SUSTAINABILITY

The third pillar of the Delhaize Group strategy is sustainability, not because it is fashionable but rather because acting responsibly is part of the DNA of the company. This DNA manifests itself in selling good products to its customers, taking care of its associates, and treating the planet as if it were its own. In 2012 Delhaize Group took important steps in this domain and even raised the bar by introducing a new strategy and ambition to be recognized as a leader in sustainability by 2020 in all of its markets.
Given the importance of food in everybody’s life, food retail has emerged as a central industry in the conversation on sustainable development. Delhaize Group has been participating in this conversation and working on sustainability, formerly known as Corporate Responsibility, for many years. In 2008 the Group formalized its commitment in business strategy and two years later, in 2010, made it one of the three pillars in the New Game Plan comprising the key areas of People, Products and Planet. In 2012, in an exceptionally tough business climate, Delhaize Group launched new initiatives and already moved towards the 2020 ambition, which places a much stronger focus on building sustainability into private brands and puts more emphasis on reducing waste across the Group.

Some 2012 steps on the path to sustainability leadership.

Product
From 2012 on Delhaize America ensures that all seafood products sold in its stores are harvested in a sustainable manner. This means that seafood is fished or farmed in a way that will enable it to be around for generations to come. Delhaize America will only sell seafood from fisheries and farms that are managed by competent authorities that use a science-based approach to their management plans. Similar efforts were made in Belgium where Delhaize reached a significant milestone in its partnership with the World Wide Fund for Nature (WWF). Now, all fresh fish sold at Delhaize supermarkets is harvested in a sustainable way. All frozen fish will be sustainably sourced by the end of 2013.

People
In 2012 Delhaize Belgium stepped up its efforts to offer more local products. These products are not only excellent choices for the customers; they offer also a unique opportunity to support local communities. “I think customers like products that they can link to the people who make them. And for a small company like ours it is important to be supported so we can be present at different places in our region”, explains a local producer of pancakes. Just like the other operating companies within Delhaize Group, Delhaize Belgium has always given priority to local products and local producers. 100% of the eggs, 95% of milk, 85% of meat and 90% of the fruit and vegetables sold in Belgian Delhaize stores are Belgian. So with broadening its assortment of local products, Delhaize Belgium also provides local farmers and producers opportunities for growth.

Planet
Beginning in 2012, most of the Delhaize Group banners launched new programs to reduce store waste. Delhaize Belgium, a longtime partner of food banks, launched a test program in three cities to provide a daily selection of items to local food organizations. Volunteers from Saint-Vincent de Paul Society arrived at the stores every afternoon to pick up pre-assembled packages of select dry foods, fresh foods that reached their sell-by dates, and fro-
zen bread to distribute to the needy that same day. In the U.S., Hannaford launched a “moving to zero waste” project in its entire store network that combined (1) a reinvigorated focus on waste and recycling standard procedures, (2) strengthening relationships with local food pantries to ensure that edible food that can’t be sold is donated to feed people in local communities, and (3) adding food waste recycling programs where they didn’t exist already. The pilot was successful, leading to much lower waste and higher recycling, bringing waste cost at Hannaford down by 15% from 2011 to 2012.

2020
While the above steps are good, there remains much to be done; being recognized as a leader in sustainability by 2020 is a long journey and a work in progress. Moving forward, Delhaize Group has crafted its sustainability ambition as a “journey to Supergood”. Supergood is about embedding the sustainability approach into everything Delhaize Group and all of its operating banners do. Supergood means supermarkets filled with good products, where what’s good for the bottom line goes hand-in-hand with what’s good for the community, the company, and the planet.

To achieve Supergood by 2020, the Delhaize Group sustainability strategy focuses on three categories: Areas we intend to WIN (exceed our competitors’ efforts in local markets); areas we intend to LEAD (be among the leaders in our local markets); and areas we will address EVERYDAY (ensuring we meet core environmental and social standards across our business).

Delhaize Group entered for the first time the Dow Jones Sustainability Index (DJSI), both at the world and European levels, for food and drug retailers. “This is a great acknowledgement that we are building a solid foundation of sustainable business practices. As we move toward our ambitious 2020 sustainability strategy, this recognition from the world’s leading business indexes reinforces that we are on our way to embedding sustainability across our business and using it to drive clear business value.” commented Megan Hellstedt, Director of Sustainability at Delhaize Group.

The Dow Jones Sustainability World Index was launched in 1999 as the first global sustainability benchmark. The indexes track the stock performance of the world’s leading companies in terms of economic, environmental and social criteria, such as corporate governance, risk management, supply chain management, health and nutrition, environmental efficiency, and labor practices.

Read more on our progress towards sustainability leadership in the Sustainability Report, published on the Delhaize Group website in June → www.delhaizegroup.com/SustainabilityReport/2012