



Industry Approaches To Meeting the UN Sustainable Development Goals

May 14th 2025

Produced by
FoodSafety
magazine™

AGENDA

- Introduction to Speakers
- UN Sustainable Development Goals Background
- Various Company Approaches
 - Costco/ Robin Forgey
 - Maple Leaf Foods/ Spir Marinakis
 - HEB/ Glenn Stolarski
- Panel Discussion/ Q&A



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MAY 12-15 | 2025 | ROSEMONT, IL | Donald E. Stephens Convention Center



SUSTAINABLE DEVELOPMENT GOALS



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Building Sustainability into your SOPs



Costco by the Numbers

897 warehouses

322,000 employees

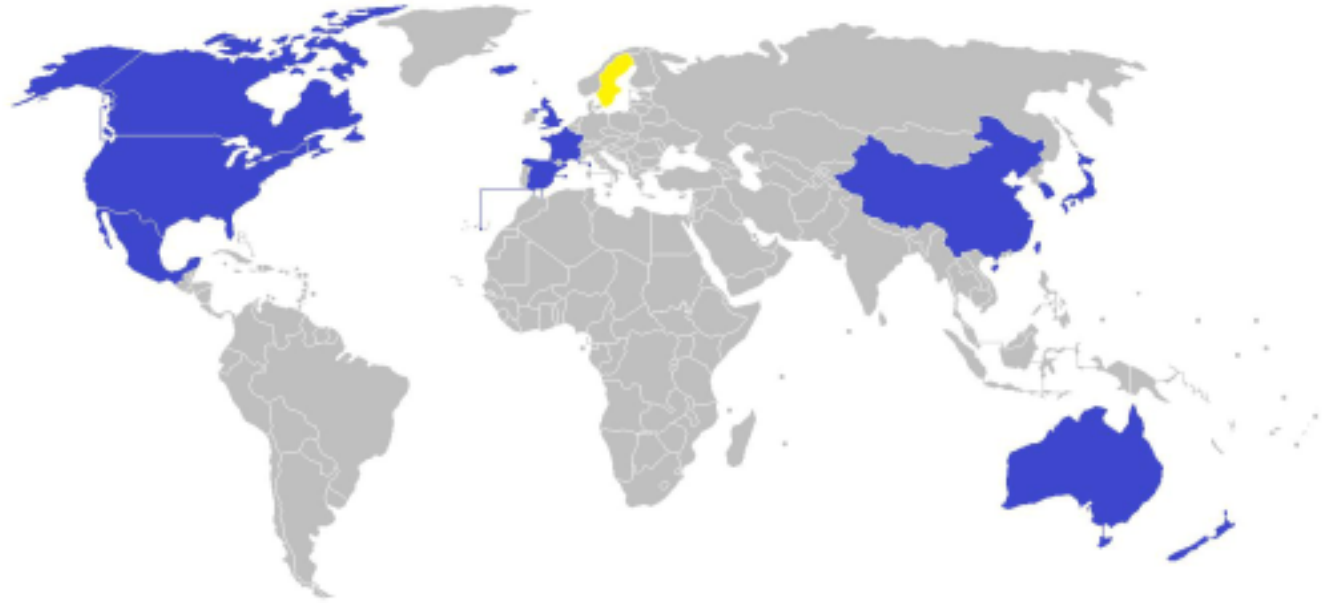
11th largest in Fortune 500

3rd largest Global Retailer

139 million cardholders

90.4% renewal rate

**As of Jan 2025 Shareholders Meeting*



Doing the Right Thing

"Sustainability is good business and aligns with our Code of Ethics" - Ron Vachris, CEO

OBEY THE LAW

Regulation is something we have to pay attention to as there is an increasing amount of regulation in the sustainability landscape for all of us

TAKE CARE OF OUR MEMBERS

Our members have been increasingly interested in sustainable product sourcing

TAKE CARE OF OUR EMPLOYEES

Inclusion & workforce development initiatives are critical to ensuring we are taking care of our employees

RESPECT OUR SUPPLIERS

Ensuring our supply chains are sustainable is part of respecting our suppliers and supporting your efforts

REWARD OUR SHAREHOLDERS

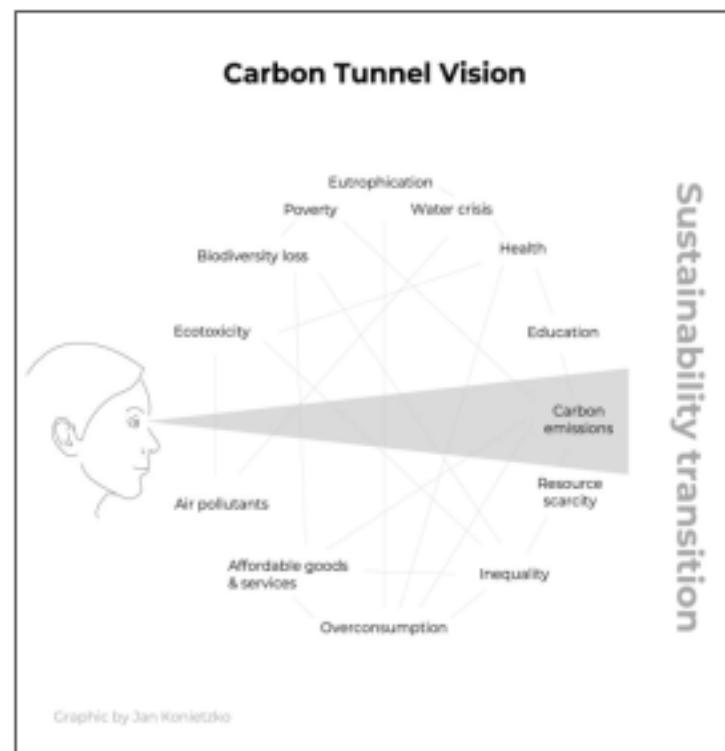
Sustainability is becoming more important to our shareholders and investors

Our Guiding Principles

1. For Costco to thrive, the world must thrive
2. We focus on issues related to our business and to where we can contribute to real, results-driven positive impact
3. We don't have all the answers, we are learning as we go and seek continuous improvement

Holistic Approach

- With carbon emissions and Climate Change dominating the news, many assume the sole focus of Sustainability is emissions
- As a result there is this tunnel vision focus on emissions
- There are other key Sustainability issues that require attention: water consumption, waste minimization, biodiversity loss, human rights, etc
- We have a holistic view - an improvement in one area often improves another area
- The UN Sustainable Development Goals (SDGs) help us prioritize



SDGs Most Relevant to Costco

To begin, we chose 7 of the 17 goals as most relevant based upon: materiality, sales, risk assessment, Code of Ethics, current programs and opportunity for continuous improvement



Three Pillars of Sustainability

People and Communities



Operations



Merchandising



People and Communities - FY24

- Donated over \$84 million to a variety of charitable organizations
 - Workplace giving program with a 70% company match
 - Raised \$48.9 million for Children's Miracle Network
 - Donated 8.4 million backpacks full of school supplies
 - Donated over 138 million pounds of food to Feeding America
- Hearing Aid Apprenticeship - more than 1600 people become hearing aid specialists since 2006
- Supervisor in Training and Manager in Training programs



Operations

- Changes in processes
 - Deglazing seafood (10.9M/29M gallons water saved)
 - Eliminating Sheet Pan Liners (25.4M annually saving \$818K)
 - Silicone Baking trays (240K lbs plastic/19 trucks off the road saving \$700K)
- Installation of Dishwashers in Food Courts
 - Water consumption decrease by 50%
 - No Chemicals (Heat Sanitize)
 - Labor Savings



Operations

- Cleaning Frequency - Ovens
 - Addition of parchment paper sheets
 - Clean every 8 weeks vs every 4 weeks
 - Reduce water and chemicals
 - Save \$1M in labor annually
- Update equipment
 - Move to a heat treated soft serve machine
 - Old machine - 3X/wk cleaning
 - Heat treat machine - 14 or 28 day cleaning



Operations

- Chemical SKU Reductions and transitions
 - Partnership with Ecolab
 - Compaction of detergents
 - Switched to “Double Duty” chemicals



Costco & Ecolab SKU Rationalization - '23/24



50,155

lbs. of less plastic

70,811

lbs. of less corrugate

33



fewer trucks

845



fewer pallets

42,638



case reduction

Costco & Ecolab Innovation and Sustainability- '25



70,645

lbs. of less plastic

50,256

lbs. of less corrugate

28 

fewer trucks

694 

fewer pallets

72,638 

case reduction

Sustainability Impact to Costco

- From 2023 to 2025 combining SKU Rationalization and Innovation

Water Saved

24.6 M gal/yr

-40 Olympic sized swimming pools
- Enough to sustain 833 people for their entire life

Waste Saved

241,937 lbs/yr

180 cardboard bails and
150 less dumpsters

Cases reduced

113,638

Imagine a 50'x 50' x 45'
building

Trucks reduced

61 less trucks/yr

5 less truckloads per month

Hours saved

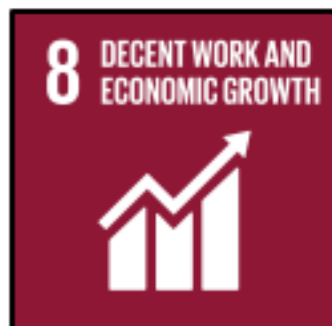
69,350 hrs

33 FTEs

Merchandising

The Six Questions:

- Can you map your supply chain?
- How are the people cared for?
- How are the animals cared for?
- How is the environment cared for?
- Is the best possible packaging being used?
- What are your emissions and your plans to reduce them?



Is the best possible packaging being used?



- Transition from 2pk/12oz to single bottle 31oz.
- Reduction of plastic by 33%.
- Additional reductions gained by elimination of outer shrink wrap, caps and less corrugate for cases.
- Fuel savings increased with overall pallet / weight reduction.

Plastic Reduction continues to increase

	2022	2023	2024	Total
KS & Produce	6 mm lbs	14 mm lbs	19 mm lbs*	39 mm lbs
Brands	2 mm lbs	4.6 mm lbs	3.2 mm lbs	9.8 mm lbs
Total	8 mm lbs	18.6 mm lbs	22.2 mm lbs	48.8 mm lbs



Sustainability is not always...

- High Cost
- Hard to do
- Only CO2



In order for Costco to thrive, the world must thrive



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Maple Leaf Foods Sustainability Overview



May 2025

Spir Marinakis, VP FSQ



Maple Leaf Foods



We are passionate about food.
For more than 100 years, we've made
delicious, healthy protein that our
customers and consumers love under
iconic national and regional brands.

*Our history and our ambitious drive for a better
future sets us apart.*



C\$4.9 billion

Sales in 2024



13,500

Team Members



22

Manufacturing facilities

3

Plant-based protein facilities

3

Hatcheries

496

Registered independent poultry growers

~93%

Sow spaces in our unique Advanced
Open Sow Housing system

~200

Pig barns

1.7 million

Hogs raised in company-operated barns

~107 million

Poultry processed annually

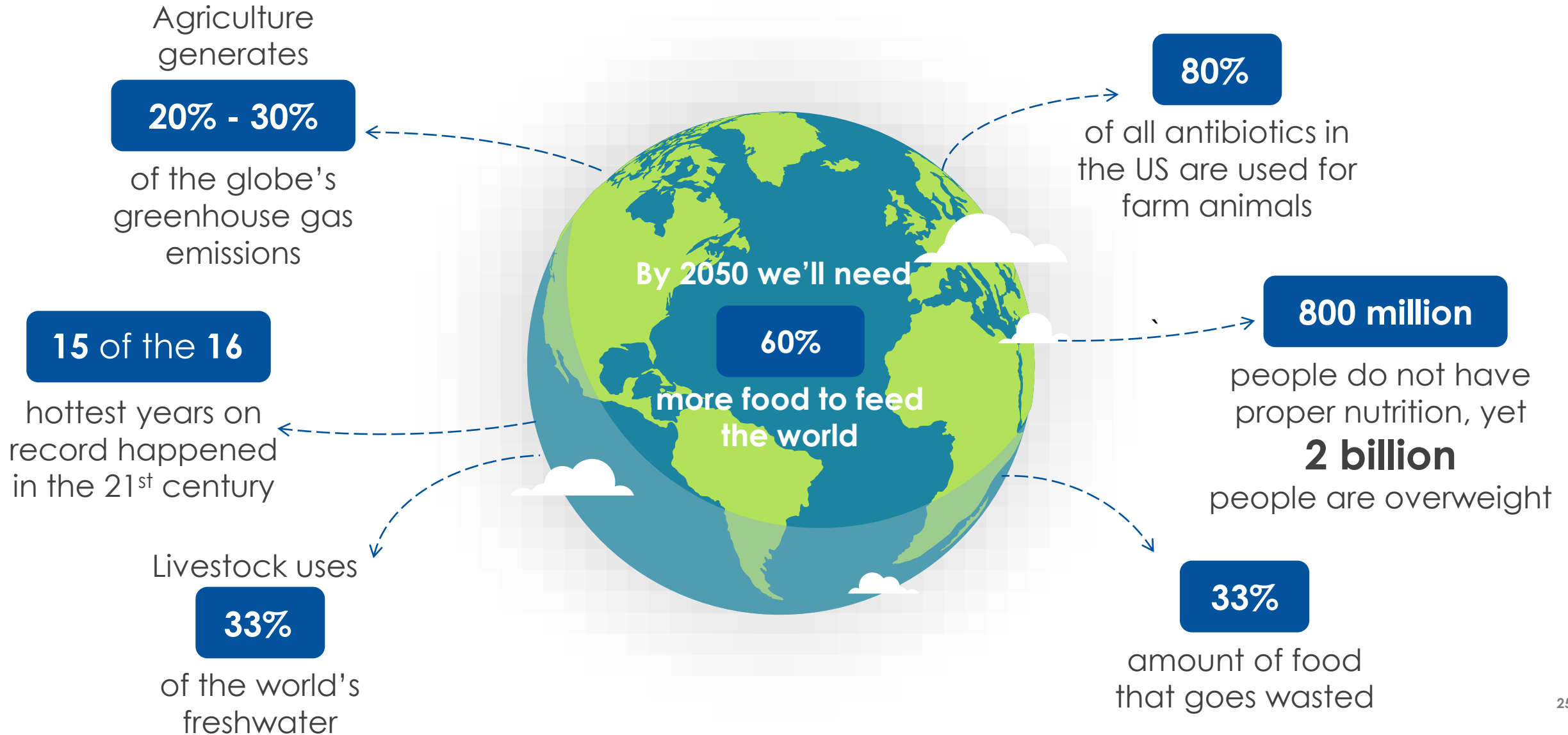
~3.9 million

Hogs processed annually

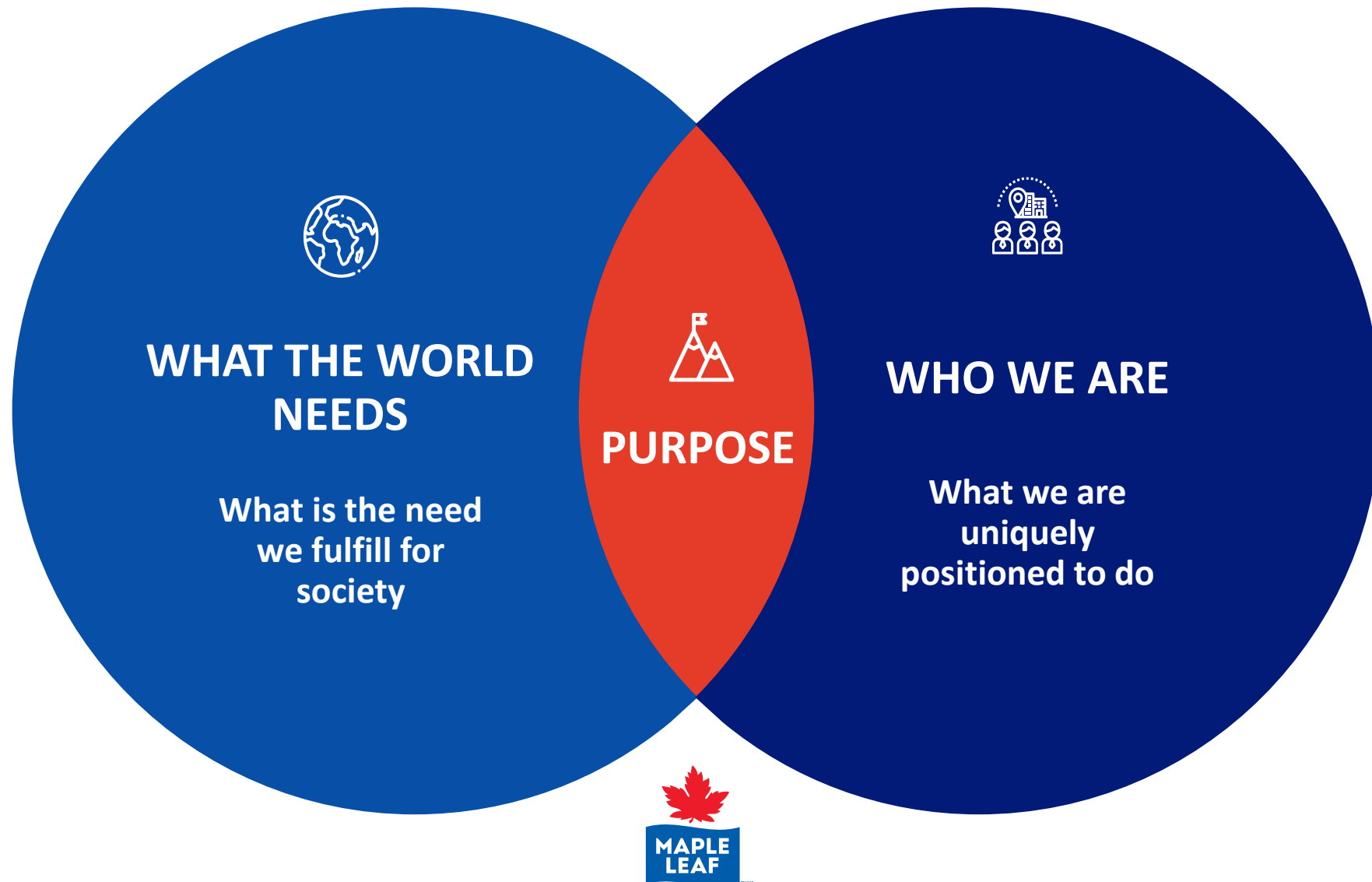
Our Brands:



The Food Industry Faces a Burning Problem



To Raise the Good in Food



The Maple Leaf Blueprint



why we exist
OUR PURPOSE

Raise
the
good
in
food.

where we are headed
OUR VISION

Be the most
sustainable
protein company
on Earth.

we are committed to
**THE MAPLE LEAF
LEADERSHIP VALUES**



Doing What's
Right



High
Performance



Disciplined
Decision Making



Intense
Curiosity



Shared
Value



Diverse &
Inclusive Teams



Our
Accountability



Transparency
& Humility

With a passion
to create **shared
value**, we...

**Lead the
Way**



Make Better Food
Take Better Care
Nurture a Better Planet

**Build Loved
Brands**



Grow Consumer Relevance
Deliver Impactful Innovation
Leverage our Unique Capabilities

**Broaden
Our Impact**



Expand our Geographic Reach
Develop new Channels & Categories
Diversify our Protein Portfolio

**Operate
With Excellence**



Harness Advanced Technologies
Apply Data Science & Analytics
Drive Cost Efficiency

**Develop
Extraordinary
Talent**



Embed our Values-Based Culture
Invest in Future Ready Leaders
Inspire Enduring Engagement

for the benefit of
OUR STAKEHOLDERS

**Our People
Consumers
Customers
Communities
Shareholders
Planet**

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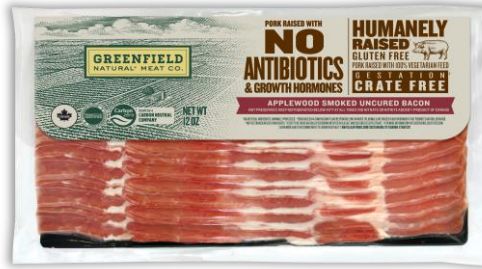


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OUR STAKEHOLDERS

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Consumers
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Planet**

Better Food Raising the Good in Food



Sustainable Meats

Ethnic Choices



Simple & Natural Ingredients

Plant-based Proteins



We're actively tackling key diet-related health issues faced as a society by reducing artificial ingredients and antibiotics, leading in food safety, and offering sustainable meat, plant-based proteins, and diverse ethnic options

We have a long-standing commitment to being a world leader in food safety and advance consumer trust of the health and safety of the food we produce



~460,000 FOOD SAFETY AND
QUALITY TESTS
IN 2024

- ✓ We continuously monitor the effectiveness of our efforts through aggressive testing of our manufacturing environment and our products.



80% IMPROVEMENT IN
SANITATION PERFORMANCE
SINCE 2019

- ✓ We have a robust sanitation strategy to ensure all plants, equipment, and surfaces are cleaned and sanitized following strict protocols and performed and verified in a standardized manner.



30% ABOVE TARGET FOR
FSIR & 56% ABOVE TARGET
FOR QIR

- ✓ We have two established metrics to measure food safety and quality: the Food Safety Incident Rate (FSIR) and the Quality Incident Rate (QIR).



We are committed to the highest standard of animal care – this is a social and ethical priority

Animal Care Golden Rules

Requires Maple Leaf Foods and our suppliers to provide:

Rule #1 <ul style="list-style-type: none"> • Provide food and water that promotes good health and welfare • Ensure feed and water areas are clean, accessible and safe • Provide a nutritionally balanced diet 	Rule #2 <ul style="list-style-type: none"> • Veterinary care to maintain good health, prevent disease and treat injury when necessary • Separate sick or injured animals from the group • Ensure regular veterinary consultation
Rule #3 <ul style="list-style-type: none"> • Ensure immobility after stunning • Respect weak or fatigued animals • Understand an animal's flight pattern • Only load animals for transport 	Rule #4 <ul style="list-style-type: none"> • Provide protection from extreme temperatures • Implement living environments that offer animals greater opportunity to experience enhanced welfare
Rule #5 <ul style="list-style-type: none"> • Promptly recognize a distressed animal • Segregate distressed animals from healthy animals • Properly euthanize compromised animals in a timely manner 	Rule #6 <ul style="list-style-type: none"> • Monitor other employees and their best practices • Report inappropriate handling of animals • Lead positive animal care conversations • Ensure all personnel in contact with animals receive specific animal welfare training

An environment that provides shelter and protection and supports natural behaviours

A workplace culture that values open dialogue, personal accountability and leading standards of animal care

The Five Freedoms and Five Domains

The Five Freedoms is the most widely accepted global standard for responsible animal care and forms the fundamental basis for our approach to animal welfare at Maple Leaf Foods. This approach identifies five core elements of animal welfare considered to be critical minimum standards necessary for the adequate care of livestock and poultry.

THE FIVE FREEDOMS

- 1. Freedom from hunger or thirst** by providing ready access to fresh water and a diet that maintains good health and vigour
- 2. Freedom from discomfort** by providing an appropriate environment, including shelter and a comfortable resting area
- 3. Freedom from pain, injury or disease** through prevention or rapid diagnosis and treatment
- 4. Freedom to express normal behaviours** by providing sufficient space, proper facilities and company of the animal's own kind
- 5. Freedom from fear and distress** by providing conditions and treatment which avoid mental suffering

The Five Freedoms reference: RSPCA (1986) Report of the Technical Committee of Inquiry into the Welfare of Animals kept under Intensive Conditions, 40000, London, UK.

As we continue to advance in animal care, we are moving beyond the Five Freedoms to an approach that encompasses the mental state of animals, known as the Five Domains. This approach defines both positive and negative experiences for animals and serves as a guide for us to increasingly prioritize positive experiences as a fundamental aspect of caring for our animals. In 2020, the Five Domains model was updated to include "behavioural interactions" to reflect that animals consciously seek specific goals when interacting with the environment, other non-human animals and humans. Humans are now featured as influential to animals, with human-animal interaction now having the potential to enhance or compromise animal welfare.

THE FIVE DOMAINS

1: Nutrition	2: Physical Environment	3: Health	4: Behavioural Interactions
5: Mental State			

With the Environment
With other Animals
With Humans

Welfare State

Maple Leaf Foods Commitment to Animal Care

Maple Leaf Foods has strong values that deeply define our culture and form a very direct relationship to how we treat animals as a value or source. There are important environmental, nutritional and ethical implications of meat production that we must manage responsibly as part of our commitment to being a sustainable company.

As the largest meat producer in Canada we must be a leader in animal care. To achieve this, animal welfare must be an integral part of our culture and business. We will commit the necessary organizational focus and resources to achieve this.

Maple Leaf Foods is a globally vertically integrated company that owns hog production, hatchling egg production, hatcheries and pork and poultry processing plants. We have strong relationships with farmers and other smaller producers, and we will work to enhance continuous improvements across our supply chain. We believe in the important linkages between animal care, workplace safety, food safety and quality, and environmental sustainability. They all have a vital role in providing consumers with high-quality, nourishing food that is produced sustainably and ethically.

Our responsibility for animal care goes well beyond our own operations to advocate and share knowledge that elevates practices and regulations across the industry. We will continue to engage with consumers, animal care interest groups and other stakeholders, so that change can be based on sound science, what is best for the animal, and what society expects of us. Through our actions and communications, we must earn public confidence that the products we make come from animals that have been treated empathetically and humanely.

Maple Leaf Foods is committed to enhancing our animal welfare practices in a manner that advances the Five Freedoms, the most widely accepted global standard for responsible animal care.

- 1. FREEDOM FROM HUNGER AND THIRST** by providing ready access to fresh water and a diet that maintains good health and vigour.
- 2. FREEDOM FROM DISCOMFORT** by providing an appropriate environment, including shelter and a comfortable resting area.
- 3. FREEDOM FROM PAIN, INJURY OR DISEASE** through prevention or rapid diagnosis and treatment.
- 4. FREEDOM TO EXPRESS NORMAL BEHAVIOUR** by providing sufficient space, proper facilities and company of the animal's own kind.
- 5. FREEDOM FROM FEAR AND DISTRESS** by providing conditions and treatment which avoid mental suffering.

We will support these through ongoing critical self- and third-party evaluation and continuous improvement in four critical areas:

CULTURE: advancing a culture of animal care through communications, education and training; robust policies and well-defined Standard Operating Procedures; and providing positive reinforcement and timely consequences for violations.

ACCOUNTABILITY: regular reporting of performance, issues and progress against goals to the Committee of the Board, senior leadership and across facilities; and conducting frequent, rigorous internal and independent audits.

ADVANCEMENT: advancing best practices and technologies based on sound science, working with our Animal Care Advisory Council, comprised of external experts, and supporting research and advocating for improvements that raise standards across the industry.

COMMUNICATIONS: providing clear, transparent communication of commitment, goals and performance, and building open relationships with stakeholders.

Animal Care Advisory Council

Yolande Seddon, Ph.D.
 Associate Professor, Western College of Veterinary Medicine / Prairie Swine Centre
 Dr. Yolande Seddon is an associate professor in the Western College of Veterinary Medicine and an adjunct research scientist at the Prairie Swine Centre. Dr. Seddon is a research scientist in the behaviour and welfare of farm animals and explores the interplay between management, biology, behaviour and production, with a strong relationship to animal welfare and animal research support. Dr. Seddon also holds the National Science and Engineering Research Council of Canada (NSERC) Industrial Research Chair in Swine Welfare at the University of Saskatchewan.

Karen Schwann-Lindner, Ph.D.
 Associate Professor, University of Saskatchewan College of Agriculture & Bioresources
 Dr. Karen Schwann-Lindner is an Associate Professor at the University of Saskatchewan College of Agriculture & Bioresources. Dr. Schwann-Lindner's research is in animal welfare, animal production, behaviour and physiological responses to stressors in various livestock systems. Her research focuses on the welfare and productivity of farm animals, and the role of the animal in the food system. Dr. Schwann-Lindner is a member of the National Science and Engineering Research Council of Canada (NSERC) Industrial Research Chair in Swine Welfare at the University of Saskatchewan.

Catherine Keenan, M.B.
 Executive Director, Professional Animal Auditor Certification Organization (PAAAO)
 Catherine Keenan is the CEO of the PAAAO and Executive Director of PAAAO and has been in the industry for over 20 years. She has extensive experience in animal welfare, food safety, quality assurance, and quality management. She has been involved with the industry for many years and has been instrumental in the development of the industry's first animal welfare audit standard (PAAAO). She has also been instrumental in the development of the industry's first animal welfare audit standard (PAAAO). She has also been instrumental in the development of the industry's first animal welfare audit standard (PAAAO).

Temple Grandin, Ph.D.
 Animal Sciences Professor, Colorado State University
 Designer of Unimaster Handling Systems, Author, Speaker
 Dr. Temple Grandin is a world-renowned Animal Sciences Professor at Colorado State University and designer of livestock handling systems. Dr. Grandin's research focuses on livestock behaviour and handling design and its connection to the livestock industry in facility design, livestock handling and animal welfare. Other areas of research include animal development, animal welfare and animal care, including farm animal care and livestock handling, and the role of the animal in the food system. She has also developed an objective scoring system for assessing handling of livestock and animal care.

WORLD-CLASS ANIMAL WELFARE PROGRAM

- ✓ Demonstrating Leadership in Animal Care Policies and Practices
- ✓ Investing in Housing Design and Enrichment
- ✓ Investing in Facilities, Transportation and Processing

RAISED WITHOUT ANTIBIOTICS

- ✓ MLF is the one of the largest producers of RWA/ABF pork in North America and the largest in Canadian poultry.

99% ANTIBIOTIC USE REDUCTION

- ✓ Since 2014, we've reduced antibiotic use by 99% across hog production operations.

Better People & Communities

Strengthening our Communities & Advancing Social Change



Food Insecurity is a crisis: ~9M Canadians or 23% of families experience food insecurity, the highest number ever recorded



The Centre for Food Security is our registered Charity with a collective goal to reduce food insecurity in Canada by 50% by 2030.

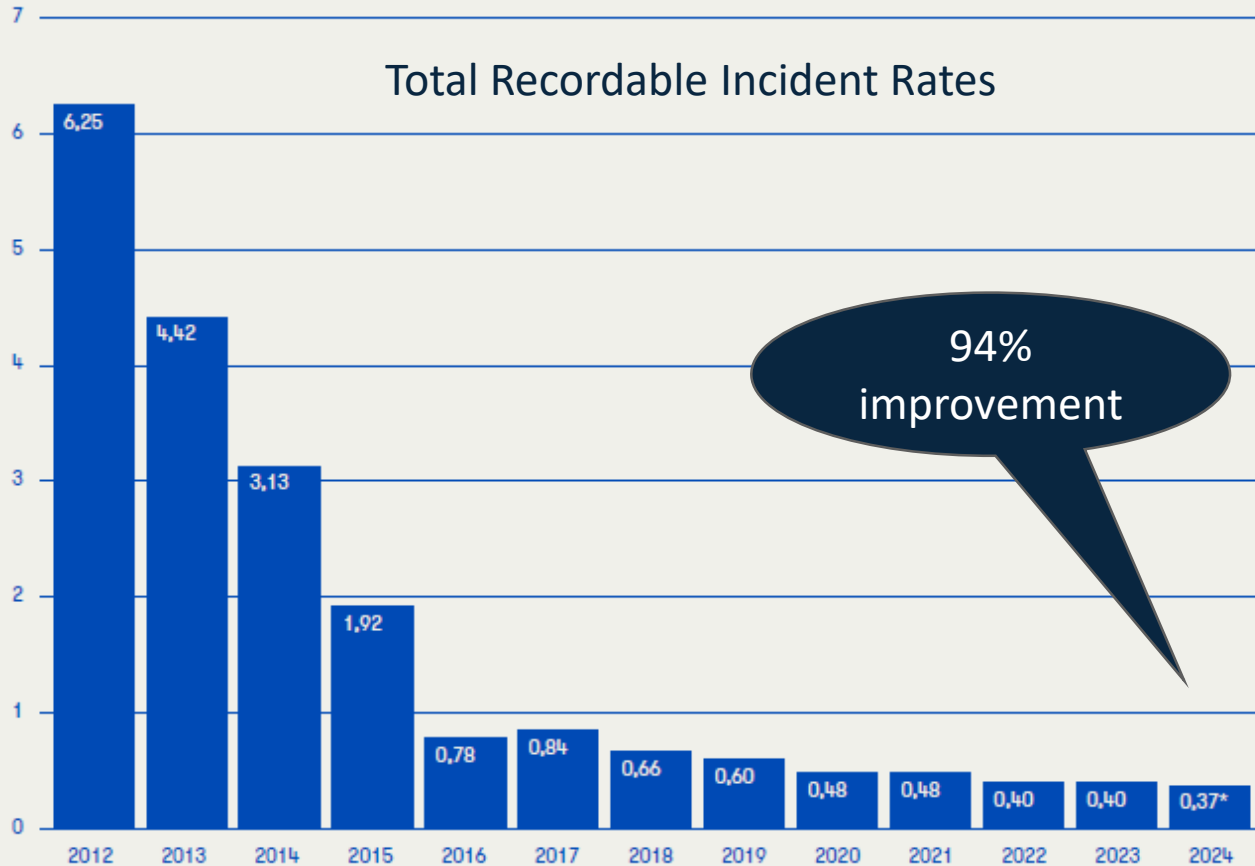
Over the last eight years, the Centre has committed \$13 million to 40 initiatives seeking to address underlying drivers of food insecurity that span coast-to-coast

Better People & Communities

Investing in our People



Total Recordable Incident Rates



Maple Leaf Foods has a World-class Workplace Safety Program with a Total Recordable Incident Rate that is 500x better than the industry average.



Our Employee Resource Groups (ERG)s are company-supported, Team Member-led networks that build community, educate allies and advance our diversity and inclusion agenda.

MLF's PUBLIC CLIMATE COMMITMENTS

30x30



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

30% Emissions Reductions by 2030

CARBON NEUTRAL



made by a/fait par une
CARBON NEUTRAL COMPANY
ENTREPRISE CARBONEUTRE

Maintain Carbon Neutrality every year

We employ a Carbon Management approach to achieve Carbon Neutrality



Organizations managing carbon emissions typically start by

- Avoiding intensive activities, then
- Reducing or replacing carbon sources, and finally
- Offsetting emissions that cannot be reduced

TRANSFORMATIVE AND
LONGER LASTING
CARBON ACTIONS

AVOID

Avoid carbon-intensive activities

REDUCE

Conduct operations more efficiently

REPLACE

Switch from carbon-intensive energy to low-carbon sources

TEMPORARY AND
LOWER IMPACT
ACTIONS

OFFSET

Offset emissions that cannot otherwise be reduced

Sustainability Execution



SUSTAINABILITY EXECUTION ACROSS MANUFACTURING NETWORK

- Deploying sustainability executive taskforce & network-wide execution plans
- High impact capital projects to accelerate reductions across facilities (e.g. equipment optimization, process improvements, energy management system)
- Standardize and replicate successful projects across the network

SUPPLY CHAIN ENGAGEMENT

- Work with highest impact suppliers to set targets, achieve reductions and capture efforts in our inventory
- Continue advancing regenerative agriculture in our pork supply and expand to beef and poultry supply
- Explore market mechanisms such as trial fertilizer decarbonization

MONITOR & RESPOND TO EVOLVING ESG LANDSCAPE

- Maintain leadership in ESG reporting and disclosures
- Respond to influx of customer and investor ESG requests
- Monitor regulatory and litigious environment for disclosure requirements and carbon neutral standards to avoid risks

COMMERCIALIZE SUSTAINABILITY

- Work with Sales teams to build capacity to speak on sustainability topics at customer meetings and conferences
- Integrate sustainability into brand campaigns to position ourselves as sustainability leaders in the marketplace
- Enhance on-pack sustainability claims

Sustainable Packaging Strategy & Goals

Our sustainable packaging goals

1. **Eliminate** problematic or unnecessary packaging
2. Have 100% plastic packaging designed to be **reusable, recyclable or compostable**
3. Implement the **How2Recycle** label set on all Maple Leaf branded products
4. Have 30% recycled content across all plastic packaging (**achieved in 2023**)



Material Reduction

- 30%** Reduction of material weight in our 175g Deli Meat Portfolio
- 40%** Reduction in packaging material weight across Maple Leaf® Lunch Kits
- 14%** Average reduction in packaging across Maple Leaf Prime® processed poultry




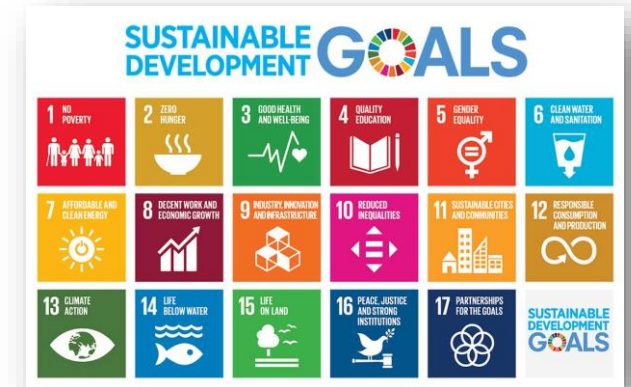
Recyclable and Post-Consumer Recycled Content

- 96%** 96% post-consumer recycled content in fully recyclable trays
- 100%** Recyclable trays for all Lunch Kits
- 100%** First fully air-sealed cardboard in Prepped & Ready products







The Sustainable Development Goals – MLF Alignment

- The SDGs are an urgent call to action by the United Nations for social, environmental and economic progress globally by 2030. These goals provide a universal and visionary framework for all countries, governments, companies and individuals to proactively address global challenges and implement strategies to improve health and education, reduce inequality, encourage economic growth and tackle climate change.
- We publish a public SDG Alignment document annually to demonstrate how our strategies and initiatives address the SDGs most relevant to our business.
- Our food safety program is especially important for SDG 2, SDG 3, SDG 12 and SDG 17. 



MLF Food Safety and the Sustainable Development Goals

Sustainable Development Goal	Food Safety Alignment	How Maple Leaf Foods Contributes
<p>SDG 2: Zero Hunger</p> 	<p>Food safety is a fundamental aspect of achieving food security and ensuring that people have access to sufficient, safe, and nutritious food.</p>	<ul style="list-style-type: none"> ✓ Our Food Safety Promise and a robust Food Safety Strategy ✓ Adhere to the highest food safety standards ✓ Strong industry-leading food safety and quality performance metrics that ensure accountability through transparency ✓ Pursuit of a preventative approach to continuous improvement Investment and continued support of our ambitious Salmonella Reduction Strategy in the poultry supply chain ✓ Enhancing preventative controls through improved Hazard Analysis and Critical Control Point (HACCP) plans and expanded training and certification of associates ✓ Relentless efforts to enhance and improve our already world-class Listeria Monitoring Program ✓ Cultivate talent and strengthen our high performing Food Safety, Quality and Technical Services team ✓ Drive continuous improvement in Food Safety and Quality Supplier Performance Management ✓ Participation in committees, task forces and workshops throughout North America and globally ✓ Our Food Safety Advisory Council (FSAC) is a distinguished panel of independent experts dedicated to advising on best practices and policies for food safety
<p>SDG 3: Good Health and Wellbeing</p> 	<p>Safe food is essential for maintaining and improving human health, especially for vulnerable populations like children and the elderly. Foodborne illnesses can have severe health consequences and negatively impact overall well-being.</p>	
<p>SDG 12: Responsible Consumption and Production</p> 	<p>Food safety contributes to responsible consumption by ensuring that food is safe and nutritious, reducing food waste, and promoting sustainable food systems.</p>	
<p>SDG 17: Partnerships for the Goals</p> 	<p>Strong international collaboration and partnerships are needed to address global food safety challenges and ensure that all countries can achieve their food security and health goals.</p>	

Thank you





Howard Edward Butt



Florence Butt

H-E-B family owned and operated since **1905**
our first store in Kerrville, Texas

H-E-B General Statistics



**Number of years
in operation:**
119



Number of Partners:
161,000 +
143,000+ U.S.
18,000+ Mexico



Annual Global Sales:
\$43.6 billion

Today **H-E-B** operates over **449 stores** across **TEXAS** and **Northern Mexico** and we can sell what our **farmers** and **ranchers** produce!





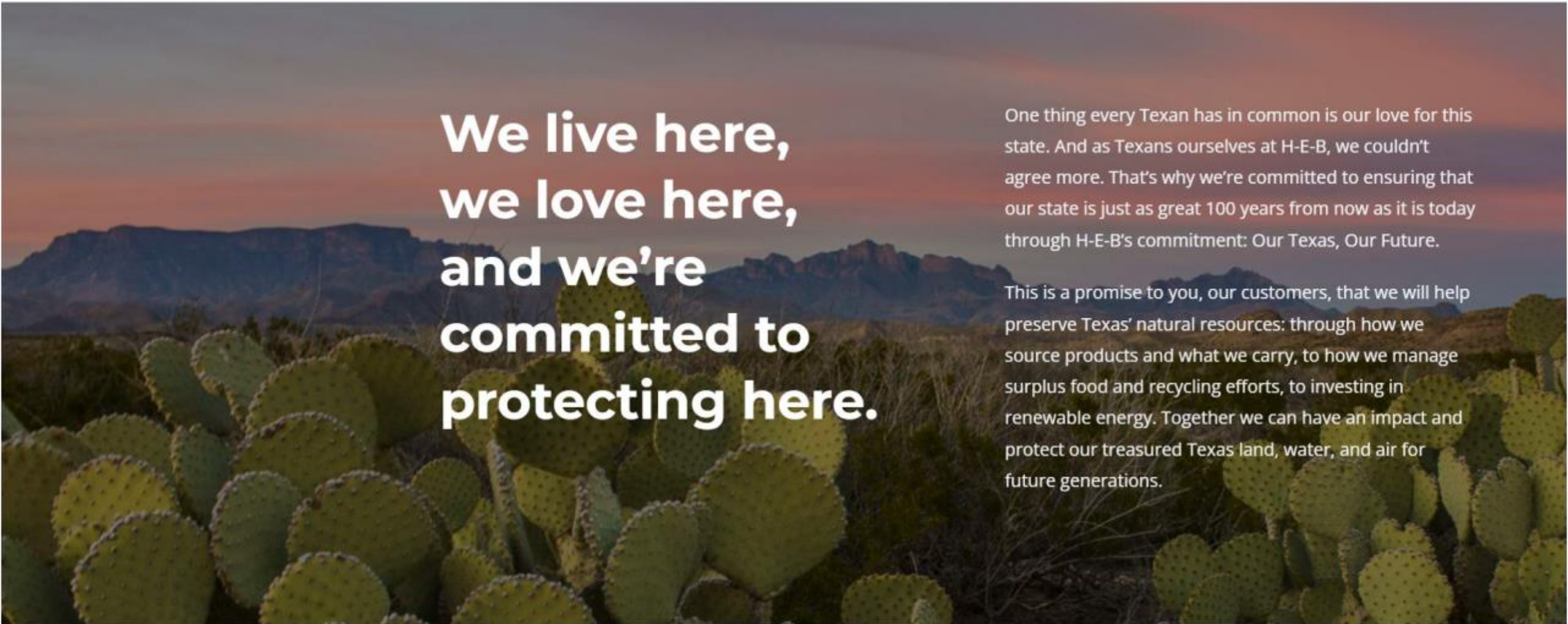
Sustainability at H-E-B





**Our Texas
Our Future**



The background image is a photograph of a desert landscape. In the foreground, there are several large, green, rounded cacti. In the background, there are dark, silhouetted mountains under a sky with a gradient of colors from orange to purple, suggesting a sunset or sunrise.

**We live here,
we love here,
and we're
committed to
protecting here.**

One thing every Texan has in common is our love for this state. And as Texans ourselves at H-E-B, we couldn't agree more. That's why we're committed to ensuring that our state is just as great 100 years from now as it is today through H-E-B's commitment: Our Texas, Our Future.

This is a promise to you, our customers, that we will help preserve Texas' natural resources: through how we source products and what we carry, to how we manage surplus food and recycling efforts, to investing in renewable energy. Together we can have an impact and protect our treasured Texas land, water, and air for future generations.

DIVERSION

PRODUCT

ENERGY

COMMUNITY

At H-E-B, we aim to **serve every customer**, which means providing options to **meet them where they are** and work together to advance environmental stewardship.

Reducing H-E-B's Plastic Bag Impact

Reduce



Reuse



Recycle



DIVERSION

PRODUCT

ENERGY

COMMUNITY

We ensure integrity in **our recycling process** and **innovate** to provide best-in-class, **sustainable products**.



DIVERSION

PRODUCT

ENERGY

COMMUNITY

H-E-B offers more than **6,000 Texas Local items** in our stores, which benefit both the community and the environment.

Labels & Brands



Product & Ingredient Examples



DIVERSION

PRODUCT

ENERGY

COMMUNITY

Rooftop solar installations, large-scale utility field investments and wind energy help H-E-B provide renewable energy across our operations.



DIVERSION

PRODUCT

ENERGY

COMMUNITY

Our **Environmental Affairs** team works with local **schools, communities**, and more to create broader access to **nature-based education** and **environmental resources**.



School Recycling Contest



Recycling Grants



Trees for Texans



Education & Volunteering

Want more? Email villaruel.anahi@heb.com!

DIVERSION

PRODUCT

ENERGY

COMMUNITY

Nearly 40% of all food in the U.S. is **wasted today**. As a grocery retailer, we've long felt a responsibility to do our part.



DIVERSION

PRODUCT

ENERGY

COMMUNITY

Our **focus on food recovery** in our stores reduces our environmental impact at landfills and maximizes our community impact by **feeding hungry Texans, animals, and soil.**



FFR LEVEL-SETTING

1.  

Sell it!
Our #1 priority

First at **full price**,
then marked down*
**For eligible items*

2. 

Donate it!

By putting aside
good food for our
food banks

3. 

Recycle it!

Recycle via **animal feed, compost, and bone barrels**

INDUSTRY TERMINOLOGY



Food recovery/rescue: The collection of wholesome food that would have otherwise left the human food supply chain and redistributing it to **feed people ... the terms “recovery” and “rescue” are used interchangeably.**

Organics recycling refers to **collecting and processing food loss and waste ...** that would otherwise be landfilled or incinerated, and **turning it into new products**, such as soil amendments (e.g., by **composting** food scraps) or soaps and bone meal (e.g., by **rendering**).

Food waste is responsible for 58% of landfill methane emissions ...**diverting food waste from landfills** is an effective strategy to reduce GHG emissions.

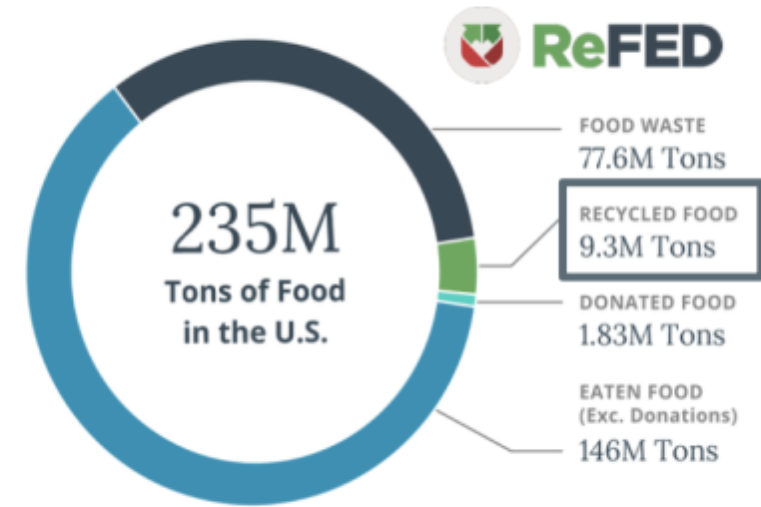
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Takeaways:

- **Diverting** from landfills describes **all** food loss and waste reduction **efforts**, including food recovery/rescue and organics recycling
- Food **recovery** pertains to feeding **people**
- **Recycling** captures **animal feed, compost, and rendering**

STREAMLINING H-E-B TERMINOLOGY



Waste

Product

Energy

Our Community

Stories



STREAMLINING H-E-B TERMINOLOGY

PAST: Waste inclusive of Donations; Diversion incorrectly restricted to compost/rendering

WASTE						
FOOD FRESH, GROCERY			NON-FOOD PET, DRUG/GM, PLASTIC, CARDBOARD, ALUMINUM			
SELL	! DONATE	DIVERT	SELL	REUSE	DONATE	RECYCLE

FUTURE: Diversion correctly inclusive of all efforts to reduce landfill; “Recycle” used consistently and in line with industry

DIVERSION						
FOOD FRESH, GROCERY			NON-FOOD PET, DRUG/GM, PLASTIC, CARDBOARD, ALUMINUM			
SELL	✓ DONATE	RECYCLE	SELL	REUSE	DONATE	RECYCLE
Inventory Management, FPP, Markdowns	Donations [Food Recovery]	Compost / Animal Feed, Bone Barrels	Inventory Management, Markdowns	Supply Chain Materials	Donations	Plastic, Cardboard, etc.

STREAMLINING H-E-B TERMINOLOGY



Diversion

Product

Energy

Our Community

Stories

We live here,
we love here,
and we're
committed to
protecting here.

One thing every Texan has in common is our love for this state. And as Texans ourselves at H-E-B, we couldn't agree more. That's why we're committed to ensuring that our state is just as great 100 years from now as it is today through H-E-B's commitment: Our Texas, Our Future.

This is a promise to you, our customers, that we will help preserve Texas' natural resources: through how we source products and what we carry, to how we manage surplus food and recycling efforts, to investing in renewable energy. Together we can have an impact and protect our treasured Texas land, water, and air for future generations.

Photo credit: Texas Parks & Wildlife Foundation

1. **Diversion** captures all efforts to reduce, reuse, recover, and recycle
2. **Food recovery** or food rescue should only be used for **donations**
3. **Recycling** captures **compost, bone barrel** (rendering), and traditional non-food recycling for plastics, aluminum, cardboard, etc.

FFR PILOT APPROACH

1

Process



- Increased Donation eligibility & pickup 6-7 days / week
- Added Deli / Seafood to Rendering and increased to 2 days / week pickups
- Improved compost bin access

2

Data



- Report sent on regular basis (weekly → period)
- Combined Donation, Compost (Organix), Bone Barrel (Darling), and Landfill (WM)
- Included Fresh Shrink %

3

Communication

Fresh Food Recovery: What Can Be Donated?

SEAFOOD	<p>Items that have reached their use-by / sell-by date:</p> <ul style="list-style-type: none"> o Frozen retail-ready items o National brand ready-to-eat items (ex. soup) o Sushiya fully cooked, refrigerated items 	<ul style="list-style-type: none"> o Raw fresh seafood o Service case o Made-in-store items o Sushiya hot items o Sushiya rolls
DELI	<p>Items that have reached their use-by / sell-by date:</p> <ul style="list-style-type: none"> o Pre packaged: <ul style="list-style-type: none"> o Cheese o Deli meats o Chips, crackers, etc. o Dips, hummus, pimento cheese, potato salads, etc. o Sausages o Pizzas o True Texas BBQ o Protein salads o Fresh slice cheese (cheese shop and service counter) 	<ul style="list-style-type: none"> o Fresh slice meat o Made-in-store salads o Made-in-store sandwiches o Hot deli items

- 7 overview documents (101s)
- 4 resources by department: Poster, Badge Card, Guidelines and VTA
- All available in Spanish



PROCESS IMPROVEMENTS

1

Process

- Combination locks for compost bins
- Consistent, optimized tools and training



COMMUNICATION IMPROVEMENTS

3

Communication

- ‘Sell It’ integration
- Talent Development curriculum
- Food Diversion “Why” video

<div> FOOD TO SHARE IN PRODUCE </div>			
★ SELL ★	DONATE	RECYCLE	PROCESS
<p>Preventing surplus is the MOST IMPORTANT STEP in sending <u>less to landfills!</u></p>	<p>1 in 8 Texans face hunger every day. Thank you for helping H-E-B donate to local food banks.</p>	<p>We feed local animals and Texas soil with our recycled food scraps. Some is even used in H-E-B products!</p>	<p>Want more details? Scan here: </p>
<div><div><div>1. Order what you can sell.</div><div>2. Stay in-stock, not overstocked!</div><div>3. Get production Just Right!</div></div><div></div></div>	<div><p>ALL PRODUCE ITEMS CAN BE DONATED EXCEPT:</p><p><i>Mind refrigeration refrigerated items</i></p><div><div> Made-in-store juice Pour out</div><div> Marzetti dressing Return to vendor</div><div> Bulk zombies (damaged, moldy) Com post</div></div></div>	<div><p>ALL PRODUCTION SCRAPS AND ZOMBIES CAN BE COMPOSTED EXCEPT:</p><div></div><div><p>DO NOT COMPOST PACKAGED ITEMS DUE TO TIME REQUIRED TO REMOVE PACKAGING!</p><p>Freddies vs. Zombies: </p></div></div>	<div><div><div>1. Scan out product using “Out of Date” (except bulk)</div><div>2. Place in collection container</div><div>3. Store in designated area (cooler or freezer)</div><div>4. Donations: Apply Food Bank sticker; Receiving ensures pickup</div></div><p>Compost: Empty into outside bins ~3x/day (use proper door)</p><p>Questions? foodtoshare@heb.com</p></div>

COMMUNICATION IMPROVEMENTS

3

Communication

- Internal branding brings all steps under one umbrella:
 - Sell It (Inventory Mgmt., FPP, Markdowns)
 - Donate It (Donations)
 - Recycle It (Composting and Bone Barrels)



FOOD TO SHARE



Our Texas Our Future



**Our Texas
Our Future**





Produced by
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magazine™

Solutions **for** TODAY, Planning **for** TOMORROW

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