

# Sustainability opportunities for a broad assortment of small (beef) products

Supplier driven progress or certification?

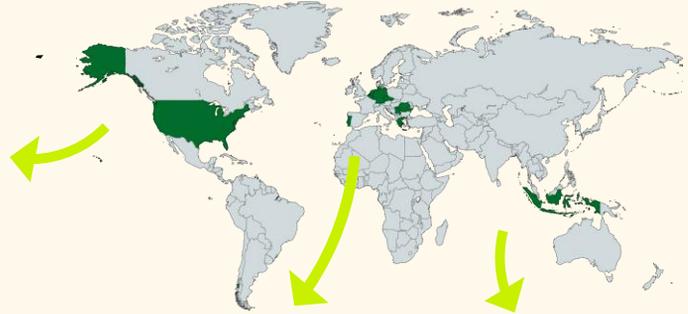
Leon Mol, October 11<sup>th</sup> 2018



# Great local brands on both sides of the Atlantic

## US

#1 or #2 in 24 DMAs representing c.80% of our US Sales



## Europe

- #1 in the Netherlands
- #1 in Greece
- #1 in Serbia
- #1 in Bucharest
- #1 in Portugal
- #2 in Belgium
- #2 in Czech Republic



## Indonesia

#1 in supermarkets





# Ahold Delhaize

**11** Countries



More than  
**6,500**  
stores

Great  
local  
BRANDS



**370,000**  
associates



Leading  
in online  
businesses



Strong  
financial  
profile



Shopping  
anytime  
anywhere



Leading in  
sustainable retailing:  
Proud member of **DJSI**



**top 10**  
International  
food retailer

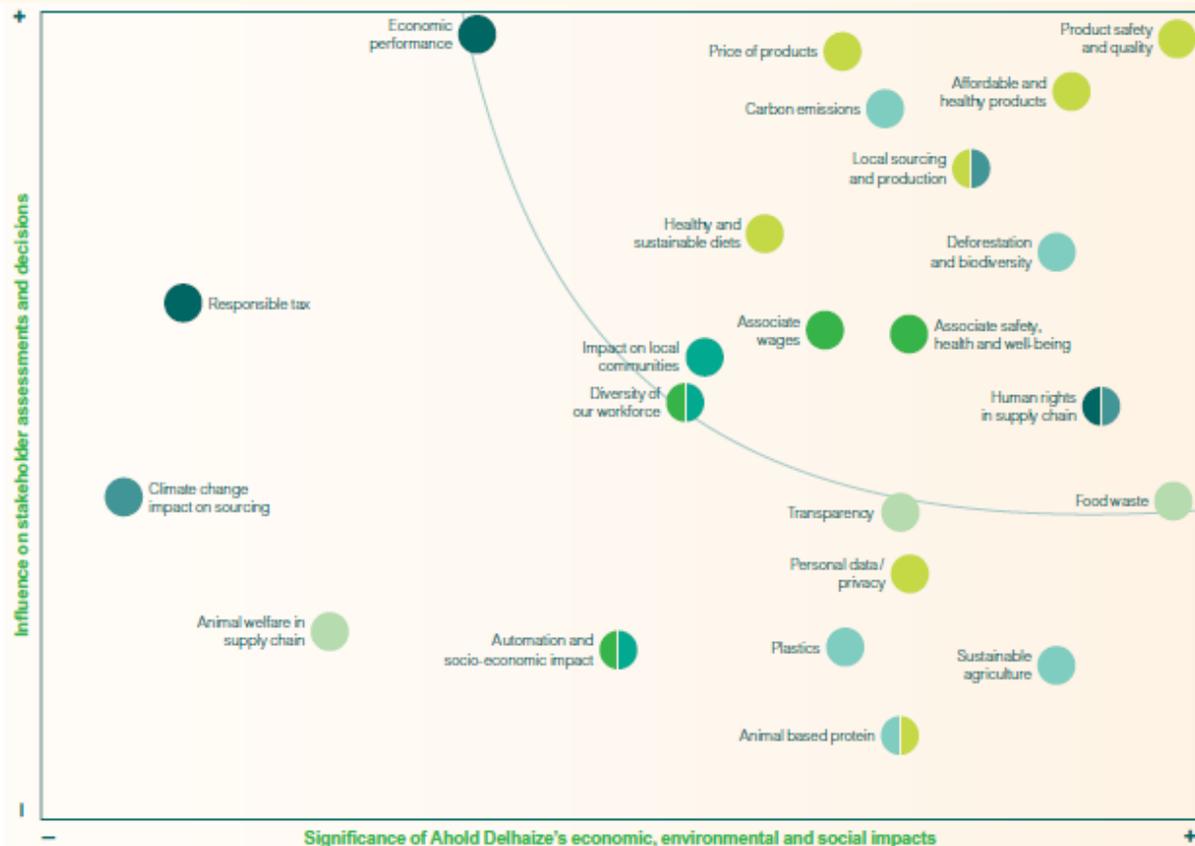


Serving more than  
**50 million**  
customers  
every week

Proud heritage:

**150** years  
experience  
in food  
retailing

# Materiality-analysis



From global ambitions...



...to strategic priorities...

Priority areas	Promote healthier eating		Reduce food waste	Create healthy and inclusive workplace	
Essentials	Product safety & sustainability	Climate impact	Associate development	Safety at work	Local community connection



...to brand execution



FOOD LION

StopsShop

Vanafond

GIANT

MANNING'S

Giant

Peapod

bfresh

Albert Heijn

ALDI

Etos

Gall & Gall

bol.com

albert

MAXI

Tempo

Boutinoutils

ENA FOOD

ALDI

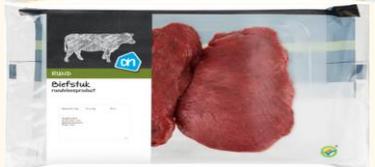
pingo doco

INGOS

# Enablers

- Brands can **differentiate** in their timing to achieve targets, but not in the targets themselves. Global priorities topped up with local topics.
- Do our **suppliers feel committed**, with the targets?
- **Transparency 1**: track products live (trackability) (internal) - this is an enabler. This is a factual approach. Origin at ingredient level is the first step.
- **Transparency 2**: communicate transparency with consumers or other stakeholders (external)
- Once the **supply chain is fully mapped** to country of origin and region, topics to focus on can be identified and prioritized.
  - Relate to due diligence (OECD guidelines)
  - Water risk map
  - Social issues
  - Land use

# Differentiation



# Relevance and efforts

- Where can we make a relevant difference for our stakeholders and our supply chains?
  - Can we make a topic big/important? (antibiotics)
  - Are we the right supply chain actor or stakeholder to make topic big? / Is it actionable? (Carbon?, smallholders?)
  - Can we get our supply chains to move? (deforestation)
  - Can we **show** the right **impact** in the supply chains? (antibiotics, pesticides)

# Sourcing models

- Longer term sourcing models and practices are an enabler for:
  - Better management and efficiency of our supply chains
  - Transparency
  - For improving trust at the consumer and stakeholder level
  - Progress monitoring
  - Securing our supply chains
  - Embedding sustainability and human rights requirements

# Thematic approach

## Sustainable Agriculture - General

- Switching from a product or issue specific approach to a more thematic approach requires a guideline to make choices
- We need to make use of a more holistic, complicated approach to achieve our targets. (e.g. antimicrobials in relation to housing, feed, etc.). So it is questionable, whether you can achieve a target by doing a simple check.
- A retailer plays a very limited role in a circular system with many materials going into the system and many products/materials going out.
- A linear sustainable agriculture approach enables us to work on the ‘linear’ product cycle, including for example waste and resource efficiency.

# Collaborative action

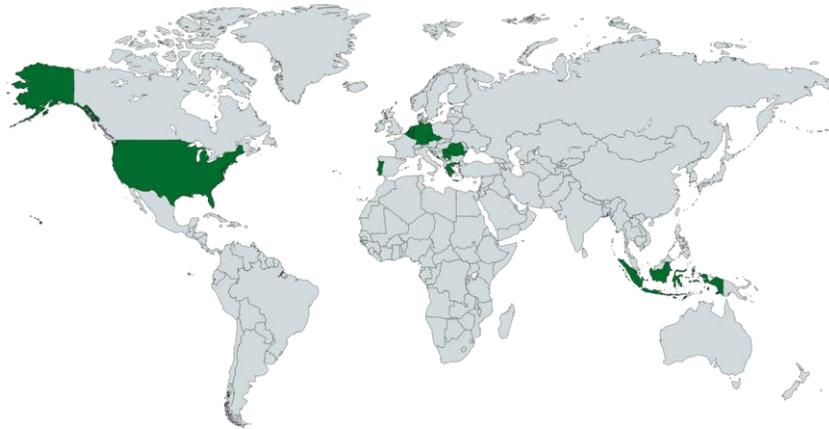
- The most efficient way to achieve improvements is working together (working together with others, like standard setters, auditors, CGF, GRSB suppliers, etc.).
- Create leverage
- Avoid duplication
- Set priorities
- Generate data
- Synchronize contents on communication
  
- OECD guidelines on Due Diligence

# GRSB: Impact on the ground

- Supply chains ready to tell their story
  - Share their successes
  - Share the opportunities for improvement / the complete picture
- Show progress
  - Progress to be aggregated for us. Stakeholders do not ask for water approach on beef, but for the global picture
  - Progress to the market
- Consistency

The easiest way for the end market is to abandon sourcing areas or to eliminate products from the assortment

# Impact as a retailer



- Progress at local/country level
- Annual reporting
- Sustainability index

Supplier driven progress is key

Certification is great but supply chains deserve better!



# Thank you

FOOD LION



GIANT

MARINE



Peapod

bfresh



Elos



bol.com

albert



Tempo

