga-Todok* (Free Picture Books Program)

*Ehon-ga-Todok* is a free picture books program for parents with children ages between 1 and 2 years old. We give out a book every four months, total of 4 books, to each families. This initiative was enormously popular among our members as we saw over sixty thousand enrollments in FY 2017. We continue this hoping that the books will provide intimate moment which nurtures parent-child relationship.

We also conduct *Ehon Wakuwaku* Caravan (Picture books tour) in which we read books to children and hold *Todok's* family theaters at nursery schools and kindergartens to convey the pleasure of picture books. In 2017, we also held *Ehon de Wakuwaku!* Family Live in Tomakomai, Muroran, Sapporo, and Kitami where Tanizou, a songwriter for a children's show on NHK, performed. All the venues were fully booked so we added another show in Sapporo.



### 2017 Ehon ga Todok Results

2017 Number of registration	9,938 people
Registered families in total	61,403 families
Total number of books delivered	310,623 copies

### Ehon Wakuwaku Caravan

Number of facilities visited	128 facilities
Number of participants	11,380 children

\*Total number of facilities the Caravan visited since 2012: 578

### Ehonde Wakuwaku! Family Live Total Number of Participants

Adult	1,343 people
Child	1,067 people

\*Total number of participants in 4 venues



## Scholarships Support Students and Their Families

College Scholarship

The College Scholarship was founded in April 2017 to financially support motivated students and their families. Skyrocketing college tuitions and rampant cheap labor sway those struggle to pay back their student loans and has become a major social problem. On the contrary, our Scholarships does not require repayments after graduation. The students get 250,000 JPY each year, and they will receive up to 1 million JPY in four years if they apply for every academic year.

Eligible students are required a) to work part time at our stores, factories, and other facilities, b) to be a COOP member. One Scholarship student who worked part time gave us feedback as follows, "Working with colleagues of all ages and our members improved my interpersonal skills and I'm positive my experience here will help my future career".

Another target through this program is to encourage these students to continue their career with us who seek to



### FY 2017 Results of College Scholarship

Scholarship recipients	201 (as of March 2018)
Student employees hired under the Scholarships program	284

improve retention rate. Academically and professionally motivated students also boost the employee morale of their workplaces.



## Create an Employee-Friendly Work Environment to Improve Employee Retention

Better work environment

### Efforts on work-life balance

COOP SAPPORO's Nursery School *aurinko* (sun in Finnish) marked the 5th anniversary in 2017. Our licensed nursery school accepts our employees' children along with the kids from the neighborhood.

In April 2017, we opened *Shirakaba aurinko* in Nopporo, Ebetsu city. We plan to add in Sapporo and Kushiro.

Previously, our employees with children had benefited from a shorter working hours for up to three years for each child, and we expanded the span to five years.

We will further improve our work environment by efforts such as increasing paid leaves for people in managerial posts.



Shirakaba *aurinko*

### Welcoming international trainees

COOP SAPPORO's food factories in Ishikari and Ebetsu accept technical interns from China and Vietnam. After an intensive training about factory rules and health and safety management, they will get on-the-job training in each factory. Recently Vietnamese interns has increased so we made job manuals and training videos in Vietnamese language for a better understanding of their operation.

On holidays we organize some Japanese cultural events for the trainees. At the Ebetsu Factory, with the help of the city government and the communities, the interns have opportunities to learn at the Japanese language classes and attend some events organized by the city government and the International Exchange Center.



### FY 2017 Results of International trainees

Number of trainees	159 people
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### Make sure our employees feel respected

As the word Diversity is caught on, many businesses have adopted the idea in part to hire right people. COOP SAPPORO assigned five people as Diversity Consultant to give advices to our employees.

We also focus on hiring disabled people. Hokkaido Hamanasu Foods, our group company, is officially certified as employment support company for people with disabilities, and currently 19 people with intellectual disabilities are marking. Since 2017, we enhanced the Job Coach program to support them more.

We will promote inclusion policy by targeting to achieve 5% employment rate of disabled people in the entire COOP SAPPORO group.

### Employment of disabled people

Number of employment	400 people
Employment rate	4.85%

### Efforts to find employees

To become a best place to work, COOP SAPPORO has taken majors. In November and December of 2017, seven of our group companies including Coop Foods and Enecoop made the first attempt to hold job fairs targeting students. This is our strategic decision for enhancing our brand value as a COOP group.

We also revised the employment contract for the contract employees who work temporary basis to permanent status. Contract workers and part time workers who have been with us for more than five years are eligible for the permanent status. We will implement this new rule in April 2018.



At the Job fair

## Connecting People with the Future



### COOP Members Donate the Relief Fund for Victims of Northern Kyushu

Relief fund for Northern Kyushu Rainfall Disaster 2017

The heavy downpour in July 2017 brought serious damages to Northern Kyushu, especially to Fukuoka and Oita Prefectures. COOP SAPPORO set up a donation drive at the stores and through the *Todok* Delivery Services during July and August for the victims affected by this natural disaster. As many of our members chipped in, the fund received 20,218,221 JPY which was sent to the victims through the Japanese Consumers' Co-operative Union as relief support funds.



### To Pass Down Peace to Our Children

Peace study tours

In a bid to pass on the experiences of the witnesses of the war and nuclear bombings to the next generation, COOP SAPPORO has created an opportunity for children to think about what peace is. The peace study tour chooses children peace ambassadors from various junior and senior high schools nationwide and sends them to Hiroshima and Nagasaki Prefectures in August every year where they participate in the Hiroshima Peace Memorial Ceremony.

In the FY 2017, our COOP members contributed 3 million JPY to send 8 students to Hiroshima and the other 6 to Nagasaki. Later they presented their thoughts and findings about peace from their experiences onsite at schools and community events.



### Unite All Hokkaido Citizens into ONE

10th anniversary of the unification of the co-ops in Hokkaido

In 2007, each local co-op in Hokkaido joined COOP SAPPORO. For the subsequent 10 years, we have built a strong and rich community. To mark its 10th anniversary of the merger, we created a TV ad to unite Hokkaido into one. A Hokkaido-born singer-songwriter Miho Fukuhara provided her song GRACE for our commercial.

COOP SAPPORO will continue to tackle aging society, increasing food desert, food waste, the environment, and other issues with missions of social contributions and the emphasis on communicating with our members.



FY 2017

# Environmental Activities Report

Since the 2008 Lake Toya summit, COOP SAPPORO has beefed up environmental initiatives.

In addition to reducing the environmental impacts from our business activities, we also raise the environmental awareness of our members and work with them to find a framework in which our business activities themselves serve the environment.



#### Environmental Philosophy

Based on our Seven Promises, COOP SAPPORO works with our members and our executives to pursue peace for secure lives and enriched living, respect human rights, protect the environment, and aggressively promote to create communities with ample welfare and full of mutual assistance. COOP SAPPORO aspires to create a sustainable society where those activities can take roots, and all the people in Hokkaido have high hopes for the future.



#### Environmental policy

COOP SAPPORO provides safe products and services which bring trust to our members through our stores, *Todok* Delivery System, Mutual Aid, and other projects, contributes to fulfilling lives for everyone in Hokkaido, and to creating a sustainable and earth-friendly society.

1. We engage in pollution prevention throughout our businesses as well as we take steps to generate greater value with less environmental impact. To that end, we set a series of short and mid-term environmental goals and milestones, periodically review them so as to improve our environmental management system.
2. We strictly comply with all the applicable laws, regulations and agreements which are requirements we have accepted pertaining to the environmental protection.
3. We thoroughly disseminate this policy to all the employees so that each and every person subject to the management system takes responsibility and act in an autonomous fashion.
4. We disclose this environmental policy to the public while we regularly publicize all of our ongoing environmental efforts.

- We use electricity and fuel resources efficiently to contribute to curbing global warming.
- We are committed to waste control and to reduction.
- We use environmentally-friendly office supplies.
- We develop and promote environmentally-friendly products.
- We create an environmentally-conscious culture in our operations.
- We learn from our member feedback while we raise environmental awareness in our communities.
- We are committed to creating environmentally-friendly local communities.

# Environmental Topics

COOP SAPPORO continued to make efforts in 2017 by conducting our businesses with less environmental burden and raising awareness among our members. Please take a look at the following pages for some of our initiatives.



Asumori-za, a collaborative art our 1000 members around the prefecture jointly created



## COOP Future Forest Fund

The 10-year-old project which we have worked on with our members

COOP Future Forest Fund, an initiative in which the amount our members decline the plastic bags at the checkouts are accumulated to grow forests, marked the 10th anniversary. So far we have seen 20,451 participants and planted 88,321 trees around the prefecture.

In the FY 2017, we concluded an agreement with Akaigawa village in April 17, through the Cooperate Forest Growing program by the Hokkaido government, to plant 2000 larch trees in five years. We replant the one hectare



Mayor of Akaigawa participated in the artwork

(app. 2.5 acres) of the municipal forest damaged by the storm two years earlier. We will plant trees for 5 years followed by a 4-year weeding to help grow the saplings. We also formed another agreement with Kyogoku town in July 26 which became the 16th COOP's Forest.

In our FY 2017's Tree Planting ceremony, our 1000 members across Hokkaido joined forces to create a collaborative artwork, *Asumori-za* (an imaginary constellation of Future Forest), in commemorating the Fund's 10<sup>th</sup> anniversary.



Tree Planting Ceremony in Akaigawa village

### ■ Trees planted

Tree Planting Festival at COOP Forests	4,647 trees
Gyoren Fish-breeding Forest Tree Planting	2,495 trees
Others	456 trees
<b>Total</b>	<b>7,598 trees</b>



## Polar Bear Support Project

Raise environmental awareness through collaboration with the zoos

As COOP SAPPORO's *Todok* Delivery System's mascot is a polar bear, we have teamed up with 4 zoos in Hokkaido since 2009 to promote Polar Bear Support Project. We put up exhibition panels in the zoos about polar bears, an endangered species, to help people broaden their understanding and raise environmental awareness. Since the FY 2017, we started the *Todok* Expeditions; an educational and informative platform specialized in the environment taken place at the zoos.

We also have run Eco-Sponsorship Campaign since 2007. At every campaign item bought, we donate 2 JPY to the Polar Bear Project and the COOP Future Forest Fund. We ran the campaign from October 1st to November 30th in the FY 2017, and JPY 3 million went to each Project.

### ■ FY 2017 Polar bear support project sponsorship

Zoo (agreement date)	Date of ceremony	Sponsorship amount	Details
Sapporo Maruyama Zoo (April 27, 2009)	April 27, 2017	3 million JPY	<ul style="list-style-type: none"> <li>Ad for the Annual passports</li> <li>Environmental Education Events (Summer Holiday Treasure Hunt, and Backyard Tour)</li> </ul>
Asahiyama Zoo (April 27, 2013)	June 4, 2017	2 million JPY	<ul style="list-style-type: none"> <li>Panel exhibition</li> <li>Environmental Education Events (Summer Holiday Treasure Hunt and zoo camp with Mr. Ogita, North Pole adventurer, and Mr. Bando, the Zoo director)</li> </ul>
Obihiro Zoo (August 10, 2010)	June 30, 2017	2 million JPY	<ul style="list-style-type: none"> <li>Panel exhibition</li> <li>Environmental Education Events (Summer Holiday Treasure Hunt, and tree planting)</li> </ul>
Kushiroshi Zoo (November 23, 2011)	June 24, 2017	2 million JPY	<ul style="list-style-type: none"> <li>Panel exhibition</li> <li>Environmental Education Events (Summer Holiday Treasure Hunt, arts &amp; crafts workshop, and others)</li> </ul>

### Summer Holiday Treasure Hunt

COOP Expeditions, a zoo exploration event held in FY 2015 and 2016, revamped into Summer Holiday Treasure Hunt, which children have fun learning. It is a quiz rally in which children prowl around the zoos while answering the quizzes about the environment and animals. Children can get Treasure from the secret box when they completed and some of them won a gift by draw as a bonus. Each zoo provided different quizzes. We lowered the difficulty of the quizzes so that even very young children had fun, and they were accepted with only one answer to raise the participation.

### ■ Number of Participants

7,000 people (number of game booklets distributed)  
Number of double chance applications 1,045

\* Both were the totals from the 4 zoos



### Eco-Sponsorship Campaign Backyard Tour

Some people from those who purchased products for the Eco-Sponsorship Campaign were selected for the Backyard Tours at the four zoos. They explored the zoos with the zoo keepers to learn the expertise and care of how they treated the animals.

### ■ Number of Participants

Sapporo Maruyama Zoo (January 13, 2018)	9 groups	23 people
Obihiro Zoo (January 20, 2018)	3 groups	8 people
Kushiroshi Zoo (January 21, 2018)	5 groups	19 people
Asahiyama Zoo (January 27, 2018)	7 groups	19 people

### Todok Explorers

In the FY 2017, we started the *Todok* Explorers, an educational and informative platform specialized in the environment. The zoos, COOP SAPPORO, and others released 408 environmental education programs with 7,473 participants.



## Environmental Topics



### Promoting Renewable Energy

#### Construction of Biman Biogas Plant in Shimizu town

COOP SAPPORO promotes renewable energy. One of our initiatives is biogas plant where cattle manure, food waste, and used cooking oil are converted into biogas for power generation. This is also a solution for manure problems which is a headache for dairy farmers. In 2011, we constructed a biogas plant in Onuma, Nanae town in the southern Hokkaido with NEDO (New Energy and Industrial Technology Development Organization) and have tested the facility focusing on putting it into practical operation.

Tapping the knowledge and the experience there, we plan to add another plant in Tokachi-Shimizu town in the eastern Hokkaido. Enecoop, our fuel/energy business arm, joined to make up the master plan and work as a consulting team. In 2017, nine local dairy farmers and JA Tokachi-Shimizu town joined forces to establish the

Tokachi-Shimizu Biomass Energy, a main body of the operation, and the construction is planned to be completed in July 2019, followed by the commercial operations in August.



### Eco Center

#### The birth of *Todok* Eco Station to raise awareness of the environmental issues

The COOP SAPPORO Eco Center collects all the recyclable waste collected from our facilities in Hokkaido and members' homes, then processes before sending sent to recycling facilities. Since its inception in 2008, the Center has become the base of COOP SAPPORO's environmental activities.

#### Todok Eco Station

Our Eco Center accepts study tours of 800 people per year from governments, businesses, and general public. In October 2017, we opened *Todok* Eco Station on the premises of the Center to provide the environmental education. This enhances the annual tour capacity up to 2000 people, whereas we started to provide information about not only recycling but also tree planting, food waste, renewable energy, food, and COOP SAPPORO's initiatives related to those issues.

We opened the Station purposely uncompleted so that people can work together with the professional workers to build the facility.



*Todok* Eco Station is The room has capacity for 40 people

wide open to the environmental activity groups like Rakuno Gakuen University. In this way, we offer wide-ranging environmental education to serve the communities.



Mayor Miyoshi of Ebetsu City and the students from Nopporo Elementary School were invited to the opening ceremony

#### Colored Form Trays Can Be Recycled Too!

Since our previous Pelletizer could not recycle colored form trays from our stores, we had no choice but dumped them as waste plastic. In December 2017, we installed a new plastic recycle equipment at our Eco Center.

The collected colored trays are converted into pellet fuels by a thermoplastic resin compactor which can process 50kg per hour, up to 180 metric tons per year. Converting plastic waste directly into pellet fuels is energy efficient. In addition, its dioxin emission is reduced to one hundredth of the amount regulated by the Ministry of the Environment.

The churned out pellets are used in plastic solid fuel boilers to heat the used cooking oil to recycle and the floor of the department. The location of the department is the next to the delivery entrance where the temperature gets extremely low during winter. The recycled plastic trays from our stores improved the work environment.



(Top) The thermoplastic resin compactor (Pelletizer), (bottom left) The pellets from colored trays, (bottom right) The resin solid fuel boiler

## Recycling Facts and Figures of COOP SAPPORO

COOP SAPPORO collects recyclables from our stores and offices in addition to from our members using the return trip of our *Todok* delivery trucks. The collected recyclables grow year by year to 33,186 metric tons in the FY 2017, which equals to 18,309 carbon dioxide reductions.

#### ■Eco-Center collection volume

	2013	2014	2015	2016	2017	(Metric tons) vs. 2016
Cardboard	16,870	16,617	16,991	17,602	17,598	100%
Paper cartons	289	292	280	283	276	98%
Weekly <i>Todok</i> catalogs	8,262	8,950	9,948	11,041	12,085	109%
Newspapers	976	975	983	1,000	954	95%
Foamed packages	416	384	411	388	375	97%
Plastic bottles	60	58	61	66	47	71%
Steel cans	30	27	18	24	16	67%
Aluminum cans	44	44	46	58	68	117%
Polypropylene bands	41	40	42	44	43	98%
Plastic Packing bags	128	125	117	116	116	100%
Used cooking oil	722	769	807	849	861	101%
Secondhand clothes	—	21	671	728	747	103%
Total	27,838	28,302	30,375	32,199	33,186	103%

#### We Sell Old Clothes to Donate to Hokkaido UNICEF

We have collected old clothes since March 2014 through *Todok* Delivery. The collected clothes are resold to Cambodia or used as an industrial wipes. In the FY 2017, we donated 1.5 million JPY from the sales of the collected clothes to the Hokkaido UNICEF.



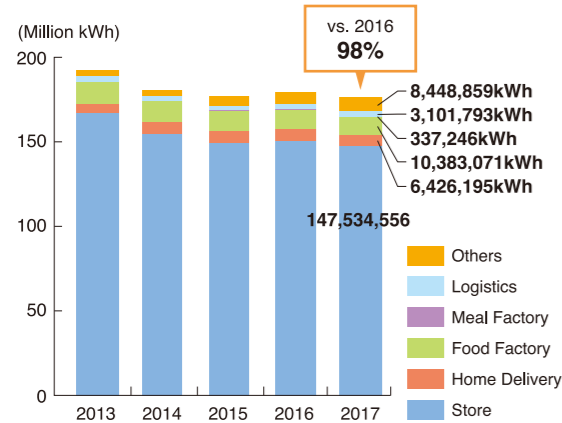
## Environmental Activity Report

Coping with the issue of greenhouse gases, emission especially carbon dioxide, is one of the most important tasks for preventing global warming.

COOP SAPPORO has been actively engaging in saving energy and using renewable energy initiatives.

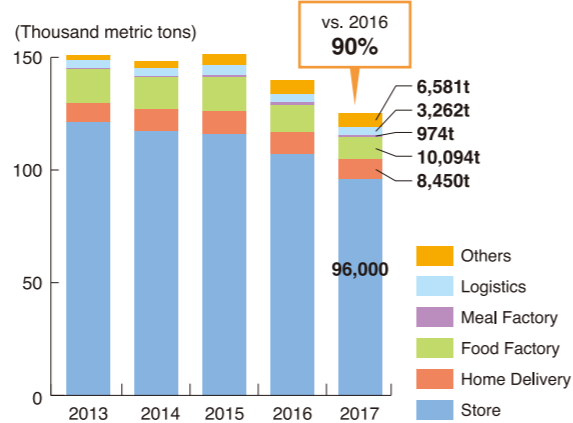
### Electricity

Washing the air-conditioning outdoor units and controlling the duration of night lightings, we reduced the electricity usage compared the FY 2016.



### CO2 emissions

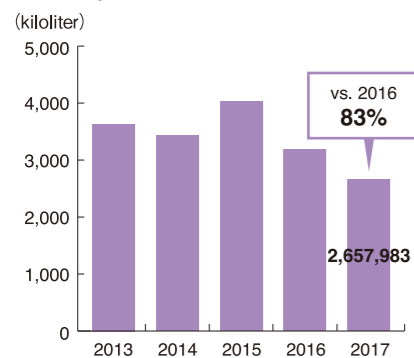
By lowering the electricity consumption amount and purchasing electricity with low CO2 emission factors, the amount of CO2 arising from the use of energy has been reduced.



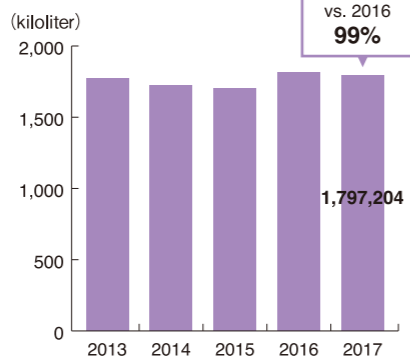
### Energy (non-electric)

COOP SAPPORO is gradually shifting towards the use of energy sources which have a lower burden on the environment.

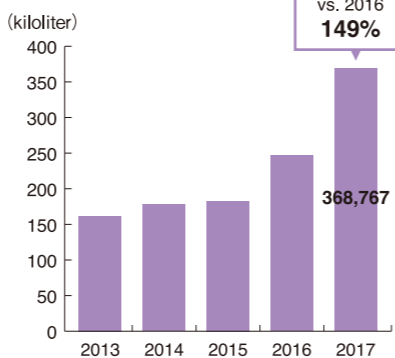
#### Heavy Oil



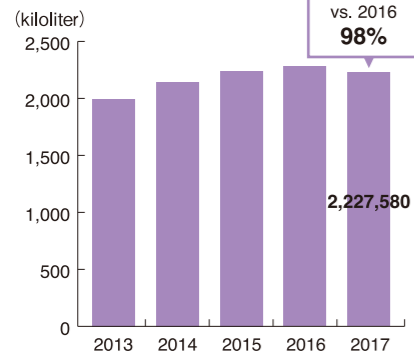
#### Kerosene



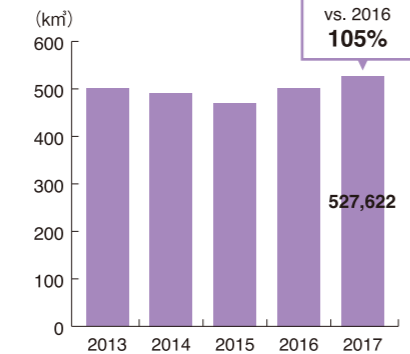
#### Gasoline



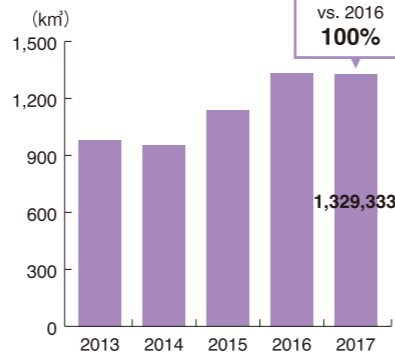
#### Diesel



#### LPG



#### City Gas



## About COOP SAPPORO

COOP SAPPORO's membership marked monumental 1.7 million. In conjunction with the COOP's 50th anniversary, we made a slogan to underpin our new philosophy to make a difference in the local communities around Hokkaido and everyone's life.

### The New COOP SAPPORO Logo



This new logo symbolizes our goals towards safety and innovation, with new initiatives constantly being created through the passion and ideas of our employees and members. We are bringing this COOP Green which represents full of vitality, youthfulness, freshness, safety, and security throughout Hokkaido.

### Messages from COOP SAPPORO (New set of principles)

COOP SAPPORO's slogan: **Connecting**

COOP SAPPORO's philosophy: **Proud and happy living in Hokkaido.**

COOP SAPPORO's mission: **Safety and innovation**

#### Approach to our businesses

- Stores ..... focus on food as the wellspring of life.
- Todok deliveries ..... bringing smiles to patrons and receiving their warm response.
- Kakeru mobile grocery ..... bring the fun and convenience of the shopping experience everywhere.
- Meal deliveries ..... supporting the health and growth of citizens.
- Energy and Fuel ..... enable Hokkaido to achieve energy-independent by renewable energy.
- Water bottling factory ..... conserve Hokkaido's precious resources.
- Mutual fund ..... share the value of aid and support.
- Feriae funeral services ..... provide a cordial atmosphere to send of their loved ones.
- Travel agency ..... enrich the journey called "life".
- Lifestyle and culture ..... make the joy of learning a lifelong affair.

#### COOP SAPPORO's values:

**sharing, supporting, caring, learning, interacting, and respecting each other**



About Us

Name	COOP SAPPORO (Changed name from Citizen's Cooperative COOP Sapporo in 2000)
Established	July 18, 1965
Started operations	October 1, 1965
Headquarters	10-1 11-jo 5-chome, Hassamu, Nishi-ku, Sapporo Hokkaido 063-8501 JAPAN
Board of Directors (permanent)	CEO and President: Hideaki Ohmi Managing director: Norihiro Nakajima Executive director: Masakazu Iwafuji Executive director: Akira Aida (As of March 2018)
Area of activity	All over Hokkaido
Members	1,709,000 (as of March 20, 2018) (Hokkaido households: 2,761,826) (as of January 31, 2017) Membership ratio: 61.9% (Sapporo: 53.2%; Asahikawa: 72.6%; Hakodate: 71.4%; Ishikari: 79.5%)
Capital	69.8 billion JPY (March 20, 2018)
Annual sales	282.0 billion JPY (total, March 21, 2016-March 20, 2018) Stores: 191.4 billion JPY Deliveries: 84.1 billion JPY Mutual Fund: 1.8 billion JPY Others: 4.7 billion JPY
Employees*	Regular employees: 2,157 Contract staff: 1,932 Part-time employees: 10,804 (As of March 20, 2018)  * The figure includes the subsidiary companies

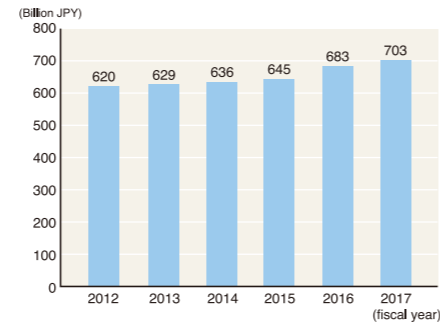
Status of capital

Capital by fiscal year

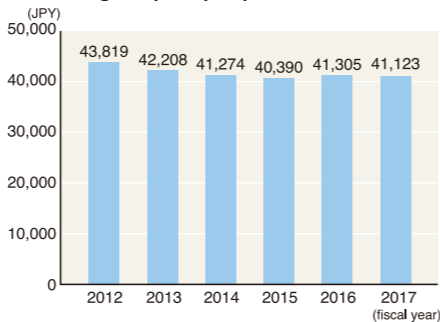
Section	Amount (1,000 JPY)	Amount increased YOY change (1,000 JPY)	Rate of increase	
			YOY change	FY 2012 basis
2012	62,015,189	334,600	101	100
2013	62,917,555	902,366	102	102
2014	63,697,955	780,400	101	103
2015	64,466,901	768,946	101	104
2016	68,344,865	3,877,964	106	110
2017	70,278,859	1,933,994	103	113

\*The above amounts also include deposits under 1,000 JPY. Our capital as stated on our articles of incorporation (in 1,000 JPY units) is 64,005,902K JPY.

Capital balance by fiscal year

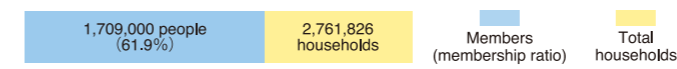


Average capital per person



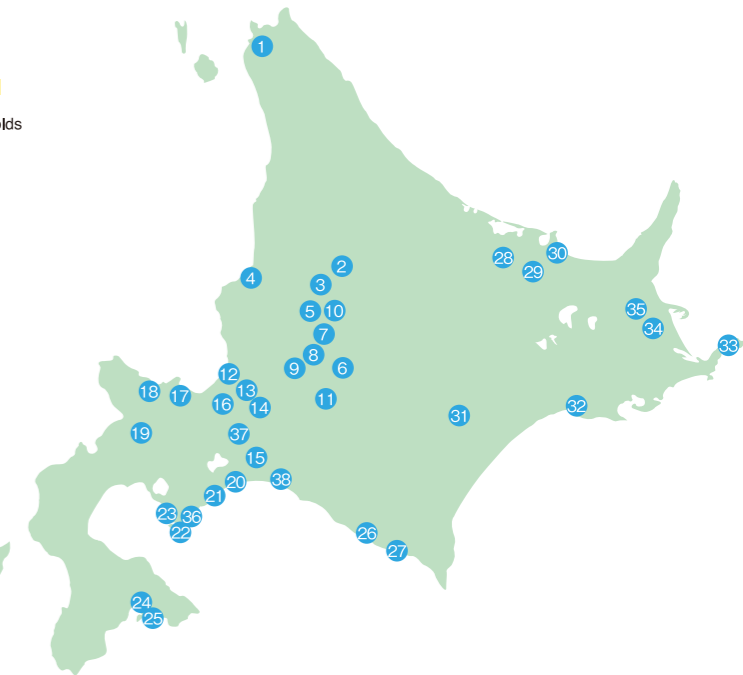
Membership Demographic

Membership ratio by municipalities



Member totals are registered members as of March 20, 2018. Households is number based on local resident registers as of January 31, 2017.

1 Wakkanai	5,067 people (27.8%)	18,254 households
2 Asahikawa	128,902 people (72.6%)	177,609 households
3 Fukagawa	9,648 people (87.6%)	11,018 households
4 Rumoi	10,806 people (91.6%)	11,798 households
5 Takikawa	13,756 people (63.9%)	21,539 households
6 Furano	10,481 people (95.3%)	10,994 households
7 Sunagawa	7,438 people (83.0%)	8,957 households
8 Bibai	12,083 people (101.2%)	11,942 households
9 Iwamizawa	31,582 people (75.2%)	41,978 households
10 Akabira	5,738 people (93.8%)	6,118 households
11 Yubari	4,533 people (90.5%)	5,009 households
12 Ishikari	21,762 people (79.5%)	27,370 households
13 Ebetsu	36,475 people (65.1%)	56,061 households
14 Kitahiroshima	22,831 people (84.3%)	27,095 households
15 Chitose	22,036 people (46.0%)	47,901 households
16 Sapporo	552,376 people (53.2%)	1,037,733 households
17 Otaru	49,100 people (75.8%)	64,818 households
18 Yoichi	8,544 people (84.9%)	10,060 households
19 Kutchan	7,613 people (84.6%)	8,997 households
20 Tomakomai	63,102 people (72.3%)	87,334 households
21 Shiraoi	8,717 people (90.9%)	9,586 households
22 Muroran	24,329 people (52.2%)	46,600 households
23 Date	8,296 people (46.4%)	17,868 households
24 Hokuto	14,735 people (66.9%)	22,032 households
25 Hakodate	102,458 people (71.4%)	143,561 households
26 Shinhidaka	8,684 people (73.4%)	11,836 households
27 Urakawa	7,722 people (114.1%)	6,767 households
28 Engaru	10,630 people (101.0%)	10,523 households
29 Kitami	41,053 people (66.7%)	61,524 households
30 Abashiri	14,467 people (78.3%)	18,469 households
31 Obihiro	44,531 people (51.5%)	86,534 households
32 Kushiro	64,764 people (68.3%)	94,793 households
33 Nemuro	7,127 people (55.6%)	12,810 households
34 Betsukai	4,702 people (70.8%)	6,645 households
35 Nakashibetsu	6,546 people (59.1%)	11,084 households
36 Noboribetsu	15,777 people (63.3%)	24,940 households
37 Eniwa	15,787 people (48.9%)	32,304 households
38 Mukawa	4,106 people (95.1%)	4,318 households
Others	280,696 people (62.8%)	447,047 households



Membership by fiscal year

Section	Members (people)	YOY increase (people)	Rate of increase %	
			YOY change	FY 2012 basis
2012	1,415,265	23,713	102	100
2013	1,490,640	75,375	105	105
2014	1,543,280	52,640	104	109
2015	1,596,125	52,845	103	113
2016	1,654,657	58,532	104	117
2017	1,709,000	54,343	103	121

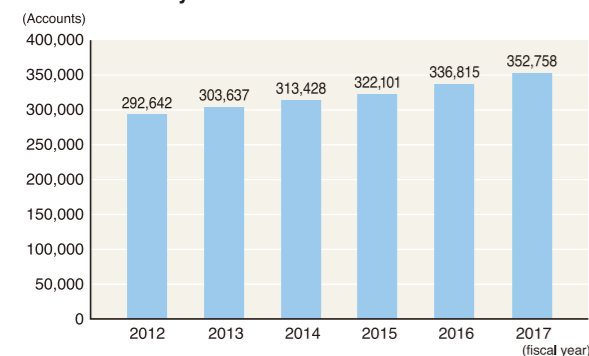
\*Excludes 995 persons who, as of March 20, 2013, had address unknown or unused.  
\*Excludes 696 persons who, as of March 20, 2014, had address unknown or unused.  
\*Excludes 308 persons who, as of March 20, 2015, had address unknown or unused.  
\*Excludes 176 persons who, as of March 20, 2016, had address unknown or unused.  
\*Excludes 434 persons who, as of March 20, 2017, had address unknown or unused.

Membership ratio by wards in Sapporo

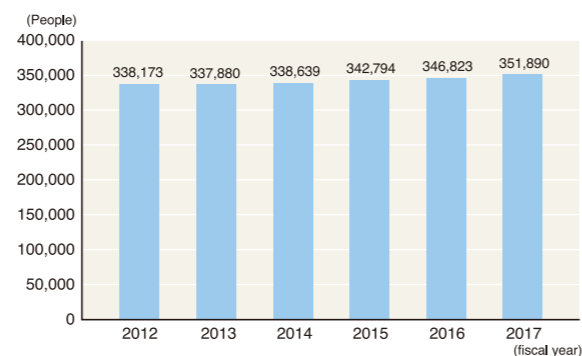
Chuo-ku	46,158 people (33.4%)	138,157 households
Kita-ku	82,600 people (55.3%)	149,384 households
Higashi-ku	60,794 people (43.4%)	140,160 households
Shiroishi-Ku	69,234 people (58.1%)	119,225 households
Toyohira-Ku	61,388 people (49.9%)	123,015 households
Minami-ku	59,570 people (82.3%)	72,407 households
Nishi-ku	58,678 people (52.9%)	111,026 households
Atsubetsu-Ku	37,004 people (57.9%)	63,929 households
Teine-Ku	44,963 people (66.3%)	67,856 households
Kiyota-ku	31,987 people (60.8%)	52,574 households

Reference Subscription in *Todok* delivery services and COOP mutual fund

Todok delivery services



Tasukeai mutual fund



Locations and Formats

Headquarters

Headquarters	1
Regional headquarters	8 (Obihiro, Kushiro, Kitami, Tomakomai, Muroran, Hakodate, Asahikawa, and Sapporo)

Stores

108 Stores (as of March 20, 2018) in 28 cities and 18 towns

Sapporo	25 Stores	Rumoi	1 Store	Shiranuka	1 Store
Ebetsu	2 Stores	Hakodate	9 Stores	Nakashibetsu	1 Store
Kitahiroshima	2 Stores	Hokuto	1 Store	Kitami	3 Stores
Ishikari	1 Store	Tomakomai	5 Stores	Abashiri	1 Store
Chitose	2 Stores	Date	1 Store	Engaru	2 Stores
Otaru	3 Stores	Kikonai	1 Store	Bihoro	1 Store
Yoichi	1 Store	Makubetsu	1 Store	Obihiro	2 Stores
Kutchan	1 Store	Mukawa	1 Store	Muroran	2 Stores
Iwamizawa	2 Stores	Shiraoi	1 Store	Akabira	1 Store
Bibai	1 Store	Shinhidaka	1 Store	Betsukai	1 Store
Yubari	1 Store	Urakawa	2 Stores	Noboribetsu	3 Stores
Asahikawa	8 Stores	Erimo	1 Store	Eniwa	1 Store
Fukagawa	1 Store	Samani	1 Store	Fukushima	1 Store
Sunagawa	1 Store	Kushiro	6 Stores	Haboro	1 Store
Takikawa	1 Store	Nemuro	1 Store		
Furano	1 Store	Kushiro-cho	1 Store		

COOP Todok Delivery centers

32 centers, 8 depots (as of March 20, 2018)

Food factories

Ebetsu fresh food processing center
Ishikari Food Factory
Ebetsu Food Factory
Sapporo Meal Factory
Tomakomai Ready Meal Factory
Asahikawa Ready Meal Factory
Kushiro Ready Meal Factory

Affiliated companies

COOP Foods
C's Cooperative Real Estate
C's Cooperative Development
Enecoop
COOP Cooperative Insurance
Hokkaido Hamanasu Foods
Duarcantum
COOP Cooperative Services
Dream Factory
Taisetsu Water Resources Conservation Center
Hokkaido Logiservice
Cooptrading
Todok Power
COOP Travel

Recycling facility

Eco Center
------------

Funeral homes

Feriae Hall Tsukisamu
Feriae Hall Shin-kotoni

Mobile groceries

87 trucks (126 cities, towns and villages within Hokkaido)

New openings in 2017

April 2017	Shirakaba <i>aurinko</i> Nursery: opened
August 2017	Obihiro Minami Center: sprit and relocated
	Obihiro Kita Center: sprit and relocated
October 2017	Todok Eco Station: opened
November 2017	Feriae Hall Shin-kotoni: opened
December 2017	Fukagawa Store: moved and reopened



◀ Todok Eco Station



Chairman of Sapporo University

Arakawa Hiroki

COOP SAPPORO has contributed greatly to the lives of the community and society through its pioneering activities in food safety, renewable energy and watch-over program for the elderly. Its *Hatake de Restaurant* (Restaurant on the farm), for example, also creates a wonderful synergy between food and agriculture through the excellent skills of the chefs. Each activity has continued to evolve. This CSR report focused on the theme of solving the communities' problems, and explained the entire picture so clearly, so that it was easy to see the depth and width of such activities.

Now the communities are facing the serious problems of falling birthrates and aging population. Even in Sapporo, the areas developed earlier are facing the problem of aging while in rural areas, plummeting population is a make-or-break issue. People and industrial activities tend to be concentrated in Sapporo so its future is significantly influenced by Hokkaido's primary industries.

Although efforts to keep the young in Hokkaido and attract those from outside the prefecture to relocate have helped in slowing down the reduction of the population, it is also very important to set up a system for a sustainable community under the premise of a smaller population.

To keep on living, every-day meals, health, education, energy, nature as well as businesses, transportation, and logistics that support them are indispensable. In this report, the 9 green cards in the page 2 represent the SDGs advocated by the United Nations. To solve community problems, multiple approaches, in such as to combine of meal delivery and Food Bank are indispensable, rather than to treat them as separate issues. COOP SAPPORO exists by participating members and has total infrastructure of sales, processing facilities, and distribution hubs, so can cope with the communities' problems.

And the connection between the members and the employees has made it possible to support efforts in meeting these challenges. *Omoide-no kobako* (small memories box) which issued in commemoration of 50<sup>th</sup> anniversary, describes the memories and tributes of interaction of people, and this is the engine for the advancement of COOP SAPPORO.

This year marks the 150<sup>th</sup> year since our island was named Hokkaido. In addition to expressing thanks to our ancestors, we have the responsibility of creating a better living foundation for ourselves and the future generations. To achieve that goal, COOP SAPPORO will surely contribute greatly to generating another value and new systems to create a society where people can live happily even though the population declines with its mission of connecting the citizens with companies and governments.