

Sustainable Goals

Grocery retailers are making strides toward their green business benchmarks.

By Jim Dudlicek



LION'S SHARE
A donation program aimed at reducing food waste is among Food Lion's sustainability initiatives.

Sustainability is a key initiative for businesses of all types — green policies are good for the environment, they're good for the bottom line, and they help companies better connect with the communities in which they operate.

Leading sustainability efforts across the nation are retail grocers, which have made significant strides toward goals in energy, waste and emissions reduction.

Among the leaders in our industry: Delhaize Group, the Brussels-based parent company of

Food Lion and Hannaford Supermarkets, which released its 2014 sustainability progress report this past May. Key Food Lion achievements include the piloting of a zero-waste program to accelerate waste reduction, launched in 50 stores last year, with plans to reach almost 200 by the end of 2015. Through this initiative, waste is diverted from landfills and more materials are recycled, local food donations are increased, and food that isn't donated is provided for composting or other recycling methods.

Other initiatives include improved sustain-



ability of private-brand products; "solid progress" toward using 100 percent traceable, deforestation-free palm oil in private-brand foods; and the unveiling of a sustainable seafood policy encompassing more than 1,000 fresh, frozen, canned and packaged products.

"Food Lion has a strong commitment to sustainability in all that we do," says Meg Ham, president of the Salisbury, N.C.-based banner, which has more than 1,100 stores in 10 Southeastern and Mid-Atlantic states. "As one of the nation's largest grocers, Food Lion has certified more stores through Energy Star in its history than any other supermarket retailer. In addition, we have recycled nearly 120,000 tons of plastic, paper and cardboard from our stores, in partnership with our customers, and we took a great step in giving back to our communities through our Food Lion Feeds program, announced last year. While this is great progress toward [Delhaize's goal of] becoming 'SuperGood,' we know there is much more we can do, and we are eager to continue delivering on our Sustainability 2020 goals to help ensure our communities are sustainable for many years to come."

Food Lion has been recognized by Energy Star, the U.S. Environmental Protection Agency's voluntary program that helps businesses and individuals save money and protect the climate through superior energy efficiency.

A longtime Energy Star partner, Food Lion won a Partner of the Year Award for Sustained Excellence this year "for its longtime dedication to identifying, developing and investing in new technologies and operational best practices to save energy and money," according to Stephanie Klein, Energy Star's national pro-

gram manager for commercial properties. "Since becoming an Energy Star partner in 2000, Food Lion has reduced its company-wide energy use by 2.925 trillion British thermal units and its total carbon emissions by 1.9 billion pounds."

The grocer has achieved Energy Star certification for 1,164 stores, more than 85 percent of its portfolio. Delhaize's Scarborough, Maine-based Han-



ACCELERATED IMPROVEMENT

"We will achieve or exceed many of our 2015 goals and have begun the process of determining key 2020 goals in many areas," says Kroger CEO Rodney McMullen.

nanaford banner, which operates 186 stores in Maine, New York, Massachusetts, New Hampshire and Vermont, was the first grocery chain to receive Grocery Stewardship Certifications from the Manomet Center for Conservation Sciences, in Massachusetts, at all of its stores, based on its zero-waste attainments, as well as its energy and water efficiency. Hannaford also worked with the Charlottesville, Va.-based Sustainable Packaging Coalition to improve the recyclability of its private-brand packaging, and like Food Lion, is improving the traceability of the palm oil used in its products. To reach this goal, Hannaford is purchasing "Green Palm" certificates to move toward the company's 2020 goal of using only traceable and deforestation-free palm oil.

Energy Leader

A leader in retailing, The Kroger Co. is also a leader in sustainability. The Cincinnati-based grocery giant was a first-time Energy Star Partner of



the Year winner this year, recognized for its well-established commitment to investing in energy reduction initiatives.

"Since 2000, Kroger has reduced its energy use by 35 percent, or 1.6 billion kilowatt-hours," Klein says. Additionally, more than two dozen Kroger manufacturing facilities have achieved zero-waste status.

Key accomplishments of Kroger's award-winning energy management program include the extensive use of LED lighting in refrigerated cases; implementation of best practices for refrigeration, lighting and HVAC; and enhanced associate and customer awareness. Through the Energy Star certification process,

Strengthening Sustainability

Industry trade groups have stepped up to help guide members on their green missions.

The Food Marketing Institute (FMI) has issued the "Sustainable Sourcing Guide for High-impact Commodities," with the aim of enabling food retailers to move toward sustainable sourcing. Developed by the Arlington, Va.-based trade association and its 18 sustainability executive committee members, the guide deals with items like sugarcane, coca, paper/pulp, coffee, soy, palm oil and beef.

"Through collaboration, industries can reduce stress on the environment and volatility in the cost of commodities that businesses depend on for survival," says FMI Senior Director for Sustainability Jeanne von Zastrow. The guide provides an overview of each high-impact commodity and presents environmental impact facts for each, as well as sustainable sourcing questions to ask suppliers, and product certification opportunities.

Meanwhile, the Retail Industry Leaders Association (RILA) earlier this year released the 2015 Retail

Sustainability Management Maturity Matrix, a tool enabling retail sustainability executives to identify ways to strengthen their environmental sustainability programs. The tool comprises seven sections: Strategy & Commitment, People & Tools, Visibility, Retail Operations, Supply Chain, Products, and Environmental Issues. Each section lays out business practices to help retailers determine the effectiveness of their sustainability

programs, and provides benchmarks and guidelines for improving performance.

"We see this as a great opportunity to help retailers measure the sustainability performance of their operations, products and supply

chains, and to tell the industry's story," says Adam Siegel, RILA's VP of sustainability and retail operations. The Arlington-based trade organization will employ the matrix to benchmark the industry in 2015 and beyond

through an online survey, the results of which will be used to determine industry priorities. RILA plans to showcase the matrix and other tools, such as its sustainability management resource library, at the Retail Sustainability Conference, scheduled for Sept. 15-18 in Austin, Texas.



THE VOICE OF FOOD RETAIL

RILA
RETAIL INDUSTRY LEADERS ASSOCIATION



Kroger certified 166 stores in 2014 alone, earning “Elite” status as part of Energy Star’s 2014 Certification Nation competition.

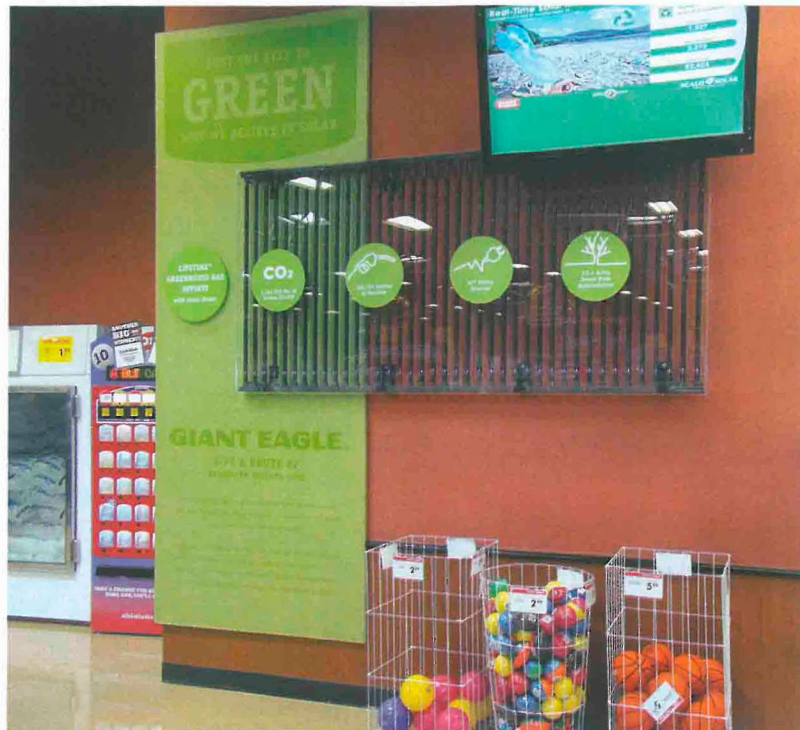
EPA also named Kroger a leader in its Food Recovery Challenge program, which donates food that’s cosmetically unsellable to those in need, rather than disposing of it. As part of the company’s food recovery strategy, Kroger’s Perishable Donations Partnership contributed the equivalent of 43 million meals of healthy perishable food to local Feeding America food banks last year.

Additionally, Kroger’s retail operations team has implemented an organic recycling program in 1,000 stores across the country. This program employs composting and animal feed to limit the amount of food going into landfills.

Further, Kroger was the first major retailer in the United States to develop a clean-energy production

EPA encourages supermarkets to become Energy Star partners and pursue certification for their stores as an easy way to tell stakeholders, from management to facilities staff, associates and customers, that the company is a good steward of resources and an environmental leader.”

—Stephanie Klein,
Energy Star



SUSTAINABILITY ON DISPLAY

Giant Eagle explains the green technologies used in some of its stores, such as energy-generating solar roofing.



system that converts food that can’t be sold or donated into clean energy. The facility provides a quarter of the power needed to run the company’s Ralphs/Food 4 Less distribution center in Compton, Calif.

“We are committed to reducing food waste, because it is good for our business, our communities and the environment,” says Suzanne Lindsay-Walker, Kroger’s director of sustainability. “We also want to make it easy for our customers to take simple steps at home to live greener and reduce household food waste.”

Earlier this year, Kroger launched a microsite — Kroger.com/earthday — to inspire customers to live green, save money and reduce waste at home. The grocer partnered with Seventh Generation and Mrs. Meyer’s Clean Day Products to provide simple tips and money-saving tricks to help fruits and vegetables stay fresh longer, and to use natural cleaning methods to perform household chores.

Water and Power

Other retailers have stepped up their efforts to conserve resources like energy and water.

For instance, Ahold USA has teamed up with Norwell, Mass.-based Bluestone Energy Services LLC to lower the grocer’s energy consumption across hundreds of Stop & Shop, Giant Landover and Giant/Martin’s supermarkets, resulting in a smaller overall carbon footprint and a considerable reduction in energy costs passed onto customers.

Chill Factor

What do grocers’ sustainability scorecards look like? PG asks Tom Land, manager of the EPA’s GreenChill Program.

PG: How have grocery retailers progressed in their sustainability efforts?

Land: Since the inception of EPA’s GreenChill program in 2008, the supermarket industry has demonstrated a growing interest and focus on reducing the environmental impacts of their refrigeration systems.

PG: To what extent are they participating in EPA programs like GreenChill to help reach their goals?

Land: GreenChill partners now represent almost 30 percent of the supermarkets in the United States, and the emission of refrigerants from GreenChill partner stores is 12.5 percent, about half of the estimated national average refrigerant leak rate from supermarkets (25 percent).

PG: What can grocers do to further ramp up their efforts toward energy savings and other sustainability goals?

Land: GreenChill partners and certified stores are demonstrating that through active management, adoption of advanced refrigeration systems, and environmentally friendly refrigerants, they can significantly improve the sustainability of their refrigeration systems and reduce the costs of operation.

Last year, Bluestone's supermarket division completed comprehensive energy efficiency projects at Ahold USA stores, such as upgrading all of the interior lighting to high-efficiency LED lighting with advanced wireless controls, thereby reducing lighting consumption by more than 70 percent. "Part of our Better Neighbor Promise is to care for the environment in the communities we serve," says Jihad Rizkallah, VP of responsible retailing at the Quincy, Mass.-based grocer. "We strive to minimize our impact on the environment by implementing energy conservation initiatives and deploying innovative, sustainable building technologies that reduce our energy consumption and make our operations more efficient."

This year, Ahold USA and Bluestone plan to expand their initiatives to stores in all of the grocer's regions, increasing the energy savings through new undertakings while improving the efficiency of ongoing projects.

Pittsburgh-based Giant Eagle Inc. has committed to reduce its water consumption by 5 percent by July 2017, which the grocery chain expects will result in conservation of millions of gallons of water. Citing projections from the United Nations that demand for water will rise by an estimated 40 percent by 2050, Giant Eagle executed a five-month conservation program in eight pilot locations, which collectively exceeded a 5 percent water savings. As a result, all corporate-operated Giant Eagle supermarkets have been retrofitted with water conservation equipment.

Meanwhile, solar roofing technology deployed at select store locations saves an estimated 750,000 kilowatt-hours per year. In addition to 12 LEED-certified retail locations and the conversion of nearly half of its distribution fleet to CNG-powered vehicles, the retailer recycles more than 700 tons of plastic bags annually. Additionally, its customers have helped save more than 50 miles of register paper by selecting eReceipts at checkout. Since the option launched in January, eReceipts have offset more than 400,000 paper receipts.

New initiatives unveiled this past spring by San Bernardino, Calif.-based Stater Bros. Markets include installing glass doors and LED lighting on refrigerated cases, reducing energy by 60 percent per refrigerated case; installing sales floor LED lighting in newly constructed and remodeled stores; and implementing

How Energy Star Works

The EPA's Energy Star program works actively with supermarkets to help them meet their energy and carbon reduction goals.

"The first step toward saving energy in a supermarket is knowing how much it is using," explains Stephanie Klein, Energy Star's national program manager for commercial properties. Using EPA's free online tool, Energy Star Portfolio Manager, companies can track and manage their energy and water use, as well as greenhouse gas emissions.

The 1-100 Energy Star score allows a company to easily see how its stores are performing against their peers nationally. If a store achieves a score of 75 or higher, it's eligible for Energy Star certification. Energy Star is recognized by 85 percent of consumers, making it the most recognized environmental brand in the United States.

According to Klein: "EPA encourages supermarkets to become Energy Star partners and pursue certification for their stores as an easy way to tell stakeholders, from management to facilities staff, associates and customers, that the company is a good steward of resources and an environmental leader."



high-volume, low-speed (HVLS) fans throughout its grocery distribution center. **PG**

What grocers have made the most significant strides in sustainability? Read more at Progressivegrocer.com/greenschillawards.

