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LAGE  
PRUIZEN  
DELHAIZE

On our way to  
**SUPERGOOD**



# SUSTAINABILITY PROGRESS REPORT 2013

DELHAIZE  GROUP

## LOCAL PERFORMANCE

## ALFA BETA IN GREECE



**Βασιλόπουλος**  
...και του πουλιού το γάλα!

This report covers Delhaize Group's operations in Greece represented by the Alfa Beta banner. Look to our other reports for information on **Group-wide strategy, goals and achievements**, as well as the accomplishments of other **Delhaize Group operating companies**.

The Vassilopoulos family opened their first Alfa Beta delicatessen back in 1939. Their strong background in retail led the Vassilopoulos brothers to found Alfa Beta SA in the 1970's, incorporating their strong family values into the company. Since joining Delhaize Group in 1991, we have built on that foundation, committing to sustainability in all aspects of our operations. We have been recognized

repeatedly as a leading retailer of fresh and healthy products in Greece, and we pioneered a line of private brand Greek specialty products. At the same time, we have addressed our environmental impact by opening Greece's first store that meets **BREEAM** environmental standards, and by becoming the market leader in customer recycling centers.

In 2013, we continued our journey toward **Supergood**. The year's projects included an emphasis on locally sourced products, the launch of a sustainable seafood strategy and a focus on the health and professional development of our associates. This report features highlights from our work in 2013.



## KEY FACTS



**227 company-operated**  
**281 affiliated**

stores



**10 958**  
associates



**22%**  
of total revenue from  
Private Brand sales



**53%**  
of total  
waste recycled

All data is as of December 2013





## SUSTAINABLE PRIVATE BRANDS

We want our customers to know that Alfa Beta's private brand products are as healthy, fresh, local and responsibly sourced as possible. That is why our top priority is improving the sustainability and health of private brand products. To that end, this year we set the following goals to achieve by 2020, in addition to our Group-wide goals. Going forward, we will monitor customer opinion and industry trends, adjusting our targets as necessary to maintain a leadership position.

Alfa Beta 2020 Goals Sustainable Private Brands	2013 Progress
Engage local fisheries in sustainable fishing methods and apply sustainable guidelines to local aquaculture farms	Launched Fishery Improvement Project (FIP) for Greek sardine and anchovy fishery
80% of Greek fruit & vegetable growers have water management programs in place	Work to begin in 2014

### Sourcing sustainable seafood

Our first step toward sourcing sustainable seafood was partnering with Greek sardine and anchovy fisheries to create a Fisheries Improvement Project (FIP). We are collaborating in this effort with WWF Greece, which will also help us create guidelines for sustainably sourced farmed seafood. In 2013, we were awarded a grant from **Delhaize Group's Sustainability Innovation Fund** that helped launch the project.

Steps taken in 2013 include:

- Starting the FIP process by hiring a Marine Stewardship Council (MSC)-accredited consultant to assess the current practices of sardine and anchovy fishermen in Kavala, the hub of the Greek sardine and anchovy fishing industry.



OUR FIRST STEP TOWARD SOURCING SUSTAINABLE SEAFOOD WAS PARTNERING WITH GREEK SARDINE AND ANCHOVY FISHERIES TO CREATE A FISHERIES IMPROVEMENT PROJECT.



- Developing a survey for our suppliers of farm-raised seafood that will give us insight into the sustainability of their current practices.

The results of this assessment and survey will allow us to develop recommendations and best practices to ensure the sustainability of the seafood from these sources.



## Responsibly sourced palm oil

In 2013, we progressed toward using only responsible palm oil that does not contribute to deforestation. Working with our partner The Forest Trust (TFT), we identified private brand products containing palm oil. We then estimated the total amount of palm oil and palm kernel oil used in those products (roughly 470 tonnes per year). We will continue building transparency and traceability around the use of palm oil in our products, as we work toward achieving our ambitious **Delhaize Group 2020 goal**.



## Local products

In 2013, we paid special attention to the role local products play in our sustainability efforts. These products, such as our successful "Close to Greek Nature" private brand of traditional Greek foods, offer customers the opportunity to buy fresh, high-quality food, while supporting the economic health of nearby communities.

Steps taken in 2013 include:

- Of all fresh produce sold in our stores, both private brand and other brands, 77% was locally grown.
- We worked with local pork suppliers and the Aristotle University of Thessaloniki to re-introduce an indigenous breed of pig to our customers. These pigs are raised exclusively for us by local farmers near Mount Olympus, where they graze freely on a diet of herbs and plants to produce meat with a unique flavor.

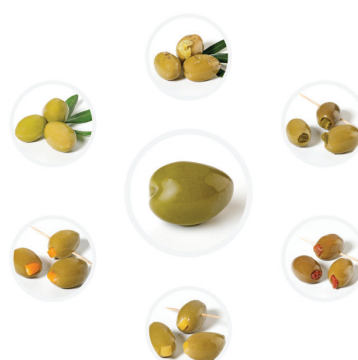


Learn more about this initiative in our case study, **"Reviving an Ancient Breed: Partnering with Local Farmers to Raise 'Greek Black Pigs'"**.

- To support local olive growers, we developed new recipes that showcase Greek olives. Our customers loved these varieties, including olives stuffed with orange, garlic and sun-dried tomato. Sales of packaged local olives increased 15% in 2013.



**OF ALL FRESH PRODUCE SOLD IN OUR STORES, BOTH PRIVATE BRAND AND OTHER BRANDS, 77% WAS LOCALLY GROWN.**





## ZERO WASTE

We continued our work toward Delhaize Group's ambitious goal of moving to **Zero Waste** from its operations, as well as encouraging customers and suppliers to do their part to reduce waste. By 2020, we aim to recycle 81% of our total waste, increase the use of reusable product crates, and raise awareness among our customers of how we can collectively reduce waste.

Alfa Beta 2020 Goals Zero Waste	2013 Progress
81% recycling rate in our operations	70% of waste recycled
53% of fruits and vegetables delivered in reusable crates	Began to map the current usage of reusable crates
Organize 10 activities per year to raise customer awareness of waste reduction and recycling	Activities to begin in 2014

We worked toward the goals in 2013, including the following actions:

- We recycled 9 600 tonnes of waste in 2013, a 15% increase from 2012, generating €73 000.
- We reduced food waste by launching a **program to donate food** that is nearing its expiration date directly from our stores to community organizations. We also donated 60 tonnes of food to the Greek Food Bank in 2013.
- We expanded our successful reusable crate program, which since 1995 has encouraged vegetable, fruit and pre-packed meat suppliers to replace disposable wooden, cardboard and plastic crates with reusable plastic crates. By getting more suppliers to use reusable crates, in 2013 we eliminated 7 400 tonnes of packaging waste. Our goal is to have 53% of our fruits and vegetables packed in reusable crates by 2020.

↑ 15%



WASTE RECYCLED



## HEALTHY LIFESTYLES

Alfa Beta's journey to Supergood involves more than just the products in our stores. We also want to help our customers and associates live healthier lifestyles.

One of our 2013 initiatives encouraged our associates to prioritize their fitness: we joined the Hellenic Organization for Company Sport & Health and sent 80 associates to the Company Sport Games held in Athens. This annual event attracts more than 400 athletes and company teams from around the world to compete in more than 200 games, including football, basketball, tennis and running races. We plan to participate again in 2014.



(picture credits : [thisisathens.org](http://thisisathens.org))



## EVERYDAY PRACTICES

As we work on our major sustainability initiatives, we also are continually looking for ways to ensure that we get the basics right. In 2013, we continued to make improvements in the core areas of food safety in our facilities, associate development, community engagement and greenhouse gas emissions.

### Food safety

We demonstrated our commitment to the highest level of food safety standards when our distribution center in Sindos received ISO 22000:2005 certification, which ensures food safety for fresh products and dry food products distributed to Alfa Beta stores in northern Greece.

To earn this certification, the facility implemented a food safety system that included, among other requirements, food safety training for warehouse associates and specific rules for handling products with different temperature needs in different chill chambers. This is our second facility to achieve ISO 22000:2005 certification, following the distribution center in Oinofita.





## Associate development

Our goal is to provide customers with high quality products and exceptional customer service. We are also committed to helping our associates develop their skills so that they can advance in their careers.

In 2013, we launched a new training program to address both aims. Associates in our stores' Fresh Departments - including the Butchery, Seafood and Produce sections - received advanced Customer Service and Sales Techniques training to help them build strong relationships with customers. More than 2 000 of our 3 400 Fresh Department associates completed the course last year, with the remainder scheduled to receive training by July 2014.

We also provided workshops to develop our Fresh Department supervisors' coaching skills so they can better support the associates in their departments. Going forward, this training will be part of the standard career-development program for all store Department supervisors.

## Community

Alfa Beta has long made serving its community a priority, from partnering with local nonprofit organizations to donating directly to charitable causes. In September 2013 we increased this commitment by launching an ambitious "52 Weeks" initiative, which provides financial support over the course of a year to 52 charitable organizations that feed the hungry. We partnered with Boroume, a local organization which distributes surplus food to the needy throughout Greece. Each week, Alfa Beta provided vouchers for food and goods, as well as financial assistance, to different charitable groups. The charities, which are focused on alleviating hunger, can either distribute the vouchers to people they serve or use them to purchase food they prepare for individuals in need.

We also worked with our suppliers to create a line of charitable products, including



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”

reusable bags, mugs and candles, that supports the campaign. Proceeds from the sale of these items support the "52 Weeks" campaign, which within a few months had made a major impact. By the end of 2013:

- We donated €103 000 to charitable organizations.
- Our customers donated large quantities of food and purchased €13 500 worth of charitable products.
- Our suppliers donated products worth €125 000.

In 2013, we also launched a 3-store pilot program to donate food nearing its expiration date directly from stores to local community organizations. In the past, we donated only food from our warehouses

to the Greek Food Bank. The success of the pilot program inspired us to expand it to 10 more Alfa Beta stores by the end of the year. In 2014, we plan to extend it to another 60 stores.

## Reducing greenhouse gas emissions

Along with our counterparts throughout Delhaize Group, we aim to reduce our greenhouse gas emissions 20% by 2020, compared to 2008. At Alfa Beta, we have achieved a cumulative 16% reduction in total CO<sub>2</sub>-equivalent emissions per square meter since 2008. Our 2013 efforts to further reduce greenhouse gas emissions included:

- Monthly monitoring of energy consumption.
- Energy audits of all of our facilities.
- Energy saving improvements such as installing glass doors on refrigerated cabinets in 25 stores and new lighting systems in certain stores and distribution centers.
- Monthly monitoring to control refrigerant leaks.



## AWARDS & PARTNERSHIPS

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### 2013 Awards

Recognition of our work on sustainability projects validates our approach and helps inspire others to follow our lead. We received the following awards in 2013:

**Franchise Business Award for Corporate Responsibility Program**

Alfa Beta received this award for a project that offered Christmas lunch boxes to 3 000 families in need.

**Energy Mastering-Energy Class Award**

Alfa Beta received this award for its energy saving program.

**Sustainable Built Environment Award**

Alfa Beta received this award for the Bioclimatic Building of the Green Store.

### Key sustainability partners

We collaborate with organizations that supply technical expertise and guidance as we move toward Supergood. In 2013, our partners included:

**Sustainable Private Brands**

WWF Greece

We also worked with organizations that collaborate across Delhaize Group. See the full list of [Group-wide partners](#) here.



The 2013 report gives a concise view of performance on our most material issues over the last year. As a novelty, the 2013 Sustainability Progress Report features an overall Group summary report as well as individual reports for each of our 7 operating companies, making it easier for readers to search the information that is of particular interest to them. The local performance reports also give our operating companies the opportunity to show their accomplishments on top of what they do in coordination with the Group.

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### About the people included in the pictures in this report

Most of the people portrayed in the pictures in this Sustainability Progress Report are our associates or our associates' family members.

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