

COOP SAPPORO CSR REPORT 2019



Coop Sapporo Secretariat

10-1, Hassamu 11-jo 5-chome, Nishi-ku, Sapporo-shi, Hokkaido 063-8501 JAPAN
Tel: 011-671-5602, International: +81-11-671-5602
<http://www.coop-sapporo.or.jp>



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 in our Report, albeit partially, of 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 2018, but we also incorporate supplementary information on prior years and on ongoing initiatives and goals through FY 2019 and beyond. This summary of our business is as of March 20, 2019.

● Information on our Website

In addition to this Report, Coop Sapporo also publishes this information on its web site. Moreover, our site includes the FY 2018 business report, profit and loss data, and other detailed information (in Japanese only). (The internet publication of this Report is slated to be published in June 2019).

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

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Please direct inquiries about this CSR report to:
Coop Sapporo Secretariat
10-1, Hassamu 11-jo 5-chome, Nishi-ku,
Sapporo-shi, Hokkaido 063-8501 JAPAN
Tel: 011-671-5602,
International: +81-11-671-5602

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The New Coop Sapporo Logo



Our banner represents "Innovation with security". We show this by participating in new initiatives, born out of the resolute wishes and united passion of our members and colleagues. We have continued to expand the core concepts of Coop Green, embodying safety, security, and a fresh, youthful vitality, throughout Hokkaido.

Messages from Coop Sapporo (New Principles)

Coop Sapporo's Key Word "Tsu-na-gu" (Connection)

Coop Sapporo's Philosophy Promoting Hokkaido life as a source of pride and joy.

Coop Sapporo's Mission Innovation with Security

Introduction of our Businesses

- Stores: To cherish food, the foundation of life.
- Todok Delivery Services: To deliver and receive smiles.
- Kakeru Mobile Grocery: To carry the joy and convenience of shopping anywhere.
- Meal Services: The responsibility of watching over health and growth.
- Energy: To promote self-sufficient, sustainable, renewable energy in Hokkaido.
- Water Treatment and Bottling: To properly manage Hokkaido's treasured resource.
- Mutual Aid: To make the spirit of cooperation a unified whole.
- Feriae: Seeing off a member of the family.
- Travel: To make the journey of life even more enriching.
- Culture School: To make the joy of learning the enjoyment of life.

Coop Sapporo Values

Sharing Learning Supporting Interacting Considering Praising Helping

Our Actions, Although Small, Together, Show Our Care For The Communities



Hideaki OMI
CEO and President of Coop Sapporo

50 years down the road together with Hokkaido

2016 marked the 50th anniversary of Coop Sapporo. During that year, we created our slogan: "Fostering safety and innovation for the next 50 years". Focusing on food, we decided to establish a new platform, where we have since continued to connect people around Hokkaido and joined forces with municipal governments to help solve problems that communities face.

2018 saw increased depopulation, lower birthrate, and more aging in rural areas. A hike in long-term care insurance premiums, along with the rise in food prices, have affected pensioners hard. As well, in 2019, we anticipate a worsening of consumer confidence as the consumption tax rate in Japan is slated to increase later this year.

Although the economic and social situation around us has become more serious, Coop Sapporo is moving forward to expand its business and social activities to achieve our

members' well-being, as we are a cooperative that our members invest, use, and participate in.

Regional Policy Department and First Child Box

Under the circumstances, in 2018, we created the work-phrase "What can we do for the communities?" that can be applied to a broad range of initiatives. To that end, our Regional Policy Department (see page 7) visited 62 municipal governments to listen to their challenges. In their interviews, the cities and towns see our delivery and mobile grocery services as a critical life-line for the people. In 2013, Coop Sapporo and the Hokkaido government entered into a comprehensive agreement. As a part of this accord, we started the First Child Box program (see page 23) commemorating the prefecture's 150th anniversary. We sincerely hope this initiative will help support new parents in this low-birthrate nation. We will continue to cooperate with local governments to help solve problems faced by their communities.



Another news of note: our *Todok* delivery system introduced Hokkaido's first robotic warehouse system, AutoStore, which enables us to offer a greater variety of non-food products along with foods to our members (see page 10). Our *Todok* Stations began offering wooden toys, something that our members requested. The stations have flea market programs where our members can exchange their goods to support each other. Lastly, in considering the age of social media, we now permit photographs to be taken in stores in hopes of attracting more customers.

One for all. All for one. Lessons from the Earthquake

The Hokkaido Eastern Iburi Earthquake in September 2018 reminded us of what it means to be a cooperative. Our colleagues shared their knowledge of the recovery efforts by Coop Kobe during the 1995 Great Hanshin Earthquake. We learned that it is important to consider what we can do for our members when an emergency happens, as well as making those processes an integral part of our actions policy. In the aftermath of the Hokkaido earthquake, thanks to our policy our colleagues worked very effectively to help their communities. Right after the disaster, we saw a 30,000 *Todok* delivery subscriber increase. In my opinion, I feel this is because our members had witnessed what our colleagues did. The actions of each person is what a cooperative is all about.

What more can we do for our communities?

Coop Sapporo is a strong advocate and practitioner of the United Nations Sustainable Development Goals (SDGs - see page 9). Our stores are no longer just a place to buy daily essentials, but also a place to meet people -- a kind of place that no e-commerce, but only brick and mortar stores, can offer. Our delivery services division has helped improve our catalog and offering more sophisticated support programs for senior people. We will extend our positive relationships with local communities, raise our factory capacities, and install emergency power sources to be better prepared in case of disasters.

In February 2019, in recognition of its leading sustainable business model, our energy firm Enecoop received the Northern Energy-Saving and New-Energy Awards, presented by the Ministry of Economy, Trade, and Industry (METI). This is just one example of our successful initiatives to tackle challenges faced by communities, the economy, and the environment.

Our 15-group of companies have shown growth, along with strengthened collaborations, to better serve the people in Hokkaido. In 2019, we plan to contribute even more to our communities.



Hokkaido Eastern Iburi Earthquake And Support For Reconstruction

Natural Disasters And Regional Measures

On September 6, 2018 at 3:07:59 a.m., an earthquake measuring magnitude 6.7 struck southern Hokkaido, Japan. The epicenter was within the central and eastern Iburi regions. Japanese seismic intensities of 7 and 6-Upper were observed at Atsuma town and Abira town respectively. In addition to damage by landslide sediment and massive liquefaction, power failure occurred across all of Hokkaido at 3:25 a.m. It was the nation's first large-scale power failure that affected the entire island. At the time of this unprecedented event, colleagues of Coop Sapporo took immediate action as we were always prepared for disaster. Our members were our top priority and efforts were made to first ensure their safety. Let us show you what we did and how our actions were appreciated by the local people. This is the timeline of our activity during the disaster.

September 6th to 8th

From the Occurrence of the Earthquake to the Reopening of Business

Due to the blackout across Hokkaido following the earthquake, all Coop Sapporo facilities, including 108 stores, suffered from the power outage. Mukawa store, located near the epicenter suffered the most damage, requiring 12 days to repair. Five other stores in the Ishikari area were also greatly affected.

Although it was before dawn and pitch-dark due to the blackout, Coop Sapporo managers rushed to each facility to check for damage and other employees soon followed one after another. Some facilities had electronic locks, but everyone thought creatively and managed to find power supplies to unlock the doors. Some decisions were bolder, such as physically breaking the locks or windows, in order to gain



access into the store.

A little after 4:00 a.m., an emergency base of operations was set up at Coop Sapporo headquarters. We released an emergency earthquake notification page on our website to share information with our members and used our intranet to transmit instructions to our employees in a timely manner. All the district headquarters assessed and reported the damage situation. At the same time, some stores started to open for business while our *Todok* delivery service tried to operate where possible. Several divisions could not reopen their businesses because of the blackout, but we worked hard to ensure a smooth restart once power was restored.

Under an agreement with the Hokkaido and local municipal governments to help supply relief goods to them in the event of a natural disaster, we successfully fulfilled the role we were expected to play. The emergency base of operations was closed at 5:00 p.m. on

September 8th, when we saw the end of the blackout.



A large number of customers came to our stores. We attended to those who had been lining up outside for a long time and took extra care of them to prevent heat stroke.



What I Did

Made a *Todok* delivery and brought joy to waiting children.

The day the earthquake hit, we were scheduled to attend an event held by Smile Caravan and *Ehon Wakuwaku* Caravan in Oketo. Despite the town having no power, our staff made the trip anyway. When we saw the expectant looks on a lot of the children's faces, we decided to carry out the event and played music using the car battery. Later, after seeing the feedback survey, we were touched that our event made the children very happy. (Fund Raising Office)

What I Did

Realized the importance of our stores to support people's lives when there was no electricity or water.

Surprised by the big tremor, I went to the store to check the damage at 3:30 a.m. Soon after I arrived, I was relieved to find the store was not damaged. However, then the blackout happened. Against my optimistic expectations, the power did not come back on after our staff arrived at the store at 7:00 a.m. Someone from the nearby hospital came to our backdoor asking for some water so that their patients could take their medicine. We then realized the serious situation we were all in. We quickly gave 5 cases of water to the hospital and soon started to sell food, water, batteries, and gas cylinders in front of our store with a calculator in our hands. (Asahikawa Shijo-dori store)

What I Did

Delivery while traffic lights were out and elevators not moving.









Because all the traffic lights were out, we drove extremely carefully so as not to cause any traffic accidents. Some of our delivery drivers fought against the fear of driving in long, dark tunnels to deliver goods to our members. In Sapporo, where there are many tall apartment buildings, the blackout stopped all elevators. Regardless, our drivers hiked up the stairs, sometimes even up to the 28th floor, to make their deliveries. We received a lot of thank you letters the following week and felt everyone's sincere appreciation through our hard work. (*Todok* Delivery Operations Division)

What I Did

Prepared 15,000 pieces of inarizushi for people waiting in the dark.

Right after the earthquake hit, we prioritized to secure enough food to cover three meals for the patients in the hospital we supply meals for. Later, when the power came back on, the first thing that came to our minds was to cook something for the Meal Delivery Service customers, most of whom are elderly people. The hospital allowed us to use their kitchen. We decided to make inarizushi because vinegared rice keeps for a long time. Many staff came over to help and we made 3,800 packages of four inarizushi over night. We received many heart-felt thanks from our customers the following week. Our hard work had paid off. (Meal Service Department)

Service Operations Status between September 6th to 8th

 Store	Sep.6 / Three stores in Asahikawa opened at the regular opening time (closing at 8:00 p.m.). 105 stores sold bread and cup noodles in front of the stores. (Closed when sold out.) Sep.7 / All the stores were open. 46 stores opened for regular business. Other stores prepared for regular opening while selling some food in front of the store. 62 stores managed to open before closing time, while 46 stores could do business only in front of the stores. Sep.8 / 107 stores opened for regular business by noon. Mukawa store offered products by mobile grocery trucks in front of the store. The delicatessen division confirmed rice availability, and delivered 2,000 sets of croquettes to stores.
 Delivery	While confirming the safety of our drivers, delivery resumed service on the 6th. Delivery of goods planned for the 7th was carried out on the 8th. The call center was out of power.
 Meal Service	All kindergarten meal services were cancelled. Sep.6 / Meals were delivered in Tomakomai, Hakodate, and Sapporo; cancelled in Asahikawa, Kitami, Hidaka, and Urakawa. Emergency food was delivered in Obihiro. Sep.7 / Delivered 3,800 packs of four inarizushi in Sapporo and Tomakomai. Sep.8 / All deliveries cancelled due to the closure of the factory.
 Mobile Grocery	Resumed business from the 7th with limited items.
 Factory	Three factories were closed due to the power outage. The rice stocked at the Sunagawa factory was transferred to stores. The Taisetsu Water Preservation Center started delivery of water to the areas where the water supply was cut off.
 Logistics	All non-perishable goods were delivered. Local government relief supplies were delivered to Kita-hiroshima and Ebetsu.
 System	All of the district headquarters had a black out. Server systems and data centers were restarted as soon as the power returned. Store computers were restored in 43 stores on the 7th and in 61 stores on the 8th.
 Ene-Coop	Secured 100 liters of light diesel fuel for company car use on the 7th and 8th.

September 10th and 11th

What Can We Do for the Disaster Stricken Areas?

By September 10, all of our divisions were able to resume normal operations. While we worked hard to reopen for business, we constantly received information about the devastating state of the disaster stricken areas and the people there. We all kept thinking about what we could do to help them.

We began to accept donations, starting on September 10 at the stores, and then via the *Todok* delivery system from September 17. Coop Sapporo received approximately 50-million JPY in donations. It showed our members' desire to help each other while we all suffered from this disaster. Including the donations from other regional Coops around the country, Coop Sapporo received about 350-million JPY in total. 100-million JPY of this was given to producers in the devastated areas, and another 100-million JPY to each local government. We have reported the use of all donated money to our members by January 2019.

On September 11, at the suggestion of one of our colleagues who had experienced flooding damage in Rumoi 30 years ago, our colleagues at the headquarters visited all the houses in Atsuma and Mukawa, delivering laundry and dish detergent.



Visiting affected people

What I Did

Delivered picture books to bring smiles to the children affected by the disaster.

We wanted to help children suffering from the damage of the disaster. So we visited a nursery and an emergency kitchen for baby food in Mukawa, handing out picture books to 53 children from 35 families. Our mascot, *Todok*, who accompanied us, made the children excited. Moms, especially the ones whose children's birthdays were drawing near, appreciated our visit very much. (*Todok* Delivery Operations Division)

What I Did

Knocked on doors to encourage and was encouraged in return.

I joined the project to visit the houses in the disaster stricken area. We sorted out the detergent to give out and started to knock on the doors of each house. Worried Coop members asked, "When can you reopen the store?" or offered their gratitude with, "I got your delivery even on the day of the earthquake!" Some people who were not members also showed a lot of appreciation, several of them with tears in their eyes. We again realized our duty to meet their expectations. (Coop Sapporo Headquarters)

Donations from around the nation

Total	365,354,407 JPY
Allocation of Funding for September, 2018	
JA Hokkaido Chuokai	100,000,000 JPY
Atsuma	40,000,000 JPY
Abira	48,000,000 JPY
Mukawa	46,000,000 JPY
Kita-hiroshima	5,150,000 JPY
Sapporo	83,000,000 JPY
Hidaka	7,500,000 JPY
Biratori	5,000,000 JPY
Hokkaido government	19,097,691 JPY
Restoration activities	2,606,716 JPY
Support subsidy for restoration activities	9,000,000 JPY

October and Thereafter

Supporting Those Who Still Cannot Return to their Normal Lives

The calendar turned to October, and there were still many people who could not go back to their own homes. From October 13 to November 11, we served meals at the Michi-no-eki (Roadside Station), Mukawa Shiki-no-yakata, which was being used as a shelter. Considering the fact that there were many elderly people there, our Coop nutritionist made adjustments to the menus of our meal delivery service, kindergarten meals, and hospital meals, creating more balanced diets. On October 7, the sixth High School Student Challenge Gourmet Contest in Hokkaido was held. The students cooked about 100 meals using their own original recipes with local ingredients and served to people staying at this shelter.

Coop Mutual Aid decided to help pay monetary relief funds to the members who were greatly affected by the earthquake. The necessary procedures started with the members in Atsuma, Abira, and Mukawa, followed by the members in Sapporo's Kiyota district and Kita-hiroshima, where the damages were the worst in the Sapporo area.



On October 28, Coop chef Namikawa, a former hotel head chef, visited Mukawa Shiki no Yakata and helped serve hot meals.

Presently

For the Safety of our Town Learning from our Experiences with Disaster

From our experience with the disaster, Coop Sapporo realized that we still have a lot to improve. Although we were highly regarded for selling goods in front of our stores as an emergency response, we were not able to supply enough delivery meals and ready-to-eat food due to the power failure. Therefore, we have decided to equip all of our stores and delivery centers with emergency generators and upgrade our factories with in-house power generators so that our food facilities can continue to produce meals in case of blackouts.

We also realized that what we experienced or noticed through this disaster needs to be carried forward into future. Coop Sapporo booklets, called Small Box of Memories, allow our colleagues, partners, and members to share experiences or other heartwarming life episodes. We are going to make a Small Box of Memories "Earthquake Disaster" version with all the colleagues' experiences to share in fiscal 2019. It will be more than just an ordinary booklet, but rather, something that we can rely on in an emergency. It will enable Coop Sapporo and its members to make even more contributions to the local community in the future.



Small Box of Memories "Earthquake Disaster" Version



Letter of appreciation from the Hokkaido government

What I Did

Coop Mutual Aid is there to help.

We visited the damaged areas as part of the procedure to handle relief money pay outs. We noticed everyone was so tired of the life in shelters and reflected on the importance of being prepared. In October, we started to inform our members about the relief money and encouraged them to claim their share at our stores. We hoped to help as many members as possible. (Mutual Aid Unit)

In Response to the Needs of Municipal Governments Regional Policy Department

Since fiscal 2018, we established a Regional Policy Department to have meetings with each municipal government in order to be better able to respond to their needs. We have had discussions with 62 municipalities so far. Most of them have raised the issue of shopping refugees (see page 12) and have shown strong demand for a mobile grocery service.

We are planning to have open dialogues with 50 more municipalities in fiscal 2019 in order to solve various local

issues together. We are going to make a pamphlet to show what line of business Coop Sapporo can work together on in order to facilitate smooth cooperation.

Furthermore, from the experience with the Hokkaido Eastern Iburu Earthquake, we are planning to establish a communication system with each municipality so that we can better carry out our cooperation agreements over disaster management.



Mobile store, Omakasebin Kakeru (see page 12).



The departure ceremony of the mobile grocery in Kita-hiroshima on March 19, 2019.



A pamphlet to promote communication with local municipalities.

Challenges for SDGs Aiming for Sustainable Communities

Coop Sapporo has developed infrastructure covering all the areas of Hokkaido, while establishing a network of cooperation with each municipality and relevant organizations. This collaborative network aims to solve issues in the local communities through both the activities of projects and its members.

The problems we have in Hokkaido today are the issues facing Japan tomorrow. They are also deeply related to the dilemmas seen in various places throughout the world.

Coop Sapporo has learned a lot of methods that can be used to solve problems.

We contribute to creating sustainable communities by solving problems in our local community and around the world.



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Connecting People to People

- Resolving social issues
- Community building
- Mutual aid

Connecting People with the Future

- Supporting parents
- Contribute to the development of Hokkaido
- Environmental initiatives and sustainable energy

Connecting People and Food

- Creating a rich Hokkaido culinary culture
- Food education (*Taberu-Taisetsu*)
- Food safety and security



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The Sustainable Development Goals (SDGs) were adopted at the United Nation's Summit in September 2015. The 17 Goals were designed as clear achievements for an improved future by linking the economy, society, and the environment, while maintaining sustainable communities. We firmly believe that Coop Sapporo can contribute to the local municipalities in Hokkaido by working towards these goals. In the following pages, these icons show which development goals are related to each activity.



Another role of Coop Sapporo in the aging and depopulating areas is to maintain people's connections by building communities as well as continuing to support people's lives by delivering goods and services.

Coop Sapporo Objectives Deliver goods, offer a sense of safety to our members, and strengthen our connections.



Coop *Todok* Delivery Services

Increasing home delivery centers and expansion of support services

Coop *Todok* delivery services visit more than 3.6-million members' households and deliver products to their doorsteps in 179 cities and villages across Hokkaido. People can conveniently shop for groceries even in areas where there are few stores. In 2018, we established the new Oyachi Delivery Center in Sapporo with the aim of boosting convenience and efficiency. Also, there are now new depots to complement delivery centers in Abashiri, Date, and Taiki, increasing the number of delivery centers to 44 in total. We have been offering parental support to households with expecting mothers or those with children between 0 to 3 years of age. We have now increased this age limit to 5 and younger, giving more members the opportunity to use the benefits without service charges. We strive to increase the connections with our members and to strengthen them.

■ **Number of registrations for delivery services**
(as of March 20th, 2019)

369,067 / YoY 104.6%



Delivering with smiles

A game-changer in the logistics industry AutoStore

Developed in Norway, AutoStore is a brand new automated system, where robots run over a track grid and handle the storage and retrieval of products. It is a system that has been receiving a lot of attention in the logistics industry for its space-saving capability. Coop Sapporo is the first to introduce this system in Hokkaido, and at the same time, the first logistics company based on a supermarket business to do so. This system has enabled us to increase the number of non-food products we handle with our *Todok* delivery service up to 20,000 items.

We have also adopted the logistics support robot CarriRo®, carriage robots that read the sensors a worker is wearing and automatically follow them. Adopting these robots can lead to a better working environment and help promote work-style reform.



A robot navigating a track grid



Carriage type logistics support robot CarriRo®

Coop Sapporo Objectives Develop mutual trust through communicating with local residents.



Todok Station

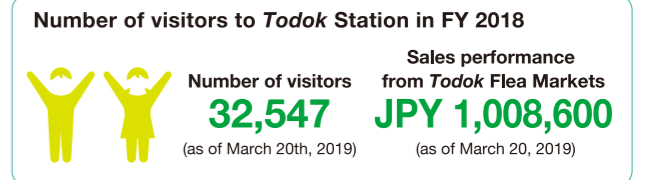
In order to make full use of delivery centers and stores, we established *Todok* Stations - local community spaces where people can interact with each other. At *Todok* Stations, we collect clothing, toys, and picture books that can still be used and sell them at low prices in *Todok* Flea Markets. We also host some events for parents and children to enjoy together.

In FY 2018, we expanded and opened Stations in four new locations: Wakkanai, Yakumo, Okhotsk, and Kitami Shunko. The total number of Stations is now thirteen. We set a flat 100 yen price for all the picture books at the *Todok* Flea Market, making it easily accessible for everyone. We also adopted a reservation system so that people can conveniently join and take part in our events.

We will continue to improve the Stations to be more accessible so that they can serve as a place to strengthen the connections between our colleagues and local communities.



Todok Station



Coop Sapporo Objectives Expand the care and monitoring of seniors to cover all Hokkaido.



Elderly People Watch and *Todok* Safety Supporters

Since the delivery staff of *Todok* visit the homes of our members on a fixed day and time every week, they also function as monitors for the socially vulnerable. We finalized Elderly Monitoring Agreements with 174 municipalities across Hokkaido by the end of FY 2018 to ensure the emergency contact system can function smoothly.

Our Safety Supporters, specialists who monitor and determine the needs of the elderly, make visits to members who are over 70 and live alone. We now have 20 Safety Supporters and are planning to increase this number to adjust with the rapidly aging society.

Elderly Monitoring Agreements



Number of municipalities that have finalized agreements for watching seniors

174 (in FY 2018, we finalized agreements with 8 new municipalities)

Number of emergency cases in FY 2018

425 (12 deaths, 52 monitoring, 361 resolved)



Visiting a home of an elderly member



Coop Sapporo Objectives Offer grocery services in areas of no or few grocery stores to help shopping refugees.



Efforts to Prevent Food Deserts

Opening a store in Shiriuchi

A residents' opinion survey had already highlighted the problem of grocery shopping inconvenience in Shiriuchi for quite some time. In addition, the only supermarket in town had closed in March, 2017. Coop Sapporo has been making efforts to open our stores where there are few grocery stores in order to prevent the emergence of shopping refugees. At the request of the area, we finalized an agreement with Shiriuchi on August 24th, 2018 to open our store there in July, 2019. The town is also preparing to start operating an on-demand bus* at the same time. We plan to have a communication space to serve as a waiting room for the bus and hopefully bring back some positive energy to the area.



Signing the Agreement with Shiriuchi

*On-demand bus: A bus that runs on a reservation basis. Instead of running a fixed route, the bus will pick up and drop off passengers as needed. Shiriuchi town conducted a substantive experiment of this bus system in communities where access to public transportation is limited. The bus will be available from May 2019 in all areas of Shiriuchi.

Business partnership agreement at COCOWA in Hokuryu

At the request of a business partnership by Hokuryu town in 2016, we co-operated a small-scale supermarket located in COCOWA, a commercial revitalization facility. Opened on April 21st, 2018, it is run by Hokuryu Shinko Kosha, a semi-public sector business support center. Through the passing down of knowledge about products, services, and store management, we will develop a business model to provide functional support to local municipalities in depopulated areas.



A lot of customers visited COCOWA on its opening day.

Coop Sapporo Objectives Deliver products and the joy of shopping to the people in food deserts



Kakeru Mobile Grocery

We operate the *Kakeru* Mobile Grocery in areas that are depopulated and have few or no grocery stores, as well as where many elderly people have difficulties accessing a distant store. At the requests of the local communities, in fiscal 2018 we increased our number of vehicles. With the efforts of our Regional Policy Office, we also started to establish a cooperative structure with local governments. This approach is attracting a lot of attention. We hold seminars for the Japanese Consumers' Co-operative Union and are always open to various kinds of media requests. We will strive to be a role model as a supporter for those struggling areas.



Kakeru Mobile Grocery operates around the Mukawa store area after the powerful earthquake.

Kakeru Mobile Grocery

128 municipalities
Operating 54 stores with 91 vehicles



Coop Sapporo Objectives Making our stores attractive and catered for our members to meet and connect with each other.



Socia Store Reopens

Our flagship Socia store reopened after renovations on Friday, September 28th, 2018. A new face-to-face counter was installed in the seafood section to serve fresh sushi and seafood straight from the wholesale market. The Delicatessen section now has an open kitchen and a wider space. The Liquor section is equipped with our first walk-in wine cellar that stores various kinds of products under carefully controlled temperatures. Coop Drug, our non-food arm, is staffed with accredited pharmacists licensed to deal with category-1 OTC medicine.

We arranged for a piano in the entrance hall on the first floor. We named it *Daredemo* Piano (Anyone's Piano) for anyone, from adults to children, to play it freely, providing everyone an opportunity to connect with each other.



Hosting a music event with the *Daredemo* Piano.



Face-to-face counter in the seafood section

Our Motto: Connecting

Making our stores attractive >>>

SDG Objectives



Coop Travel: Wheelchair Accessible Trips

15 Coop Travel offices across Hokkaido promote wheelchair accessible trips so that the elderly and people with disabilities do not have to give up the pleasure of travelling. We plan the best possible trips to meet the needs of each person, such as wheelchair requirements or supporting staff to help with boarding aircraft, accessible accommodations, and availability of assistive vehicles. Some people have difficulty walking, others need someone to push their wheelchair. We strive to help these people enjoy their travels anytime they want.



Ai-no-sato Aurinko

We established a kids' space known as *Aurinko* in our Ai-no-sato store, which sees many attendees at our child raising area. *Aurinko* is a place where children can come and play anytime. It also serves as a place where children can develop originality and creativity through activities that uses all five senses. Depending on their age, children can join various programs, like store manager job shadowing or role-play shopping. In addition, our public health nurses hold monthly parenting support events called *Neuvola*.



Concierge, the Information Magazine

We publish an information magazine known as *Concierge*. This magazine contains the list of shops and facilities where our members can receive certain discounts or special services with their members card. *Concierge* is available at our stores and *Todok* Delivery Services, as well as accessible from anywhere, anytime on our website that was opened in September 2018.



Expansion of Parenting Support Facilities

In fiscal 2018, we expanded our facilities to be more parent-friendly. For example, we have since introduced two-seater carts, a kids' space adjacent to an eating space, and started to adopt privacy-friendly nursing pods. So far, we have established a standard nursing room and a nursing pod at two stores.



A child-sized shopping cart



Coop Sapporo Objectives Promoting healthy life spans by offering an exercise program for the elderly that is custom tailored to each person's abilities.



Community-wide Health Program

Training the instructors for Yuru-gen Exercise

Coop Sapporo cooperates with the NPO Social Business Promotion Center along with Hokusho University to work on the Community-wide Health Program, also known as *Marugen*. We offer communicative fitness classes for senior citizens. In addition, we actively promote *Yuru-gen* exercise, a soft exercise program developed by Hokusho University that can be safely enjoyed by seniors. We have since implemented a *Yuru-gen* Instructor Certification Course across Hokkaido and have certified more than 400 instructors. From fiscal 2018, we started the Instructor Training Course targeted for our members in Coop Sapporo Cultural Centers in Sapporo and Ishikari. We have certified 22 members over two courses.



A class at a Coop Sapporo Cultural Center. The members certified as instructors enrolled themselves to local Social Welfare Associations and instruct attendees of their neighborhood associations.



Cognitive ability tests show the effects of Marugen

In order to prove that *Marugen* is effective in preventing dementia, Hokusho University has been leading a central part of research since 2017. They implemented a cognitive function test for senior residents over 70 years old in Suttso and Hokuryu. In both towns, about 30% of them were diagnosed as subjects who needed dementia prevention. Sorted in age groups 5 years apart, 20% of the people in the 70-74 age group had been identified as such subjects, and the rate increased as the age went up. We will continue this research and examine the changes over the years between the people who participate in exercises like *Marugen* compared to people who keep to themselves at home. These research studies have been supported and awarded funds by the Japan CO-OP Insurance Consumers' Co-operative Federation (JCIF) since 2018.



Conducting surveys in Suttso. 288 people in Suttso, and 232 people in Hokuryu tested.

Marugen Event Results
80 classes in 24 municipalities
Enrollment 1,580
 Since FY 2017
3 new municipalities joined.

Coop Sapporo Objectives To build communities kind to the elderly and to those with dementia.



Efforts to Prevent Dementia

Building dementia-proof communities

We encourage municipalities to declare efforts to build dementia-proof communities through a tripartite partnership like

Marugen. 9 municipalities have adopted this declaration and cooperated with the Regional Comprehensive Support Centers to promote better understanding and the prevention of dementia, as well as to pursuing early detection and support for people with mild cognitive impairment (MCI). The cognitive ability test conducted in fiscal 2018 resulted in 90 people with MCI and led them to consult with doctors or public health nurses.

Building Dementia-Proof Communities
Tests of cognitive ability
Conducted on 815 people in 6 municipalities

Learning proper knowledge for the prevention of dementia

We held Dementia Prevention Lectures for attendees to learn information about dementia and preventative measures so that everyone can live healthy social lives in our rapidly aging society. It is known that we can prevent dementia by exercising and activating the brain, while the person is still in the MCI period, before its onset. With the cooperation of local universities, medical institutions, and Regional Comprehensive Support Centers, we organized many lectures featuring dementia prevention and delaying its development, as well as topics on the proper care of those who already have it and how they can still lead a comfortable, satisfying life. We added 2 more venues in fiscal 2018.



The lecture in Sapporo

Stop for just a moment and be ever happy. Cho-co-tto Tea House Gathering

Using the available space in our stores, we host events like the *Cho-co-tto* Tea House Gathering, where local people can gather and connect with one another. We hold this event with the cooperation of local governments, Regional Comprehensive Support Centers, Council of Social Welfare, Preventive Care Centers, and neighborhood associations in charge of welfare. The events are held from once a week to once or twice a month, depending on the store. They focus on various topics including health evaluation, preventive care exercises, brain training, and general counseling.

Dementia Prevention Lecture
812 participants in 10 venues
 Hakodate, Otaru, Kitami, Obihiro, Tomakomai, Iwamizawa, City of Kushiro, Asahikawa, Muroran, Sapporo

Coop Sapporo Objectives Provide information about living expenses of children, students, and the elderly.



Coop Sapporo Financial Planner

Coop Mutual Aid is a program aimed to help one another, based on the idea that "my premium can help somebody". It was effectively used after the Hokkaido Eastern Iburi Earthquake (see page 7). We have 9 Life Plan Advisors (LPA) to provide monetary information and to help answer people's questions and concerns. As certified financial planners, they actively share useful information at

We held a lecture on January 13, 2019. The guest speaker was Mr. Hironobu Kudo, the author of "Shiretto Ninchisho Kaigo" (Dementia Care Without Stress).



seminars, personal consultations, courses, lectures, and other events. They also endeavor to educate younger generations in events for children at the *Taberu Taisetsu* (Importance of Eating) Festival (see page 8), student seminars at universities, and through a column in the magazine *Shogakusei Tsusin* (Scholarship Students News) published by the Social Welfare Fund.

Our Motto: Connecting Our work for the aging society >>>



Meal Delivery Service for nursing care homes.

Our affiliate company, Coop Foods, started meal delivery to three nursing care homes in Sapporo on April 1st, 2018. Utilizing the knowledge of preparing hospital meals, we aim to deliver safe, secure, and tasty dishes using primarily local ingredients in Hokkaido to enhance the health of residents.

Coop Funeral Service Ferieae: End of life planning fair.

Coop Sapporo owns *Ferieae* Hall in Tsukisamu and Shin-kotoni, which serves as a funeral home and offers specialized services for each person. At *Ferieae* Hall, we have an end-of-life planning fair three times a year, giving our members an opportunity to look around the hall. We offer consultations on funerals, family resting places, and other various procedures. In addition, we offer various funeral gifts at discount prices and doll send-off services. 270 participants attended these services.



We play an important role in contributing to regional vitalization efforts through promoting and offering safe, fresh food. We strive to continue our efforts in enriching the culinary culture of Hokkaido.

Coop Sapporo Objectives Delivering meals to those who have difficulty preparing them and providing specialty dishes to meet the needs of those with dietary requirements.



Coop Meal Delivery Service

Expanding our delivery areas and opening new depots

Coop Meal Delivery Service started in 2010 with the aim of supporting and monitoring the elderly. Today, we have expanded our menu line-up, offering a wide range of dishes, including prenatal and postpartum meals, as well as allergy-friendly kindergarten lunches. In fiscal 2018, we opened new locations in Takeura, Shiraoi in the Tomakomai area, Taiki and Hiroo in the Obihiro area, as well as three new depots in Date, Abashiri, and Taiki. We will revise our delivery structure as needed to ensure that we meet the demands of people waiting for our meals.



Celebrating the start of operations at the Taiki Depot.

Our new line of cooking seasonings and revised menu

We always strive to improve our methods for meal delivery. Listening to opinions, we have changed the way we cut and cook ingredients, as well as the way we arrange food in a bento box. In September 2018, seeking a mild taste that can be enjoyed every day, the seasonings were changed to those produced by traditional methods. We also turned to Sasaki Tomi for guidance. Ms. Sasaki, a certified dietitian who created the school lunch menu in Oketo, is



Sample menu with our new line of cooking seasonings

Lunch boxes for kindergartens

highly regarded as the best in Japan. In other recipes, we have now started to use mirin, a sweet rice wine, which is so tasty it could be enjoyed as-is. In keeping things traditional, we use carefully handmade sesame oil and salt boiled down in a flat kettle. Starting in November, we revised our menu. With our current selections, few members make changes to their order. We designed the new menu so that there are more choices to pick from. In addition to this change, we have added a new page to showcase things like our members' pets or hobbies. The number of posts for this page is gradually increasing, showing that it is gaining popularity.

Coop Meal Delivery Service



Average number of meals delivered per week for February 2019

Meal Delivery Service: 32,000
(standard meals: 15,400 / low calorie meals: 14,900 / others: 1,700)

Coop Sapporo Objectives Provide comfort and peace of mind via safe, high-quality food.



Providing Safe and Secure Food

Efforts for animal welfare

Coop Sapporo has been promoting animal welfare since September 2017, first by introducing the use of cage-free eggs. Then on October 27, 2018, the Hokkaido Coop Union, Hokkaido Self-Sufficiency in Food Network, and Coop Sapporo, co-hosted a seminar to discuss about animal welfare. Associate professor Tetsuya Seo of Obihiro University of Agriculture and Veterinary Medicine gave a lecture on the fact that eliminating animals' stress, by keeping them in a near-natural environment, reduces the need to use drugs and leads to the improvement of meat quality. We will continue to study and



Animal welfare lecture

promote this practice in order to provide safe and high-quality livestock products.



Offering more gluten-free products

After eggs and milk, flour is the next most common food allergen. In response to requests from our members, we have increased our selection of gluten-free products. As well, to encourage more people to cook, we now stock other standard seasonings such as gluten-free soy sauce and noodle soup base. Currently, gluten-free products are available in approximately 70 stores in Hokkaido.



Gluten-free products on display.

Now available: private-brand coconut oil

Cooptrading, our group company, imports extra virgin coconut oil from Vietnam and has been selling it under our private label TRADING CO. in all of our stores since June, 2018. This coconut oil is produced with the blessings of nature.



Rice is now packaged with Ageless oxygen absorbers

In March 2018, we began to introduce vacuum-packed rice that includes an Ageless oxygen absorbent. Ageless helps to inhibit mold generation and suppresses the occurrence of insects. After initial polishing and packing, unopened rice is kept fresh for up to three months.

Previously, rice had to be removed from store shelves and disposed of 14 days after polishing. The use of an oxygen absorbent extends this selling period dramatically, reducing the amount of food loss.



Hokkaido Yuki-homare Natto received two national awards

Hokkaido Yuki-homare Natto, by Hokkaido 100 (a brand Coop Sapporo launched), received two top awards from the Japan Natto Cooperative Society Federation in February 2019. One key feature of this product is that it eliminates paper trays from the package to become more environmentally-friendly.





Coop Sapporo Objectives Provide networks for producers and consumers to connect with. Create opportunities for children to learn about food in Hokkaido and the importance of local production for regional consumption.



Taberu-Taisetsu Festival 2018

The *Taberu-Taisetsu* (Importance of Eating) Festival is Coop Sapporo's biggest food education event that marked its 11th year in 2018. We collaborate with local producers, manufacturers, governments, and schools to educate about the local cuisine of Hokkaido and the importance of local production for regional consumption.

In 2018, the events were held in eight different venues across Hokkaido from August to October. Positive feedback included, "It was enjoyable for both children and parents," and, "This event made me interested in eating and cooking more!"

Collaborating with our partners, we plan to continue developing and improving on the program so that it can become the food education event that brings more vitality to local communities.



Hokkaido Federation of Fisheries Cooperative Associations (in Sapporo). "Be thankful for your food! Learn more about octopuses and enjoy takoyaki (ball-shaped snacks typically made of octopus and batter)!"



HOKUREN Agricultural Cooperative Kitami Office & Rice Promotion Council of Hokkaido. Let's make ohagi (a rice ball covered with bean jam) using Okhotsk Kitayuki-mochi rice.



Event results by venue (Number of visitors, exhibitors, and supporters)

Date	District	Event Locations	Visitors	Exhibitors	Supporters
August 25 (Saturday)	Sapporo	Sapporo Sports Exchange Facility Community Dome Tsudome	10,021	126	1,044
September 22 (Saturday)	Muroran	Nihon Kogakuin College of Hokkaido	3,019	58	458
	City of Kushiro	Kushiro City Tourism International Exchange Center	3,344	54	301
September 29 (Saturday)	Asahikawa	Dohoku Arcs Taisetsu Arena	5,052	78	525
	Kitami	Sun Dome Kitami & Sun Life Kitami	4,267	73	475
October 7 (Sunday)	Obihiro	Tokachi Nokyoren Kachiku Kyoshin Kaijo Agri Arena	3,272	74	396
October 13 (Saturday)	Tomakomai	Tomakomai Komazawa University	3,853	61	422
	Hakodate	Hakodate Research Center for Fisheries and Oceans	3,560	68	402

Coop Sapporo Objectives Reduce Food Waste and Provide Food Education.



Todok Food Bank

Addressing the problem of food loss Todok Food Bank

Despite having no quality issues, a lot of food is disposed because of set expiry dates or defective packaging. This is called food loss. In 2016 we started the *Todok* Food Bank project to address this problem. Whenever food is returned from our *Todok* deliveries, those without quality issues are donated to foster and family homes. In addition, with the cooperation of the Hokkaido government, we invited culinary researcher, Akiko Shoji, to hold cooking classes in 4 of our stores across Hokkaido focused on reducing food waste. 80 people participated in these classes.



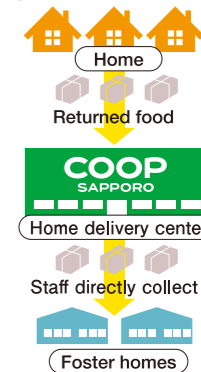
Conveying the fun and pleasure of cooking through food education

In addition to delivering food, the *Todok* Food Bank provides food education events at the foster homes called the *Todok* Food Caravan. A cooking expert for children, Ms. Eri Noto of Nokotabe LLC, visits foster homes and teaches children how to cook. We also hold food education cooking events for 12th-year school students who will soon become independent after leaving their foster homes.

How *Todok* Food Bank works

① **Collecting returned food to home delivery centers.**

Returned foods are checked for quality issues and those that pass are then allocated to home delivery centers in each region. Non-refrigerated and frozen foods, as well as items with best before dates over 1 month away, are then donated via the *Todok* Food Bank.



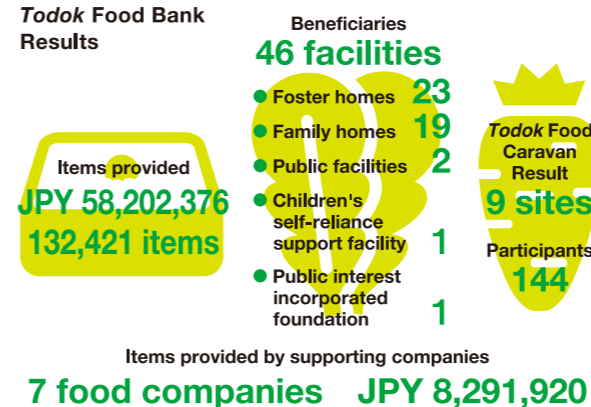
② **Distributing the donated food.**

The staff of foster homes visit the nearest *Todok* Delivery center either weekly or biweekly to receive these food items.



Ms. Eri Noto

Todok Food Bank Results



Feedback from foster homes

- We plan meals in a way so that we can talk to our children about the amount of donated food we receive. The food also brings variety to our menu. We are very grateful for the donations.
- After the earthquake, we suffered from a blackout and shops were short in supplies. However, with the rice and drinks we had stocked up, we were able to get by without too much concern.
- From the donations, we forwarded some easy-to-cook foods to our former foster children who now live in university dormitories. They are fully enjoying university life and also very thankful for the support.
- Both children and staff enjoyed the *Todok* Food Caravan. After the event, we were amazed to see some children trying to create the same menu again during playtime.



Coop Sapporo Objectives Connect companies and organizations that engage in food education to share information.



The Society of Food Education

Coop Sapporo conducts the Society of Food Education with our business associates in order to improve our food education programs. We invite industry lecturers to each meeting and share information among the society members to enrich the culinary culture of Hokkaido. At the commemorative 20th meeting on November 16th, 2018, Professor Noyuri Mima of Future University Hakodate gave a lecture on Studying Food Scientifically. We learned about the latest circumstances regarding food and had a chance to think about what is expected of those who are involved in the food industry.



Around 180 people turned up to hear Professor Mima's lecture.



FY 2018 The Society of Food Education

Date	Times held	Instructor	Participants
July 12, 2018	19th	Iwamizawa Agricultural High School	180
November 16, 2018	20th	Professor Noyuri Mima	180
February 22, 2019	21th	Chef Masayuki Okuda	180

Coop Sapporo Objectives Connect producers, chefs, and consumers, as well as introduce the unique appeal of Hokkaido agriculture.



Restaurant on the Farm

Our Restaurant on the Farm is a popular green tourism program where prominent chefs open a one-day restaurant on a farm of the Coop Sapporo Agricultural Award winners. We placed the event on hold through 2018 in order to revise it to become more attractive. We equipped our kitchen car with a new convection steam oven (the oven bakes and steams at the same time), enabling our chefs to cook more authentic dishes on site. With this new kitchen car, we plan to improve our event to better enable producers and consumers to connect.



Our new kitchen car

Coop Sapporo Objectives Maintain communication between producers and consumers.



Agricultural Award Meeting

Since 2004, we have conducted the Coop Sapporo Agricultural Award to recognize producers in the produce and fish industries who have taken steps towards food safety, environmental protection, and community-consumer networking initiatives. The award is given once every three years, while in the two years between, we hold Agricultural Award Meeting opportunities for awardee producers, examination committees, and members to interact with each other. The meeting held on November 16, 2018 attracted 179 participants. In addition to the lecture about the latest efforts of producers, the event allowed everyone to speak and share experiences with one another.

Coop Sapporo Objectives Learn fish preparation skills to preserve our food culture.



Fish Cooking Classes

Since 2014, we have collaborated with the Sapporo Central Wholesale Market to hold our Fish Cooking Class. We intend to pass down fish preparation skills and our culinary culture in hopes of promoting more delicious seafood dishes. In fiscal 2018, a total of 656 people participated in 50 classes held in 8 different regions of Hokkaido. Participants learned how to fillet mackerel and octopus, and how to cook other seafood in a friendly atmosphere. We will continue these activities in order to encourage more consumers to learn how to cook fish as casually as any other familiar food.



A workshop for college students.

FY 2018 Event Results

Cooking workshops (including local events)

50 Sessions 656 Participants

Parent-child workshops

2 Sessions 33 Participants

Advanced classes

2 Sessions 31 Participants

Our Motto: Connecting

Efforts of Food Education

SDG Objectives



PR magazine *Cho-co-tto*

On the first day of every month, we publish *Cho-co-tto*, a PR magazine produced with the goal of promoting delicious meals in Hokkaido. In it, we share stories about food producing areas and producers, as well as various recipes by chefs, dietitians, and students majoring in human nutrition.



Cooperating with high school and university students through food

The annual High School Student Challenge Gourmet Contest started back in 2018. The prize-winning menu, "Hokkaido ga takusan!! Shika-sand BREAD" by Hokkaido Shibeche High School was put on sale in 4 stores. Also, the bento lunch box developed by the students of the Food Nutrition Department of Hakodate Junior College was offered at 12 stores around Hakodate. At the Yunokawa store, 11 students presented their bento package and sold all 85 packs.



The World Cuisine Academic Meeting in Hakodate

The World Cuisine Academic Meeting in Hakodate was held on April 23 and 24 in 2018 at the Hakodate Performing Arts Center. Under the theme of "edible wild plants", 31 prominent chefs both in and outside of Japan made 15 individual presentations and 6 sessions in front of as many as 700 people. There were various kinds of presentations, such as cooking videos, movie clips depicting the climate of certain areas, and talks about chef philosophies, and presentations on cooking theories and methods.



Coop Sapporo Cultural Center

Coop Sapporo Cultural Center holds classes under the theme of food education. In fiscal 2018, we conducted cooking classes using Coop private-brand products, as well as classes for expecting mothers and parents with infants. As well, we worked together with the Hokkaido Government Department of Agriculture, and held seminars about food waste in Sapporo, Asahikawa, and Hakodate. The feedback was very positive and included comments like, "I want to try what I've learned here!"



Bento Day

Bento Day is a movement to encourage children to cook a bento lunch box for school by themselves. This brings a sense of independence and appreciation for the children and, among many other benefits, gives them the courage and skill to plan things. This movement is still not well known in Hokkaido yet, but we plan to help spread awareness as a Hokkaido Bento Day supporter.



Heuriger Hokkaido

Coop Sapporo has held the Heuriger Hokkaido event for eight years in support of prefectural wineries to help raise publicity for Hokkaido wine. We invited Ms. Yumi Tanabe, a wine consultant from Ikeda, as a lecturer for our event in November. Both Ms. Tanabe and about 100 participants enjoyed their dinners with Heuriger.





Engaging in social issues such as child raising, employment, and the environment is akin to protecting the communities and their future. We strive to create a society where the next generation can learn and grow in good health.

Coop Sapporo Objectives → Strengthen parent-child ties and to pass on our culture and values to the next generation.



Ehon-ga-Todok (free picture books program)

Our free picture books program regularly hands out books to children every 4 months, in the hopes of encouraging positive parent-child relationships. The target demographic is families with children between 1 to 2 years old. As of fiscal 2018, we have handed out a total of 349,394 books to 69,016 families.

Our *Ehon Wakuwaku* Caravan (picture books tour) has visited a total of 700 nursery schools and kindergartens since 2012. We had a commemorative ceremony at Kikusui-Motomachi Nursery School. In the cities of Kushiro and Otofuke, we held special events called the *Ehon de Wakuwaku!* Family Live, where Tanizo, a children's play creator, performed on stage.

Moreover, in fiscal 2018 we started the Events for Expecting Parents. Many parents-to-be laughed, giggled, and enjoyed the comic duo Tetsu and Tomo on stage.



Ehon-ga-Todok Subscriptions **9,544**

Ehon Wakuwaku Caravan (picture books tour) Visited **122 facilities** Toddlers joined **11,073**

Audience Numbers at Events for Expecting Parents (Total of four venues) Adults: **589** Children: **310** Infants: **99**

Ehon de Wakuwaku! Family Live Audience Adults: **311** Children: **267**

Facts October 15 (Monday) **Sapporo** October 16 (Tuesday) **Asahikawa** October 17 (Wednesday) **Tomakomai** October 22 (Monday) **Hakodate**

Coop Sapporo Objectives → Support Students and Young Colleagues Financially.



College Scholarship

In recent years, more and more young people are struggling to pay off student debt, as tuitions hit hard on family budgets due to declining wages. Established in 2017, our College Scholarship does not need to be paid back. In exchange, these students work at our stores or factories and also gain the benefits of our membership enrollment program.

In April 2019, we expanded this scholarship program to our young colleagues and started the Student Loan Repayment Support Program in which we offer financial support in paying off a part of their student debt. With this assistance, we are able to attract and hire top tier talent.

Coop Sapporo's Social Welfare Fund

Coop Sapporo's Social Welfare Fund was first authorized as a public interest incorporated foundation in 1989. Its scholarship program has been financially supporting high school students with single parents and/or disabilities. This scholarship also does not need to be paid back. In 2018, 188 students received a total of 2.3 million JPY.

College Scholarship Recipients **255** (as of March 2019)
Part-time workers under the program **278** (as of February 2019)

Coop Sapporo Objectives → Support New Parents.



First Child Box

In April 2018, Coop Sapporo began to give out baby care items and baby clothes to expecting parents for their first child. We decided on this initiative as a commemorative program for the 150th anniversary of Hokkaido. We modeled it after the maternity grant program in Finland, which is well-known for its parent-support systems, and choose quality products manufactured at trusted factories. Coop Sapporo will continue this program to support parents and their children.



FY 2018 Application for the First Child Box

Applications: **6,779**

(As of March 20, 2019)



Santa visited our nursery school

On November 21 and 22, 2018, we invited Santa Claus from Rovaniemi, Finland. At the *Aurinko* nursery school in our Ai-no-sato store, 50 children and their parents played with him. Santa also visited some foster homes in Sapporo.



Coop Sapporo Objectives → Teach children the reality of work and the importance of food.



Oshigoto Kids (Children's job shadowing program)

During the summer and winter holidays, we hold *Oshigoto Kids*, a program for children to experience job shadowing. Children wear our uniforms, stock the shelves, prepare products, and scan the barcode at the cash registers. We have added more stores under this program so that even more children can join. Also, we make updates to the program so that children can learn about the supply chain, quality food, and the challenges and rewards of working.



On-the-job learning at the job shadowing festival

In December 2018, we held the first *Oshigoto Kids* Festival, a job shadowing event, in collaboration with the Kiyota ward office in Sapporo. A total of 160 children shadowed chefs, photographers, narrators, and many other professionals.



Oshigoto Kids



From 21 stores in FY 2017 to 38 stores in FY 2018

Added **17 stores**
573 children joined



Coop Sapporo Objectives Provide a safe work environment for the people in our communities.



Better Work Environment

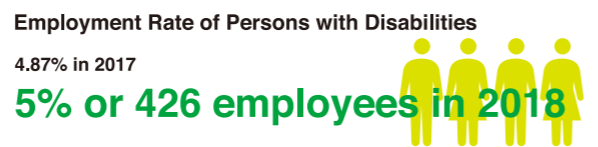
An inclusive work environment for disabled people

Coop Sapporo strives for workplace diversity where each and every person can join of their own accord. In particular, the hiring of people with disabilities has been our long-term commitment. We are above the 2.2% legally mandated rate of employment of people with disabilities, reaching 5% in August 2018.

We will further encourage more of these talented people to become fully-fledged, standard employees by institutionalizing it starting from March 2019. At our factories, we will train those people according to their skill level. At our stores, we will invite specialists to help with training. We strive to create a work place where anyone can continue working until they reach retirement age.



Employees with disabilities at a natto line at Hamanasu Foods, a Coop Group factory.



Welcoming technical interns internationally

At the Coop Foods factories in Ishikari and Ebetsu, we accept foreign technical interns from China and Vietnam. We built a dorm exclusively for these people and train them on factory rules and hygiene control. Then, they are assigned to individual factories for on-the-job training. During holidays, we offer them Japanese-language classes and fun events in partnership with the local governments and communities to ensure that they are able to fully enjoy Japanese culture.



Technical intern at our factory

Technical Interns	
Ishikari Factory	124
Ebetsu Factory	28
Ebetsu Fresh Food Processing Center	27
Stores	21
Hokkaido Logiservice	13
Total	213



At an interactive event

Welcoming people from Saigon Coop

Coop Sapporo has been part of a signed collaborative partnership with Saigon Coop in Vietnam since December 2016. From July 1 to 14 in 2018, 10 people from Saigon Coop visited us and learned about our operations. On the first day, our CEO, Mr. Hideaki Omi, explained about consumer cooperatives in Japan as well as Coop Sapporo, followed with training at our stores and factories, and lastly riding in our delivery trucks. On the weekend, they visited Furano and met with people from JA Higashikawa.



Eliminating employment limits

Japanese labor law stipulates that after exceeding five years, fixed-term contract employees are eligible for permanent employment. At Coop Sapporo, as of April 2018, we drastically shortened the required time to be entitled for permanent employment. This job security encourages colleagues to continue working with peace of mind, while allowing Coop Sapporo to retain talented people.

Coop Sapporo Objectives Contribute to Regional Development and Environmental Protection through Local Energy Production and Consumption.



Promoting Renewable Energy

Todok Power

Established in 2016, *Todok Power* is the only utility company operated by a consumers' cooperative in Japan that is part of the Feed-in Tariff (FIT)* scheme. We have set a goal to use 100% renewable energy in our business activities to serve the future generations of Hokkaido.

* FIT scheme: Renewable electricity (photovoltaic, wind, hydroelectric, geothermal, bio-mass based, and other sources) purchased by electricity providers under fixed prices set by the government.

Hokkaido's First RE 100 Business

RE100, or Renewable Energy 100%, is a global initiative to bring leading international businesses together in setting goals of using 100% renewable energy. 167 businesses around the world, including 17 Japanese companies, have since joined the movement as of April 2019. Coop Sapporo is the first business in Hokkaido as well as the first consumers' cooperative in Japan to join.

Enecoop

In June 2018, Coop Sapporo Group's Enecoop opened an Enecoop Consultation Booth in our Shena store in Asahikawa. In August, the company held a symposium open to the public which saw 200 attendants.

In February 2019, our biogas plant received the Northern Districts' Energy Conservation and New Energy Awards by the Hokkaido government and METI. Our construction of a resource circulation system and efforts in PR were recognized as a contribution to the local area.

RE 100



Coop Sapporo Objectives Raise Awareness to the Environment via the Recycling Facility.

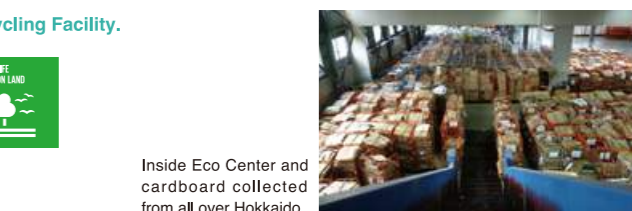


Eco Center

Coop Sapporo's Eco Center collects recyclable materials and processes them into a form suitable for further recycling (see page 28), in addition to serving as a hub for environmental education. In fiscal 2018, we held an environmental exhibition event in Ebetsu between June 16-17, attracting 670 parents and children. On November 10, the Eco Center held its first "experience it" event

Visitors to Eco Center and Eco Station

Visitors: 1,799 (April 2018 - March 2019)



Inside Eco Center and cardboard collected from all over Hokkaido.



A concept rendering of Eco Station 2, six years after scheduled completion.

where 162 parents and children joined.

At the *Todok Eco Station*, located on the same site as the Eco Center, we offer observation tours where people can learn about reusing and recycling, renewable energy, tree planting, and food waste problems. We are planning to open Eco Station 2: Future Forest Library where people can learn more about Coop Sapporo's environmental activities, including the Coop Future Forest project (see page 29) in June 2019.

Coop Sapporo Objectives Help victims of natural disaster.



Emergency Fundraising for the Torrential Rain Disaster in Western Japan

July 2018, successive heavy rains in western Japan led to widespread devastating floods and mudslides, raising the death toll number to hit more than 200. Coop Sapporo spearheaded an emergency funds campaign for the disaster and many members chipped in for a total of

nearly JPY 53 million. The contributions were donated to the affected areas via the Japanese Consumers' Co-operative Union (JCCU) and other aid projects.

Total Amount Donated
JPY 52,643,390



Coop Sapporo Objectives Pass on our account of war to the next generation to ensure peace.



Peace Study Tour

Every August, we send junior and high school students to Hiroshima and Nagasaki as Youth Peace Ambassadors to learn about peace. In 2018, 13 students joined to learn about the tragedies of war and nuclear weapons. They followed up with a presentation to the whole school. One student said, "I want to tell these stories on behalf of the nuclear bomb victims to ensure peace."

In addition, the Hokkaido Citizens Group for the Abolishment of Nuclear Weapons invited us to join their campaign. Beginning on

January 15, 2018, 322,123 members have signed the campaign as of February 2019.

Youth Peace Ambassadors of 2018: **13**
Signatures: **322,123** (as of February 2019)



Coop Sapporo Objectives Broaden our members' international relations through the UNICEF fund drive.



UNICEF Fund Drive Water, Hygiene, and Sanitation Project in Bhutan Certificate of Appreciation

Coop Sapporo started UNICEF's Water, Hygiene, and Sanitation Project in 2010. It provides school children in Bhutan with safe water and clean toilets to help improve the hygiene of children. Through this program, we have since contributed JPY 196 million over 9 years. Every two years, the project includes a study tour, in which our member representatives visit Bhutan to observe the progress. After their return home, they would share their experiences.

In October 4, 2018, the Kingdom of Bhutan awarded us a certificate of appreciation. We will continue this campaign to support children around the world.

* Designated Fundraising: for transparency of monetary usage, we disclose all the destination countries and funding purposes

Donations from 2010 to 2018:
JPY109,408,508



Hitomi Tokuda, honorary consulate of the Kingdom of Bhutan, awarding the certificate of appreciation.

Since the 2008 Hokkaido Toyako Summit, Coop Sapporo has been focusing more attention towards environmental initiatives. We are working together with our members to lower the environmental impact of our business activities.

Environmental Philosophy

Based on our Seven Promises, Coop Sapporo works with all our members and executives to strive for a safer and enriching life, where human rights are respected and the environment is protected. We endeavor to promote the creation of communities that can provide ample welfare and mutual assistance.

Coop Sapporo aspires to create a sustainable society where these activities can take root and where every individual in Hokkaido can have high hopes for a bright future.

Environmental Policy

Through our stores, Coop Sapporo will continue providing safe products and services that our members trust. Through our *Todok* Delivery Services, Mutual Aid, and other projects, we also contribute to fulfilling lives for everyone in Hokkaido, while molding a sustainable, earth-friendly society.

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

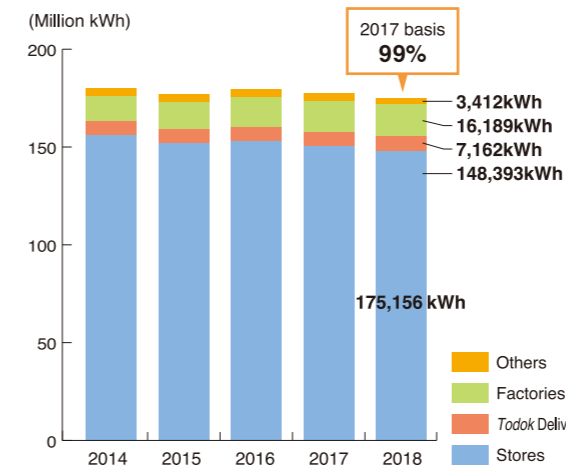
- We use electricity and fuel resources efficiently to contribute to curbing global warming.
- We are committed to waste control and reduction.
- We use environmentally-friendly office supplies.
- We develop and promote environmentally-friendly products.
- We create an environmentally-conscious culture 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 Activities Report

Each and every business is facing a serious challenge of reducing greenhouse gas emissions, especially CO₂. Coop Sapporo is minimizing energy use and proactively introducing reusable energy.

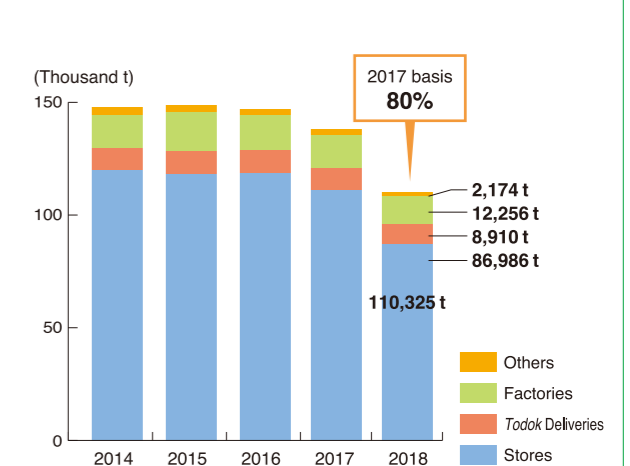
Electricity

We have successfully reduced the amount of electricity consumed by carefully managing energy use.



CO₂ Emissions

We have reduced CO₂ emissions by reducing electricity use and by introducing alternative energy sources which emit less of the gas.



TOPICS 2018

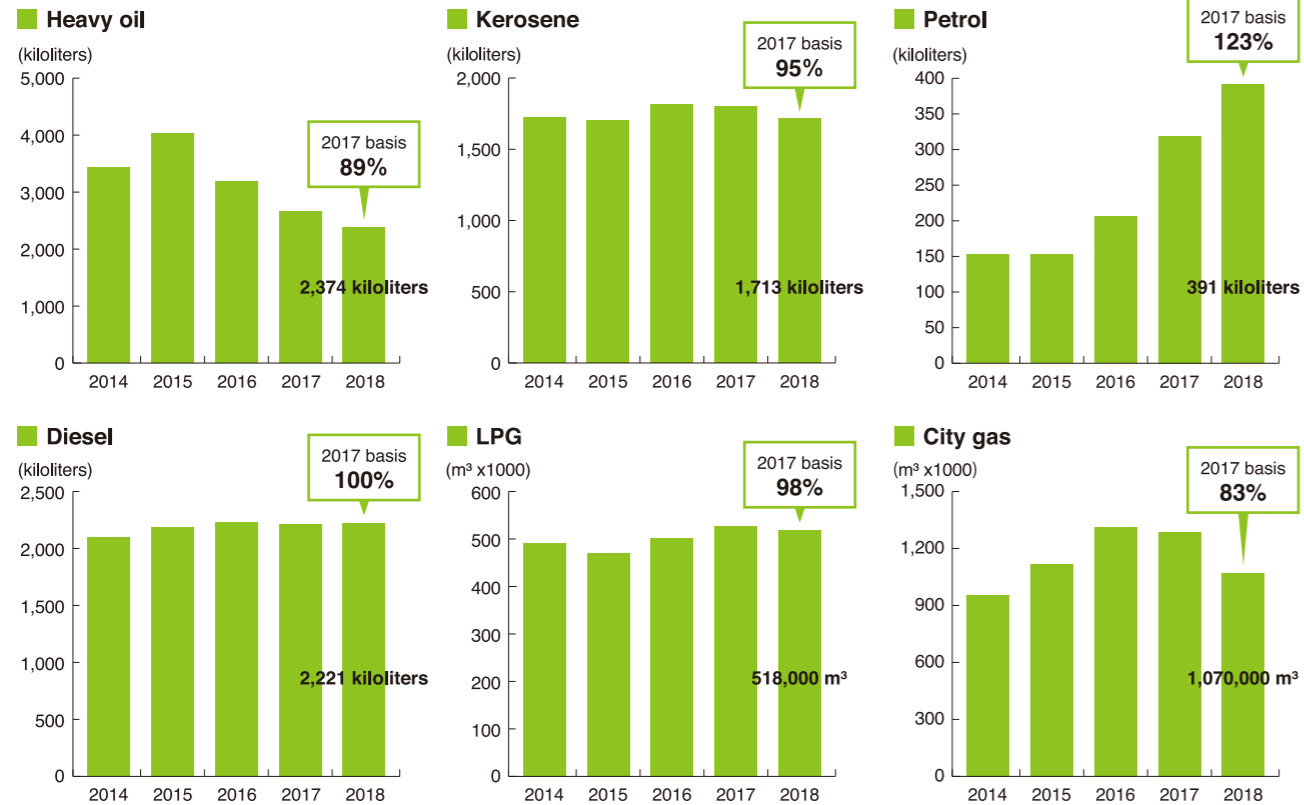


Here are some highlights of our environmental activities in FY 2018.



Energy Consumption other than Electricity

We are gradually introducing alternative energy sources that have less harmful environmental effects.



Coop Sapporo's Recycling

Coop Sapporo collects recyclable waste from our stores and other offices along with those from our members' homes using the return trip of *Todok's* home trucks. The amount has increased each year and in fiscal 2017, we collected 33,186 metric tons of recyclables. That is equivalent to reducing 18,309 metric tons of CO₂.

Collection Volume of Eco Center

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017 basis
Cardboard	16,617	16,991	17,602	17,598	17,178	98%
Paper cartons	292	280	283	276	272	99%
Weekly <i>Todok</i> catalogues	8,950	9,948	11,041	12,085	13,788	114%
Newspapers	975	983	1,000	954	906	95%
Foam Packages	384	411	388	375	374	100%
Plastic bottles	58	61	66	47	32	68%
Steel cans	27	18	24	16	14	88%
Aluminum cans	44	46	58	68	62	91%
Polypropylene bands	40	42	44	43	33	77%
Plastic inner bags	125	117	116	116	123	106%
Used cooking oil	769	807	849	861	873	101%
Secondhand clothes	21	671	728	747	838	112%
Total	28,302	30,375	32,199	33,186	34,493	104%

Donating our used clothing sales to Hokkaido UNICEF

Since March 2014, we have collected used clothes from our *Todok* members' homes via delivery truck return trips. They are sent to Cambodia for resale or remade into clothing for industrial use. In fiscal 2017, we donated JPY 1.5 million of sales to Hokkaido UNICEF.



Topic 1 Coop Future Forest Project

Coop Future Forest Fund is a program where Coop Sapporo donates 0.5 yen into the pool for each plastic grocery bag a member declines. Since its establishment in 2008, we have raised JPY 229,587,125 and supported 22,562 members in planting 97,779 trees so far. In addition, we also promote the creation of forests by financially assisting forest-protection groups. At present, we have provided a total of JPY 4 million to 18 groups. In fiscal 2018, we held a tree planting and tree growing festival simultaneously for the first time. By planting new trees and taking care of the ones people had previously planted, our members had a great time enjoying nature.



Topic 2 Polar Bear Support Project

Raising environmental awareness with zoos

Todok, Coop Sapporo's mascot, is a polar bear. That's why we are supporting this endangered species and raising awareness of the environment with four zoos in Hokkaido. Our Polar Bear Support Project provides sponsorships to them, sets panel exhibitions, and holds environmental events.

Since 2009, we have designated Eco Project products on an annual basis. We donate 2 yen per product sold to both the Polar Bear Support Project and to the Future Forest Fund. From October 1 to November 30 in 2018, we held the Eco Sponsorship Campaign and raised JPY 3.7 million.

Contributions made to the Polar Bear Support Project

Zoos (Agreement Established)	Dates	FY 2018 Amount contributed	Activities in 2018
Sapporo Maruyama Zoo (April 27, 2009)	July 29, 2018	JPY 3 million	• Ads for the Annual Passport • Environmental education events • Summer holiday treasure hunt, day camp, and photo exhibition of Africa
Asahiyama Zoo (April 27, 2013)	September 11, 2018	JPY 2 million	• Environmental education events • Summer holiday treasure hunt and camping at the zoo in summer and winter • Photo exhibition of Africa
Obihiro Zoo (August 10, 2010)	July 16, 2018	JPY 2 million	• Environmental education events • Summer holiday treasure hunt and a day camp at the zoo • Photo exhibition of Africa
Kushiro Zoo (November 23, 2011)	July 14, 2018	JPY 2 million	• Environmental education events • Summer holiday treasure hunt and summer camp at the zoo • Photo exhibition of Africa

Winter Camp at Asahiyama Zoo

In 2017, we started *Todok Explorer* as a platform for environmental education at zoo facilities. Collaborating with zoos, organizations, and businesses, Coop Sapporo provides unique and fun environmental events and activities.

On January 12-13, 2019, we held the Middle-of-Winter Camp at Asahiyama Zoo. We invited the North Pole adventurer Yasunaga Ogita to share his experiences in the arctic region. The zoo director, Mr. Bando, also joined. We had unique experiences like making beds out of only things found around us and lying on it for one hour under the winter sky, then spending the night in the Seal House. Nine grade 6 students and their parents participated.



Pulling a 100kg sled with a harness

After Mr. Ogita's speech, the children made beds out of cardboard and newspapers.

About Us

Name	COOP SAPPORO Changed from Citizen's Cooperative Coop Sapporo in 2000
Established	July 18, 1965
Start of Operation	October 1, 1965
Headquarters	10-1, Hassamu 11-jo 5-chome, Nishi-ku, Sapporo-shi, Hokkaido 063-8501 JAPAN
Board of Directors (full-time)	<ul style="list-style-type: none"> CEO and President: Hideaki OMI Managing director: Norihiro NAKAJIMA Executive director: Masakazu IWAFUJI Executive director: Toru YONEUCHI (As of March 2019)
Geographical Scope of Activities	All of Hokkaido
Members	1,762,681 members as of March 20, 2019 2,772,845 households in Hokkaido as of January 31, 2018 Membership ratio: 63.6% (Sapporo: 55.7%, Asahikawa: 75.9%, Hakodate: 74.3%, Ishikari: 81.1%)
Capital	JPY 72.9 billion as of March 20, 2019
Sales	Total: JPY 283.4 billion (March 21, 2018 - March 20, 2019) Stores: JPY 188.9 billion Deliveries: JPY 86.7 billion Mutual Aid: JPY 1.9 billion Others: JPY 5.9 billion
Employees	Regular: 2,257 Contract: 2,139 Part-time: 9,017 *Includes workers in the group companies as of March 20, 2019

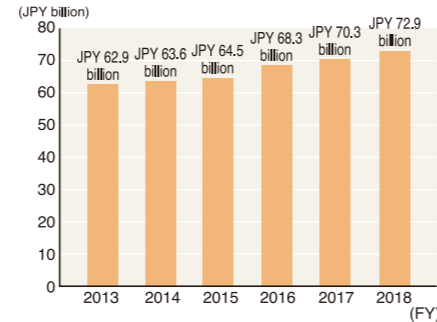
Reference Six-year Summary

■ Capital by year

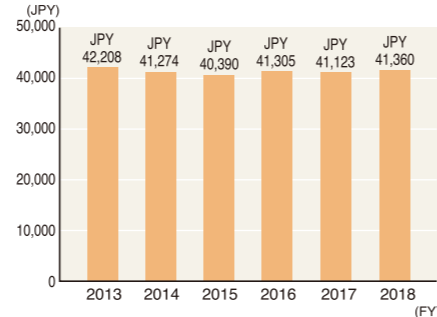
Section	Amount (JPY x1000)	YOY Increases (JPY x1000)	Growth Rate (%)	
			YOY	FY 2013 Basis (%)
FY				
2013	62,917,555	902,366	102	100
2014	63,697,955	780,400	101	103
2015	64,466,901	768,946	101	104
2016	68,344,865	3,877,964	106	110
2017	70,278,859	1,933,994	103	113
2018	72,903,778	2,624,919	104	116

*The above amounts include deposits less than JPY 1000.
As per the Company Article, the capital (based on share price of JPY 1000) is JPY 72.45 billion.

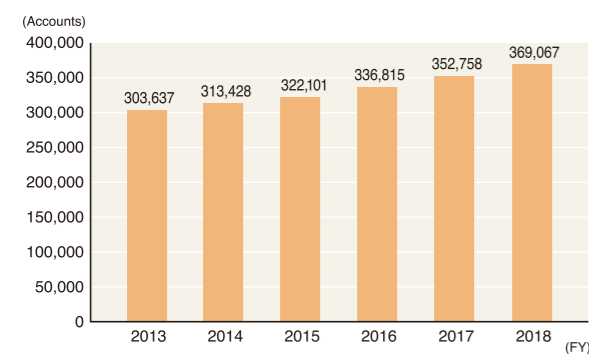
■ Capital Balance by FY



■ Average capital per person

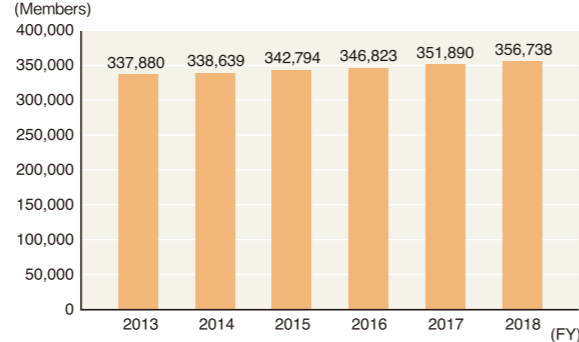


Reference Subscription of Todok Delivery Services



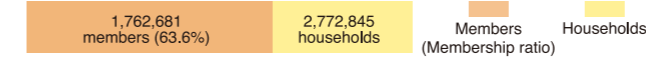
Reference Coop Mutual Aid

■ Subscription of Tasuke-Ai Mutual Aid



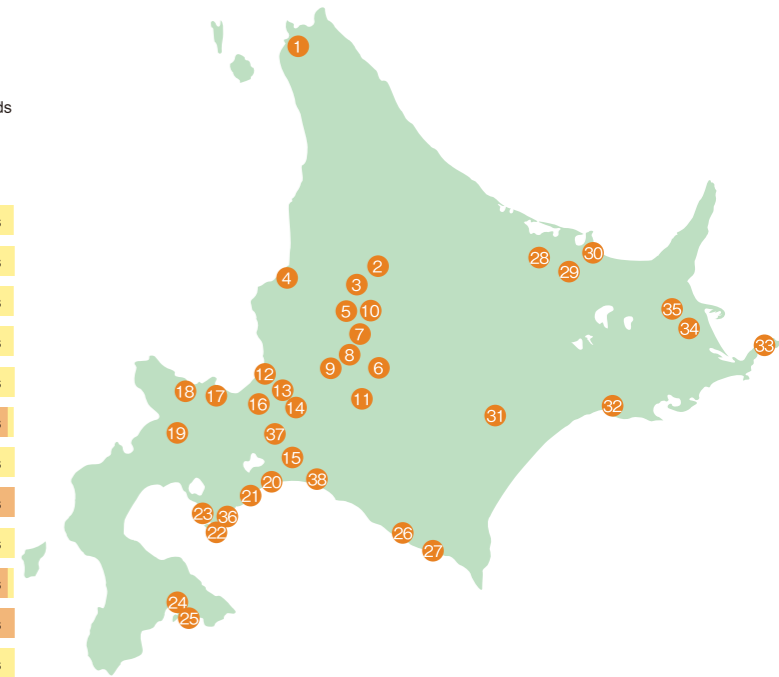
Membership Demographics

Membership Ratio by Municipality



Members represent the number registered as of March 20, 2019
Household data is based on the Basic Resident Registry as of January 31, 2018

1 Wakkanai	5,239 members (28.9%)	18,114 households
2 Asahikawa	134,883 members (75.9%)	177,815 households
3 Fukagawa	10,363 members (94.4%)	10,983 households
4 Rumoi	11,252 members (95.6%)	11,768 households
5 Takikawa	14,492 members (67.2%)	21,560 households
6 Furano	10,819 members (98.6%)	10,972 households
7 Sunagawa	7,733 members (86.5%)	8,939 households
8 Bibai	12,206 members (103.2%)	11,822 households
9 Iwamizawa	34,240 members (81.9%)	41,805 households
10 Akabira	5,906 members (98.6%)	5,992 households
11 Yubari	4,961 members (101.7%)	4,876 households
12 Ishikari	22,221 members (81.1%)	27,405 households
13 Ebetsu	38,344 members (67.8%)	56,564 households
14 Kita-Hiroshima	23,334 members (85.5%)	27,298 households
15 Chitose	22,748 members (46.8%)	48,613 households
16 Sapporo	584,452 members (55.7%)	1,048,469 households
17 Otaru	52,129 members (80.9%)	64,462 households
18 Yoichi	8,865 members (88.8%)	9,986 households
19 Kutchan	7,756 members (85.7%)	9,055 households
20 Tomakomai	64,555 members (73.6%)	87,716 households
21 Shiraoi	8,885 members (93.2%)	9,529 households
22 Muroran	25,246 members (54.6%)	46,265 households
23 Date	8,677 members (48.4%)	17,925 households
24 Hokuto	15,369 members (69.4%)	22,148 households
25 Hakodate	106,384 members (74.3%)	143,249 households
26 Shin-Hidaka	8,898 members (75.8%)	11,744 households
27 Urakawa	8,008 members (118.4%)	6,766 households
28 Engaru	10,799 members (103.6%)	10,421 households
29 Kitami	42,089 members (68.4%)	61,514 households
30 Abashiri	14,862 members (81.1%)	18,324 households
31 Obihiro	45,959 members (52.7%)	87,166 households
32 Kushiro	66,497 members (70.2%)	94,682 households
33 Nemuro	7,449 members (58.5%)	12,734 households
34 Betsukai	4,863 members (72.9%)	6,668 households
35 Nakashibetsu	6,750 members (60.7%)	11,121 households
36 Noboribetsu	16,265 members (65.4%)	24,875 households
37 Eniwa	16,384 members (49.9%)	32,818 households
38 Mukawa	4,141 members (96.3%)	4,300 households
Others	268,658 members (60.2%)	446,382 households



■ Membership by FY

Section	Membership	YOY increase (Membership)	Rate of increase (%)	
			YOY change	FY 2013 basis
FY				
2013	1,490,640	75,375	105	100
2014	1,543,280	52,640	104	104
2015	1,596,125	52,845	103	107
2016	1,654,657	58,532	104	111
2017	1,709,000	54,343	103	115
2018	1,762,681	53,681	103	118

*995 unverified addresses and/or members removed on March 20, 2013.
*696 unverified addresses and/or members removed on March 20, 2014.
*308 unverified addresses and/or members removed on March 20, 2015.
*176 unverified addresses and/or members removed on March 20, 2016.
*434 unverified addresses and/or members removed on March 20, 2017.
*2800 unverified addresses and/or members removed on March 20, 2019.

■ Membership Ratio by Wards of Sapporo

Chuo-ku	49,709 members (35.5%)	139,954 households
Kita-ku	87,456 members (58.0%)	150,737 households
Higashi-ku	65,422 members (46.3%)	141,368 households
Shiroishi-ku	73,245 members (60.8%)	120,507 households
Toyohira-ku	65,037 members (52.1%)	124,908 households
Minami-ku	61,681 members (85.1%)	72,488 households
Nishi-ku	62,952 members (56.0%)	112,479 households
Atsubetsu-ku	38,858 members (60.3%)	64,440 households
Teine-ku	47,009 members (68.5%)	68,639 households
Kiyota-ku	33,083 members (62.5%)	52,949 households

Locations and Layout

Administration

Headquarters	1
Regional Headquarters	8 (Obihiro-Hidaka, Kushiro, Kitami, Tomakomai, Muroran, Hakodate, Asahikawa, Sapporo)

Stores

108 stores in 28 cities and 18 towns as of March 20, 2019

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

Coop Todok Delivery Centers

33 centers and 11 depots as of March 20, 2019

Mobile Grocery

91 vans cover 128 cities and towns across Hokkaido

Food Factories

Ebetsu Fresh Food Processing Center

Recycling Facility

Eco Center

Funeral Halls

Feriae Funeral Hall Tsukisamu

Feriae Funeral Hall Shin-Kotoni

Coop Sapporo Group

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

Openings in 2018

Todok Oyachi Delivery Center, October 2018

Future Forest Library in Todok Eco Station, November 2018

Assessment of Coop Sapporo's Activities and Going Forward



Professor **Noyuri Mima**
School of Systems Information Science
Future University Hakodate

Creating opportunities for producers and consumers to connect

In 2018, I was invited to speak at the Society of Food Education organized by Coop Sapporo. The first thing that I noticed was that it was a learning space shared by people in the food industry. Coop Sapporo created a circular layout where consumers can learn from producers and vice versa. Most notably, the Coop Sapporo Agricultural Awards recognizes the dedication of the producers and promote their products, drawing wide national attention. Often times, corporate social responsibilities are practiced in the environmental and cultural fields which do not particularly have anything to do with the company's main business areas. In the case of Coop Sapporo however, their activities themselves directly contribute to society. For them, CSR is a continued effort to grow, and more recently, to "creating shared values" (CSV). Contributing to society through their organic growth is their sustainable style of business.

Informing consumers through everyday grocery shopping

When I travel on business, I like to visit local grocery stores and pick up some local specialties. Recently however, I have felt like everything looks the same. I believe that grocery stores have a role to protect their local food culture as well. Coop Sapporo's Neighborhood Vegetables, supplied directly by the local farmers, is a good example. However, I suggest that those produce be located on the same shelves as the other produce from outside Hokkaido. It would be a great opportunity for shoppers to compare their origin, food mileage, and carbon footprint if that information could be easily seen on the shelves.

Consumers need to consider that wanting only cheap products will deprive work from ourselves in the long run. Coop Sapporo does raise public awareness on multiple issues, but I would suggest for them to create more opportunities where shoppers can learn through their daily grocery shopping.

What is a brick and mortar store's raison d'être 20 years from now, in an age where everything is only a few clicks away?

Just like Coop Sapporo has their Delivery Services, people nowadays can buy anything over the Internet. To survive as a brick and mortar store requires it to be a place which attracts customers, retains proud and loyal employees, and does whatever only real stores can do to differentiate themselves.

- ① **A place to learn: not only for members but also for local producers and every consumer.**
- ② **A place to interact: 25-50% of store areas serve this purpose, erasing any boundaries on the shop floor. It is a place to learn and a place to interact.**
- ③ **Eliminate long business hours: By introducing a more efficient work ethic, stores can close at 5pm.**
- ④ **Cooperate with the Delivery network: consolidating procurement and logistics to better allow Delivery Services through adapting to smaller store spaces and shorter operating hours.**

Designing a store as a new place to interact and learn is what Coop Sapporo has to focus on. This is how Coop Sapporo should be creating shared values.