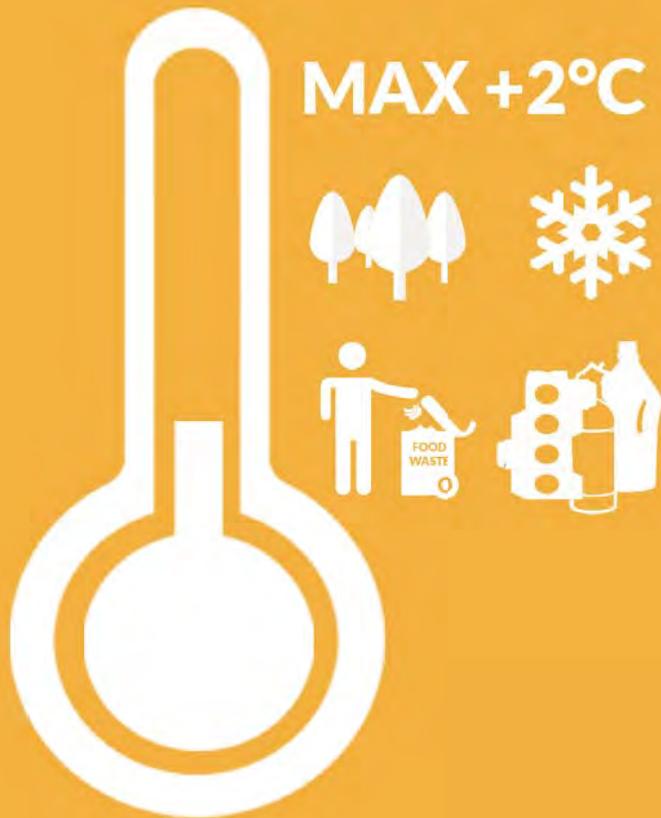


# CLIMATE CHANGE

COMMITMENTS & ACHIEVEMENTS OF CGF MEMBERS





# INTRODUCTION NOTE

## IMPLEMENTING SOLUTIONS FOR A LOW CARBON ECONOMY

The climate challenge is one we all need to take up. The time for talk is over. If global temperatures increase more than 2°C, the consumer industry – like everyone else – will face increased business risks, disruption of supply chains, volatility of commodity prices and increased operational costs. Our retailer and manufacturer members know this, and this booklet showcases some 20 case studies on how some of them are working individually and collectively to drive positive change globally.

Our members also understand just how important it is that the whole world takes action, working together to reduce greenhouse gas emissions and adapt to climate change.

This is why, in June 2014, our Board of Directors decided to give their public encouragement to heads of state across the world to engage and act with determination, in order to secure an ambitious and legally binding global climate deal. Our Board also renewed its own commitment to take action through our two current climate change resolutions; namely, (1) to achieve zero net deforestation by 2020 through the sustainable sourcing of key commodities and (2) to begin phasing out hydro fluorocarbons (HFCs) in new refrigeration installations by 2015.

As you can read in this booklet, the companies that make up the CGF have made a start on implementing solutions to climate change. The CGF also helps our member companies to amplify the impact of these solutions.

For example, we seek to encourage and enable more sustainable production and consumption by involving all stakeholders, including those outside our industry such as upstream suppliers, consumers and the public sector.

Our 400 members are actively engaged in this collaborative effort through working groups. These groups share best practices and drive collective solutions to key challenges such as refrigeration systems, deforestation, and solid as well as food waste. The effects of all our solutions will be increased, however, once structured financial instruments and public policies are in place to support our investment programmes.

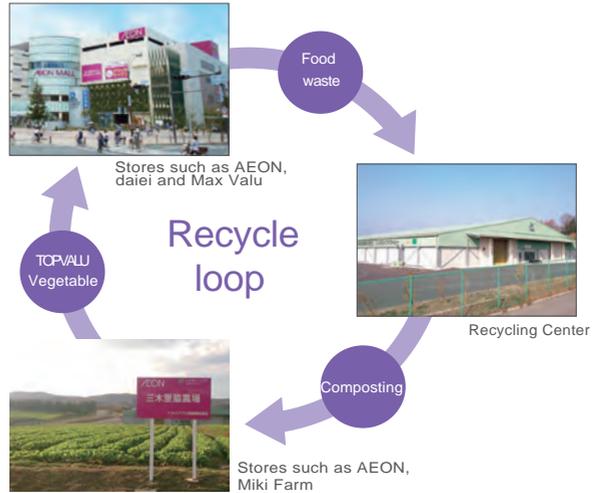
Our industry has made a good start. With the right support, we can achieve so much more.



**PETER FREEDMAN,**  
Managing Director  
The Consumer Goods Forum

A handwritten signature in blue ink, appearing to read 'Peter', written over a light blue wavy background.

# SETTING OUR ZERO WASTE CHALLENGE



“ We formulated the Aeon Sustainability Principle in 2011. We acknowledged the realisation of a low carbon society and our contribution to the circular economy are the key issues to realise the Principle. We then set our ambitious targets and KPIs for these key issues. ”

## OUR POSITION

Having launched the Aeon Sustainability Principle in 2011, we then developed and announced our “Big Challenge”, which focused on 10 activities that would help us reach the Creating Shared Value (CSV) level. This means that we manage our CSR activities and business in a fully integrated way. As one of 10 activities, we have challenged ourselves to achieve “zero waste”. Waste - including food waste - is a social problem and we want to play our role. This is important for the sustainability of our business and our planet. For example, a reduction target to halve food waste at the retail and consumer level was set in the Sustainable Development Goals, and the recycling target rate for the retail industry in Japan has been increased due to updated policy based on Food Recycling Law in Japan. Aeon recognises the importance of contributing to waste solutions through our business and the challenge for the zero waste.



**MOTOYA OKADA,**  
Group CEO,  
President of  
Aeon Co., Ltd.

### The “Zero Waste” Concept

We will eliminate the waste which is disposed, initiated and landfilled by utilising our 3R method. We will contribute to the circulating society in cooperation with stakeholders.

Our food waste activities include those:

- **Through Stores and Products**  
We will act in our stores and on our products through visualisation, reduction of waste loss, separation and recycling.
- **Through Communication with Customers**  
We act to reduce food waste with customers through dietary education and campaigns within our stores.

• **With Local Communities**

We act to reduce food waste with stakeholders in the local communities where we operate by collaborating on activities such as the establishment of closed loop recycling and donations to food banks.

We also ensure that all our actions are safe, traceable, compliant and environmentally-friendly. We are taking the entire process into consideration and always act with due diligence to ensure the sustainability and success of the action.

**Results Show It's the Right Way to do Business**

Since we began rolling out our food waste activities, the data and positive actions have shown why this is the right way to do business, whether it be through stores and products, communication with customers or through local communities.

- Aeon Retail Co., Ltd. found the worst department for generating food waste by visualisation of the food waste amount and was able to improve the order and pricing operations to reduce that amount and increase overall efficiency.
- Aeon Mall Co., Ltd. segregates waste into 17 categories and measures them by category. It has resulted in increased levels of recycling and a reduction in the amount going to waste. In FY 2014, the raw food waste recycling ratio of Aeon Mall Co., Ltd. hit a massive 88.3%.
- All Aeon Group companies now recycle waste oil and fish dregs, meaning our waste oil recycling ratio has reached 100%.
- Aeon Cheers Club visited a recycling factory that makes animal feed from food waste.
- Orgin Toshu Co., Ltd. offers dietary education on balanced meals through professional nutritionists.
- Closed loop recycling was created among our stores, with a recycling factory and the managed farm of Aeon Agri Create Co., Ltd. This has resulted in 1,580t/year of food waste being collected and 316t/year of fertilizer being produced.

We will continue to work on these activities and look for additional ways to meet the zero waste challenge.



**FIGURES**

**Aeon has many types of activities to help achieve zero waste. To-date, Aeon Group members have been involved in food waste initiatives that:**

Segregate waste into <b>17</b> categories	Recycle <b>88.3%</b> of raw food waste
Recycle <b>100%</b> of waste oil	Turn food waste into animal feed
Offer dietary education	Produce <b>316t/year</b> of fertilizer through specific closed loop recycling

# TACKLING FOOD WASTE



“ Reducing our food waste is an important part of being a responsible retailer. As we continue to create awareness within our company, many programmes and initiatives are coming to life to support us in tackling the issue of food waste. ”

## OUR POSITION

As a food retailer, waste, and especially food waste, is a consequence of our business. And as with many topics, it is important to be transparent and fact-based on waste and act on the information we have as a company.

We have set a target to send zero waste to landfill by 2020. In 2014, our total waste was 587 million kg, which is equal to 131 kg per square metre of sales area (139 kg per square metre in 2010). Different waste disposal methods have different impacts on our environment and we recognise that landfill is the least desirable method. In 2014, 16% of our total waste went to landfill facilities, compared to 19% in 2012.

Our reach is further than our own operations. Food waste can occur at many points in a food product's life cycle: from waste at product manufacturers, to unsold items in our stores, to the food that customers throw away.

Based on the insights we have set up teams to reduce food waste. One example of the initiatives is the use of the 35% discount at Albert Heijn for products that get close to their shelf life date. With these stickers, customers can easily see that they get a discount and that the product is close to the end of its shelf life.

To support our customers in reducing food waste, Albert Heijn worked together with the Voedingscentrum (Dutch Food Center) to find a solution to the issue of food waste during cooking. As a result, during



**DICK BOER,**  
President  
and Chief  
Executive  
Officer of  
Ahold



one week in February 2014, customers buying own-brand pasta or rice from Albert Heijn were given a free measuring cup to make it easier to prepare and eat the right amount of pasta or rice. Albert Heijn distributed one million measuring cups during the campaign.

In addition, four young entrepreneurial associates opened a restaurant in 2014 that tackles food waste, called Instock. At Instock, chefs prepare meals using food that is not suitable for sale in Albert Heijn stores for various reasons but is still good for consumption. Instock aims to make people more aware of the problem of food waste while providing inventive dishes and serving a different three-course meal every day.

Another example is our cooperation with food banks. All of Ahold USA's divisions have taken up the challenge to safely donate and divert as much of their excess consumable food as possible. We have been working

with regional food banks to donate safe, consumable food, which has become a game changer in local hunger relief efforts and reduced our own food waste. In 2014, Ahold USA's divisions donated over \$30 million worth of products to the food banks, over 85% of which was food that would otherwise been thrown away.

In our Ahold USA divisions, we are also separating waste more effectively so we can increase the amount of organic waste used for composting or animal feed and decrease the amount that goes to landfill. In 2014, the share of waste separated and composted was 15% of our total US waste - up from 6% in 2010.

As a result of these efforts, our current food waste percentage is between 1-2% of our total food sales.



## FIGURES



In 2014 **16%** of our total waste went to landfill facilities, compared to **19%** in 2012.

Our current food waste percentage is between **1-2%** of our total food sales.

## SUSTAINABLE SUPPLY CHAINS



“ At Brambles, we’re committed to zero environmental damage, including the important issues of deforestation and climate change. We are working towards sustainable supply chains through industry collaborations and the pooling of reusable packaging.”



**TOM  
GORMAN,**  
Chief  
Executive  
Officer of  
Brambles

### OUR POSITION

Brambles is built on principles that are inherently sustainable. We have an excellent opportunity to deliver environmental benefits due to our extensive logistics knowledge and position in the supply chain. We help customers understand their supply chains and minimise their environmental footprint. Brambles is also well placed to address the environmentally important issue of food loss and waste in the supply chain. We do this by collaborating with customers and retailers, as well as in our own product development.

#### Our pooling model

Our business model is inherently sustainable. Through the pooling of our efficient, safe and sustainable solutions, we reduce the environmental impacts in the supply chains where we operate. We contribute to a circular economy, keeping resources in use for as long as possible, and recovering and regenerating products and materials at end of life. We are able to make supply chains more sustainable.

#### Deforestation

Brambles is committed to achieving Zero Harm and considers social and environmental impacts in the purchasing and use of materials.

The secure supply of wood is critical to Brambles. CHEP uses timber to make and repair reusable pallets. We have a target of chain of custody certification for 100% of wood purchased for manufacture and repair of CHEP pallets. Last year, 97% of wood purchased for pooled pallets was from certified sources, with 43% carrying chain of custody certification.

#### Reducing our impact

Brambles is focused on reducing our greenhouse gas emissions. In 2015, we reduced scope 1 and scope 2 emissions by 13%. Our energy

efficiency projects include reducing IT servers, installing LED lighting, installing gas power stations and cold water washing, reducing the need to heat water. This meant that last year we achieved our target of 20% reduction in scope 1 and scope 2 emission levels from 2010 at applicable sites.

With pooling models that operate on the principles of recover, reuse, reduce and recycle, Brambles minimises waste. We are working towards zero wood waste to landfill at all of our sites. Our operations have a responsibility to use water wisely.

### Supply chain collaboration

Throughout the world, we work with customers and suppliers to deliver mutually beneficial, sustainable solutions. We use our logistics knowledge to help customers minimise their footprint.

Our total pallet management program (TPM) allows us to manage all of a customer's pallet needs onsite, without the need for additional transport. We reduce transport distances by collaborating with customers and suppliers, using alternative means of transport to road, like rail and sea. Other transport programmes include reducing 'empty miles', where pallets are returned without carrying customers' goods, optimising loads, safely increasing pallet stack height, storing pallets in seasonally available space and sharing trips. The combined impact of these programmes reduced transportation distances by over 42 million kilometres, which is equivalent to more than 35,000 t CO<sub>2</sub>-e.

**Brambles' businesses are well placed to address the environmentally important issue of food loss and waste in the supply chain. We do this by collaborating with customers and retailers, as well as in our own product development.**

## FIGURES



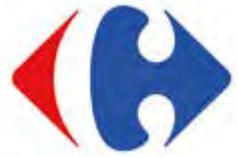
By 2020 we will remove commodity driven deforestation from all supply chains.

We achieved a 20% CO<sub>2</sub> emissions reduction in our 2010 baseline sites.

We reduced transport distances by 42 million kilometres last year by collaborating with over 150 customers.

Customers' use of our pooled pallets saved at least 1.35 million trees last year.





# GOOD PRODUCTS FOR PEOPLE AND THE CLIMATE



“ For Carrefour, doing our job well means conserving resources to provide our clients with high-quality products. We believe that you cannot achieve economic success without good relationships, social responsibility and protecting the environment. ”



**GEORGES PLASSAT,  
Chairman  
and Chief  
Executive  
Officer of  
Carrefour**

## OUR POSITION

Carrefour has identified three main sources of greenhouse gas emissions: on the one hand, raw materials, and on the other hand, effective management of energy for transport, and of refrigeration for foodstuffs, which go hand-in-hand with being a retailer.

Through its supplies of wood/paper, palm oil, soya and beef in Brazil, Carrefour is contributing to efforts to prevent deforestation. Protecting forests is essential to the planet's resilience and to reducing greenhouse gas emissions. Carrefour designs alternative products for day-to-day use as well as certified wood and paper products. This initiative, supported by the WWF since 1998, has set the goal of zero deforestation in 2020. Carrefour also aims to use only sustainable, RSPO-certified palm oil by 2015. For each product, a substitution study is carried out to improve the product's nutritional qualities without damaging it. If there is no other alternative, palm oil continues to be used, but an RSPO-certified supply option is found.

Soya is one of the most traded agricultural products in the world: soybeans, rich in protein, have become essential to livestock farming, while soybean oil is the second most widely consumed in the world. Soya production is a key contributor to deforestation, particularly in the Amazon. Carrefour has supported the soya moratorium in Brazil since it was introduced in 2006. The moratorium regulates the use of land for the agricultural economy.

To maintain the cold chain, in other words to ensure that products are properly transported and stored so that they do not harm customers' health, Carrefour needs refrigerated lorries and appliances. Current



technology uses chemical refrigerant which cause significant warming. An alternative solution exists: refrigeration units which use so-called "supercritical" CO<sub>2</sub> fluid for fresh and frozen goods sections. CO<sub>2</sub> is a compound

which is naturally present in the atmosphere. Brought to a point above its critical temperature, or 31.1°C, it has refrigerant qualities. Since 2011, Carrefour has been investing in the conversion of its facilities. Collaboration with technical service providers has enabled the development of this new, clean technology in all countries in which Carrefour operates. So far, an initial 170 stores have been equipped. Even better, Carrefour is stepping up to the challenge of this technological roll-out, with tests in Spain and Brazil, a first for such latitudes.

Finally, with regard to transport, in France Carrefour is developing a fleet of 200 lorries which run on biomethane, thanks to the recycling of non consumable food in stores. In addition to preventing waste, this solution improves air quality and health, with no fine particles, a reduction in greenhouse gas emissions of more than 90% and an 80% drop in pollutants. This plan also supports an entirely local economy by creating a circular ecosystem (methanisation plant and pumping station).

We are firmly convinced that solutions come from companies and their ability to innovate. To combat climate change and remain in its business over the long term, Carrefour has planned concrete activities in store and beyond. We are playing our part and

getting our partners and customers involved to expand these activities. Carrefour's international dimension offers an opportunity to roll out the concrete solutions proposed by our employees and suppliers on a large scale.

## FIGURES



# OUR CLIMATE CHANGE COMMITMENT



Over 400 Colgate "treasure hunters" in ten countries have identified more than 1,000 energy-saving ideas estimated to be worth over \$14 million in savings.

“ Colgate’s long-standing dedication to sustainability is helping to drive our strong performance. This is reflected in our “People, Performance and Planet” sustainability strategy, including our commitment to do our part to limit global warming to 2°C. ”



**IAN COOK,**  
Chairman,  
President  
and Chief  
Executive  
Officer

## OUR POSITION

As part of our “People, Performance and Planet” Sustainability Strategy, Colgate is committed to continuously improving our greenhouse gas performance and doing our part to mitigate climate change throughout our value chain. As a key part of this commitment, we have published a *Policy on No Deforestation*, joining The Consumer Goods Forum in pledging to mobilize resources to help achieve zero net deforestation by 2020, slowing deforestation’s contribution to climate change. We have set goals to sustainability source the commodities most relevant to Colgate: pulp and paper; palm oil and derivatives; soy and soy oil; and beef tallow. We purchase green palm certificates or physically certified oil for 100% of the palm and palm kernel oil we use and are partnering with The Forest Trust to trace the sources of our oils back to the plantations. Additionally, over 80% of our pulp and paper is certified or is in the in process of being certified, as being sourced from responsibly managed forests.

Colgate has also committed to reduce carbon emissions on an absolute basis by 25 percent by 2020 when compared to 2002, with a longer term goal of a 50 percent absolute reduction by 2050 when compared to 2002. Our targets are science-based and in line with the CDP and World Wildlife Fund report, *The 3% Solution*, of which Colgate was a sponsor. Our goal will allow us to play our part in limiting global warming to 2°C, as recommended by the Intergovernmental Panel on Climate Change.

As part of our strategy to achieve the 25 percent absolute reduction, Colgate has committed to reduce our manufacturing energy intensity by one third compared to 2002 and to promote the use of renewable energy. We have a long-standing energy-reduction program that has brought us year-on-year reductions in greenhouse gas (GHG) emissions and energy use intensity for over a decade, as well as significant financial savings.



Colgate has nine Leadership in Energy and Environmental Design (LEED®) certified facilities around the world with ten additional LEED construction projects underway in the U.S., Latin America, Asia and Europe. Pictured is Colgate's facility in Swidnica, Poland. The recent expansion received LEED-Gold certification. The original construction was certified LEED-Silver.

Four key initiatives drive energy-reduction at Colgate: 5% for the Planet, the Energy Treasure Hunt programme, our Top Ten Energy Actions and Sustainable Building Design. Each is described briefly below.

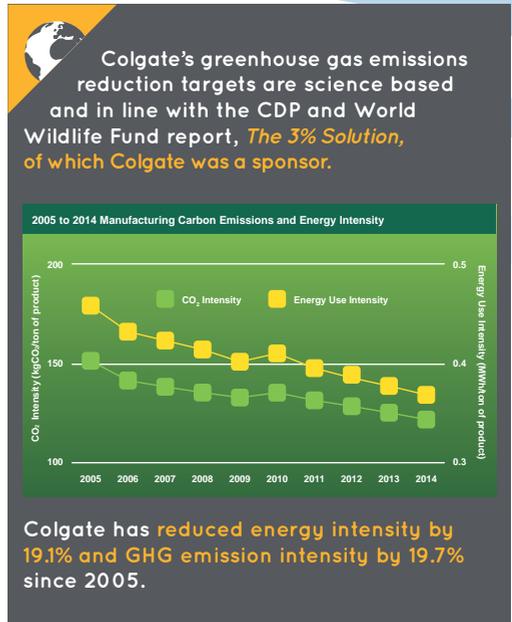
- 1 • Colgate seeks to invest 5% of our annual manufacturing capital budget in "planet-related" projects. A minimum of two percent is specifically targeted for energy reduction.
- 2 • Energy Treasure Hunts are conducted each year at multiple Colgate sites. Over a three-day period, 30 to 50 participants visit all areas of a facility, searching for energy waste and brainstorming opportunities for improvement. Since the program's launch in 2013, over 400 "treasure hunters" in ten countries have identified more than 1,000 energy-saving ideas estimated to be worth over \$14 million in savings.
- 3 • All facilities work to complete the Colgate "Top 10 Energy Actions," which focus on the most practical and impactful energy savings activities such as energy inspections, annual energy assessments and sub-metering plans, as well as guidance for monitoring use of motors, compressed air, lighting and factory downtime.
- 4 • Colgate has committed to LEED certification for all of Colgate's new construction since 2007. Our commitment to green buildings is reducing our environmental footprint and helping to create a healthier and more comfortable work environment for our employees.

We also continue to evaluate renewable and alternative energy sources such as solar, wind, biomass, fuel cells, green power and cogeneration for feasibility and applicability in various locations worldwide. In 2014, Colgate joined the U.S. EPA's Green Power Partnership, which encourages the voluntary use of green power to reduce the environmental impacts associated with conventional electricity use.

*Unlike other CGF member companies, Colgate is a minimal user of refrigerants and does not generate food waste, as a result are not discussing our work on these resolutions. However, we are committed to do our part across the facilities we operate.*

*"LEED" and related logos are trademarks owned by the U.S. Green Building Council and are used with permission.*

## FIGURES



# NATURE AT THE HEART OF THE FOOD CHAIN



Credits: Xavier LEBRY/AF

“ At Danone, because we believe that healthy food can only come from healthy nature and that the energy and raw materials that we consume change the nature of our planet, we continue our efforts to reduce our environmental footprint. We believe in the power of the solutions that arise from co-creation processes with the communities that surround us.



**EMMANUEL FABER,**  
Chief Executive Officer of Danone

”

## OUR POSITION

**DANONE addresses climate change through its Nature 2020 plan supported through Livelihoods' social innovation funds.**

Danone is an international company present on five continents. Its mission is to bring health through food to as many people as possible. The company holds top positions in healthy food through four businesses: Fresh Dairy Products, Early Life Nutrition, Waters, and Medical Nutrition. Through its dual economic and social project, and its mission, the company aims to create shared value for all its stakeholders: its 100,000 employees, consumers, customers, suppliers and shareholders. Present in over 130 markets, the company generated sales of €21.1 billion in 2014, with more than half in emerging countries.

### NATURE 2020: Nature at the heart of the food chain

For Danone, healthy food begins with a healthy nature. The group's business activity extends from the production of agricultural raw materials and the use of water all the way up to product end-of-life, and includes industrial processing, packaging, transport and sale.

In 2008, the company set an objective to reduce the intensity of greenhouse gas emissions by 30% over five years within its direct area of responsibility, an objective that it exceeded at the end of 2012.

Since then, Danone has identified four essential domains around which it has built a plan for implementation in 2020: **(1)** Climate **(2)** Water **(3)** Packaging and **(4)** Agriculture. Each of these domains bring together ambitious initiatives: In some of these domains, the company is already committed, while others open new frontiers and set new



# LIVELIHOODS

targets. Solutions will come by way of innovation.

## THE LIVELIHOODS FUNDS: Restoring natural ecosystems to capture carbon while creating high social value for the rural communities it serves

The mission of the first Livelihoods fund - the Livelihoods Carbon Fund - is to support the efforts of poor rural communities in developing countries to restore their natural ecosystems, which improves their food security, increases their revenues, and improves their livelihoods.

This carbon fund has invested in 7 projects - to date in Africa, Asia, and Latin America dedicated to mangrove restoration, agroforestry and rural energy (clean eco-friendly cookstoves). To date, the fund has planted 130 million trees that will sequester 8 million tons of CO<sub>2</sub> over 20 years, benefiting nearly 1 million people in developing countries.

After reducing its carbon footprint by 40% over the 2008–2012 period, the evian brand offsets its remaining emissions in 2012 by supporting several quality projects. Starting in 2013, evian decided to refocus its efforts on the Livelihoods Carbon Fund, whose projects have been supported by the brand since 2008, by strengthening its participation over the long term. The expansion of these projects will progressively offset the evian brand's emissions, to achieve full emissions offset by 2020.

In 2015, Danone became one of the funding investors, along with Mars Inc. behind Livelihoods' second investment fund- the Livelihoods Fund for Family Farming (Livelihoods 3F)- aimed at helping companies to learn how to sustainably source the materials they need from smallholder farmers while at the same time delivering large-scale social and economic impact to those farmers and their communities.

Livelihoods 3F will implement projects that will simultaneously restore the environment and put degraded ecosystems back on track while improving the productivity, incomes, and living conditions

of small rural farmers in developing countries. Livelihoods 3F aims to invest 120 million euros in the next 10 years to implement up to 40 projects in Africa, Asia and Latin America.

*"Livelihoods 3F is based on the conviction that sustainable farming, climate change and poverty are closely linked", said Bernard Giraud, President of Livelihoods Venture, a service company that will implement the fund. "It is an open investment fund. All businesses that want to source agricultural and natural goods in a sustainable and responsible way are encouraged to join us and increase the breadth of our learning and our impact".*

Livelihoods 3F will operate as a mutual investment fund with shared risks and results-based returns. Financial return for the fund's investors will be provided by a coalition of private and public third party companies, public utilities, governments, development institutions, etc. that will purchase the goods and positive impacts (such as carbon credits or water savings) generated by the projects.

*"Co-creating new solutions while working with other companies, NGOs, and public services is part of Danone's business culture and model", said Franck Riboud, President, Board of Directors, Danone. "The challenges of sustainable agriculture, which lie at the base of the food chain, can only be solved if we know how to develop radically different approaches tackling economic, environmental and social concerns simultaneously".*

## FIGURES



In its Nature 2020 plan, Danone set ambitious targets to fight climate change by reducing Danone's footprint and helping nature sequester more carbon.

- 1) Danone committed to reducing its GHG emissions\* by 50% between 2008 and 2020. (on Danone's full scope, excluding upstream agriculture).
- 2) So far, Danone has reduced its emissions by 42% since 2008 (organic reduction) and successfully "decoupled" its carbon emissions and the volume growth.
- 3) Through its forest footprint policy, Danone has engaged in a journey to eliminate deforestation from its supply chain by 2020.
- 4) To help Nature capture more carbon, Danone set up the Livelihoods Carbon Fund which should sequester 8 million tons of carbon over 20 years.

# FOCUS ON REFRIGERANT EMISSIONS



“ At Delhaize Group, we have a responsibility to contribute to a low-carbon world. As an international food retailer, we commit to reducing our greenhouse gas emissions by 20% from 2008-2020, thereby helping to cap global warming to a maximum of 2°C.



**FRANS MULLER,**  
President  
and Chief  
Executive  
Officer  
of Delhaize  
Group

## OUR POSITION

Since 2013, Delhaize Group has accelerated further reduction in greenhouse gas emissions from refrigerants through two parallel paths: testing new refrigeration systems that dramatically reduce our climate change impact from refrigeration, and applying tighter management of refrigerant leaks.

Delhaize Belgium and Luxembourg has 5 CO<sub>2</sub>-transcritical systems and 44 CO<sub>2</sub>-cascade systems and is piloting new low-global warming potential refrigerants. These installations, plus a programme launched in 2013 to incentivise refrigeration technicians to minimise leaks, led to a 25% reduction of refrigerant emissions per square metre of sales area from 2013 to 2014. Delhaize America, partnering with the US EPA's GreenChill Program, installed the first CO<sub>2</sub>-transcritical system in the US in 2013. It employs an expert team of refrigeration engineers to reduce leaks. From 2013 to 2014, they successfully reduced refrigerant emissions per square meter of sales area by 15%. Similar programmes are running in our operating companies in Greece and Romania, also resulting in significant improvements that put us ahead of our 2020 target for refrigerant emissions per square metre of sales area.

We are sharing our results with competitors, through The Consumer Goods Forum and other venues, and are leveraging the results internally among our operating companies. In the short term, we will continue to measure progress against our plans.

We will apply our improved refrigerant management approaches in Delhaize Serbia, the newest member of our Group. In the longer term, we are on track to meet or exceed our 2020 target and will, from there, set new targets to help cap global warming to a maximum of 2°C.

Delhaize Group is a Belgian international food retailer present in seven countries on three continents. At the end of 2014, Delhaize Group's sales network consisted of 3 402 stores. In 2014, Delhaize

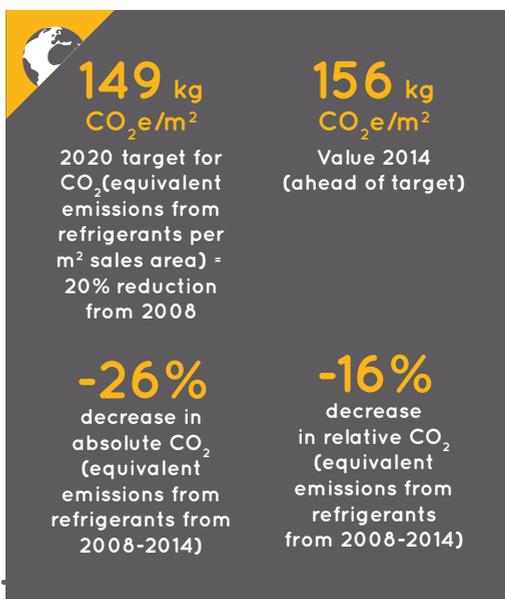


Group recorded €21.4 billion (\$29.4 billion) in revenues and €89 million (\$118 million) net profit (Group share). At the end of 2014, Delhaize Group employed approximately 150 000 people. Delhaize Group's stock is listed on NYSE Euronext Brussels (DELB) and the New York Stock Exchange (DEG).



## FIGURES

Total GHG emissions from refrigerants (for operations in US, Belgium, Greece, Romania, and Indonesia):



# CLIMATE CHANGE STRATEGY



“ At El Corte Inglés, we understand social and environmental responsibility as an active engagement to protect the environment through resources optimisation, waste management and an ever-increasing assortment of sustainable products. ”



**DIMAS GIMENO,**  
**President and Chief Executive Officer of El Corte Inglés**

## OUR POSITION

El Corte Inglés is the largest department store group in Europe and ranks fourth worldwide. According to our environmental policy we are committed to reducing our environmental impact in the fight against climate change.

The key commitments we work on permanently are focused on:

- Resources consumption
- Energy efficiency and carbon footprint
- Waste management
- Social awareness

### Using the best available technology

The close correlation between emissions and electricity consumption at our Group companies (approximately 77% of total) has led us to focus on our main control measures in this area.

We work on a permanent basis on energy efficiency measures mainly in lighting, air-conditioning and supermarket refrigeration systems and control monitoring systems. From 2008 to 2014 the cumulative emissions of El Corte Inglés Group decreased by more than 38% in absolute terms.

According to the type of energy used, a significant aspect is the higher percentage of electricity acquired from renewable sources. This percentage increased in 2014 to 27% of total energy.

All these measures contribute significantly to reduce our carbon footprint.

On the other hand according to our commitments to phasing out HFCs, we use:

- Natural refrigerants (R717 / primary circuit) for preservation of food in storage since 2003; and
- Natural refrigerants (CO<sub>2</sub> «Subcritical») and other refrigerants that reduce the amount of HFC up to 75% (HFC / direct expansion) in supermarkets refrigeration systems since 2011.

### Food Waste Commitments

Since 2012, the food waste issue has become relevant as a part of our waste management strategy. The production of food that will be lost or thrown away has an important social and environmental implication that has to be tackled along the food supply chain.

We follow the food recovery pyramid to address the food waste problems. So we work mainly in “reduction and prevention”, focusing on stock management procedure, in order to avoid food spoiled or expired in our shelves. These measures are, for example, reducing the amount of food in stores and storages, eliminating interim storage, direct delivery from the supplier to the stores, and reducing the size of the supplies delivered to each store.

In our supermarkets, in addition, we sell products that get close to their shelf life date with 50% discounts. This measure has had a positive effect on our costumers and has significantly contributed to reduce the amount of products wasted.

We also have been working on a food donation plan in collaboration with the Spanish Food Bank Federation and soup kitchens in Spain and Portugal.

We wish to contribute to decreasing household food waste by raising customer awareness. One example is the awareness messages and tips in APTC magazine (paper and online publication provided by El Corte Inglés to consumers) or the multimedia video where we also show the initiatives developed at the Company in the fight against food waste.

Despite our achievements we continue working and spreading the concept that “If you are not happy with the world, change the world”.

## FIGURES



From 2008 to 2014 the cumulative emissions of El Corte Inglés Group **decreased by more than 38% in absolute terms.**

**Our food waste at supermarkets represent a percentage below 1%.**

The special offer discount for products that get close to their expiry date **reduces the amount of food wasted by about 92%.**

# A COOL WAY TO COMBAT GLOBAL WARMING



“ At HEINEKEN, we try hard to make a contribution to the essential goal of limiting global warming by making thoughtful choices about resource usage. By 2020, we will have cut the CO2 emissions from our fridges in half compared to 2010. We are enhancing the energy efficiency for our customers in retail as well as in the on-trade. This is how we define shared value in practice.



**JEAN-FRANÇOIS VAN BOXMEER,**  
CEO of  
**HEINEKEN**

## OUR POSITION

Cooling is essential to our consumers' enjoyment of our beverages. However, cooling is also a significant contributor to our total carbon footprint. To reduce this, we install 'green' fridges, both in cases where we replace an old fridge and in cases where we install a fridge in a new location.

### Some concrete examples:

We have developed the iCool fridge, an innovative fridge that is 70% more energy efficient than related beverage coolers from 2010. In order to make this innovation commercially attractive, a new manufacturer has acquired the concept to further develop the fridge and improve the cost structure.

”

Another example from the Heineken Company is David XL Green, the world's greenest draught system. This innovation has won multiple sustainability awards over the past two years. David XL Green does not only improve the overall serve quality of our beer, but results in a 50% lower energy consumption versus conventional draught systems. At the RAC Cooling Industry Awards 2014, David XL Green was named winner of the 'End User of the Year - Non-Supermarket' category. This technology could be easily applied to a vast number of retail outlets across the world.

Finally, we started introducing the SmartDispense system in the UK market in 2013. SmartDispense reduces the need for cellar cooling by cooling the beer as it leaves the keg, rather than cooling the surrounding environment. It saves the average pub around 12,000 pints of water, 90 pints of cleaning chemical and £2,300 of product waste every year. Along with that, SmartDispense reduces a pub's average energy use for cooling installations by 90%. This system is helping Heineken achieve this goal by



reducing waste while giving its customers incentives to grow their businesses in a sustainable way.

In order to measure the energy efficiency of a refrigerator against our overall company targets, we have developed the HEINEKEN Energy Efficiency Index (HEEI). In practice, we work together with our suppliers of fridges to foster related innovations and drive energy reduction.

The relevant dimensions to drive higher efficiency for fridges are

- Replacing Hydrofluorocarbons (HFCs) by hydrocarbon refrigerants;
- Replacing standard lighting by LED illumination;
- Introducing an energy management system; and
- Installing energy-efficient fans.

We are introducing these so-called 'green fridges' in new locations.

Last year, we have already achieved energy savings of 45% compared to 2010. In 2014 only, we have in total purchased 152,000 fridges. Almost all of them (i.e. 99.8%) had one or more 'green' characteristic and two-thirds were compliant with all four of them.



# REDUCING EMISSIONS IN OUR BUSINESS



“ At ICA Gruppen, we work for a limitation of global warming at 2° because we believe that a commitment to sustainability goes hand in hand with long-term profitability. Our greatest contribution is to help our customers make sustainable choices.



**PER STRÖMBERG,**  
CEO of ICA Gruppen

”

## OUR POSITION

One of ICA's most important goals is to combine long-term profitability with sustainable development. Our long-term ambition is to reduce climate impact from stores, warehouses and assortment while supporting customers in making sustainable and healthy choices. ICA's goal to reduce the climate impact by 30 percent in 2020 compared to 2006 was reached already in 2014. A new ambitious climate target will be presented shortly.

### Getting the Climate Right

We want to help and encourage our customers to live a more 'climate right' and healthy life. We do this, for example, by highlighting climate-adapted recipes on our website, develop recipe suggestions for household leftovers to reduce food waste as well as promote better eating habits.

ICA is also one of the initiators of the pilot project "Climate Right" (in Swedish "Klimaträtt") that aims to support and inspire people to reduce their climate impact in everyday life. The first step in the project is that residents in an apartment building in Uppsala, Sweden receive clear feedback on climate impact of their everyday consumption via a unique app. With this app the residents can receive feedback on their climate impact from food, accommodation, transportation and other consumption. The measurements in the app are automatic data sources that the users connect i.e. transaction data from bank cards, transport cards, electricity data from the supplier etc.

In order for the users to take action on their footprint a number of services/activities has been developed by the organisations involved in the project in order to support and activate the users to make it

easier to live a more sustainable and healthier life. For example, using a personal climate right shopper or attending an ICA climate right store safari, attending a climate right cooking evening with an ICA chef, learning how to grow your own vegetables on a balcony, product offers and inspiring recipes etc. The app, in combination with gained knowledge, inspiration and feedback from this project, supports an easy and long term reduction of the climate impact in everyday life.

With the project, ICA wants to help and inspire people to make a difference for the climate and their own health through tasty recipes and increased knowledge. At the same time the project is run on commercial grounds and with a scale-up perspective. ICA encourages, for example, reducing meat portions, eating more fruit and veg and throwing away less food. A 'climate right' and healthy life should not be a sacrifice or be at the expense of the enjoyment of food.

The organisations in Climate Right are ICA and Uppsalahem as main partners and as project partners WWF/World Wildlife Fund, Chalmers University of Technology, ICA Bank, ICA Supermarket Torgkassen, Sunfleet, UL (public transportation), Auto Mile, Uppsala Municipality and Energy Cloud. The app development is supported by VINNOVA i.e. Sweden's innovation agency. Climate Right is inspired by One Tonne Life ([www.onetonnelife.com](http://www.onetonnelife.com))

It is a unique project in many ways. Firstly, a number of organisations (NGO, private sector, public sector, science and education) are collaborating towards a common goal – to help consumers to live a more climate right and healthy life.

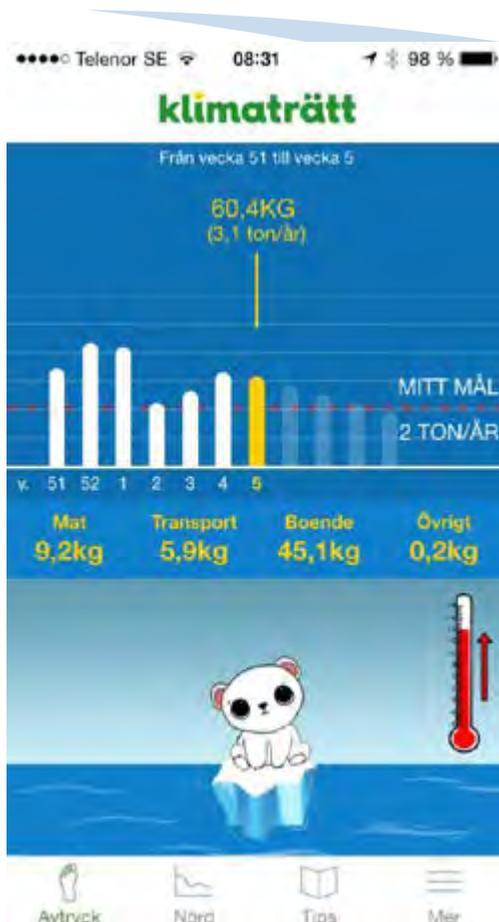
Secondly, the app is one of a kind. Through the automatic feedback of CO2 data, the gamification of "your own polar bear" and the possibility to compare your footprint to the average Swede, it will give you the footprint data but also engage the user to act.

## Results

The project has shown that awareness about day-to-day choices has a significant effect on individual carbon footprints. Within six months, the participants of the project reduced their carbon footprint by 31%, without experiencing any sacrifices in their lifestyle. The food area was, according to the participants, the most engaging and inspiring part in the project.

The project is expected to provide a basis for scale-up and further investments on a national scale.

The project is run on commercial grounds; this means that services/efforts/activities are to be developed from a commercial and scale-up perspective. All organisations involved in Climate Right have got, and are anticipated to get other, important benefits for the organisation's own business. I.e. strengthening of the brand linked to responsibility and values, increased awareness and knowledge regarding climate issues both internally and at consumer level and increased loyalty, thanks to attractive assortment and support to live a more 'climate right' everyday life.





“ We believe that only an efficient approach to all natural resources can sustain the growth of our businesses in the long run. That is also why we are so committed to reducing our activities’ carbon footprint. ”

## OUR POSITION

The planet’s resources have been under extreme pressure with the rapid evolution of the world’s population – that has more than doubled since 1970 - and a global economy that is based on non-renewable fossil energy. The 2018 Earth Overshoot Day, which marks the date when humanity’s demand for ecological resources and services in a given year exceeds what Earth can regenerate in that year, has fallen on August 1, the earliest ever, according to the Global Footprint Network.

As a food retailer, we face challenges in terms of supply of resources and impacts in the ecosystems which influence our strategies and processes.

Tackling climate change is, therefore, one of our top environmental priorities. With this in mind, we are systematically and consistently developing our operations under an environmental conservation scope. We focus on responsible water and energy consumption, renewable energy, phase out to less pollutant refrigeration gases and sustainable logistics processes.



**PEDRO  
SOARES DOS  
SANTOS,**  
Chairman and  
CEO of the  
Jerónimo  
Martins Group

## OUR ACTIONS

The project "Teams for Managing Water and Energy Consumption" was designed to raise the awareness of the over 30,000 employees working in our more than 450 stores in Portugal, regarding the fight against waste and the rational use of energy and water. Additionally, in the office buildings in Portugal, we launched in 2015 the "Let's Go Green" project, an effort to encourage our staff to adopt more responsible practices in the use of energy, water and paper.

We seek to integrate environmental criteria into our infrastructures' building and refurbishing projects. Biedronka, Pingo Doce, Recheio and Ara have been implementing efficient control systems for cooling plants, more efficient technologies in terms of lighting, refrigerated displays and freezers fitted with doors and covers, as well as autonomous energy management systems. Other measures such as the installation of flow restrictors, taps with timers and regulating sensors for ice machines have also been implemented.

Electricity represents the heaviest part of our footprint which led us to invest in renewable energy systems, such as passive underground cooling or heating, the use of solar collectors for heating water, lamp posts fed by photovoltaic panels and tubular systems for transporting natural light. In Portugal, we also decided to only procure 100% renewable electricity from this year on.

Through our backhauling programme, consisting of optimising delivery routes and maximising loads in the return journeys, we collect empty pallets and other transport apparels from our stores and goods from suppliers in Portugal and in Poland.

We have also been heightening the control of leaks concerning refrigerant gases through cooling systems with thermal roll-containers with CO<sub>2</sub> snow, cooling technologies which run exclusively on CO<sub>2</sub>, refrigerated warehouses with systems running on ammonia combined with glycol and freezers that only use propane.

## OUR RESULTS

The project "Teams for Managing Water and Energy Consumption" has already saved over 4.4 million euros, reflected in 357,700 m<sup>3</sup> of water and 36,565,800 kWh of electricity, between 2011 and 2017. The "Let's Go Green" project enabled a 344,900 kWh reduction in electricity consumption between 2015 and 2017 and it is now implemented in five office locations in Portugal.

## FIGURES



Our most recent Distribution Centre in Alfena, allowed us to increase our energy efficiency, obtaining a 32% reduction in energy consumption, as well as contributing towards water savings of 1,700 m<sup>3</sup>. Cooling, sprinkler and truck-washing systems also used 1,100 m<sup>3</sup> of rainwater last year.

Our more than 100 million euros investment (almost 5% of our Capex) in energy efficiency between 2014 and 2017 has saved the planet from an emission of more than 82 thousand tonnes of CO<sub>2</sub> annually and has a pay-back of less than 6 years.

In 2017, our carbon footprint stood at around 1.2 million equivalent tons of CO<sub>2</sub>, a decrease of 4.6% compared to 2016, which can be justified mostly by the significant decrease in the market-based emission factors related to electricity consumption. For the same reason, the specific consumption fell from 0.0867 to 0.0743 equivalent tons of carbon per 1,000 euros of sales.

Renewable energy systems allowed us to save approximately 85,000 euros in 2017 alone. This gain in efficiency meant we were able to prevent the emission of 777 tons of carbon into the atmosphere, an improvement of 141 tons compared to 2016.

Between 2011 and 2017, we collected around 3.1 million pallets, saving 46.2 million kilometres in journeys, the equivalent of 60 return trips to the moon and prevented the emission of 44.8 thousand tons of CO<sub>2</sub> with our backhauling programme.

We also replaced the refrigerant gas in 179 food trucks, originating a reduction of 50% in the GWP – Global Warming Potential.

In the period between 2014 and 2017, the continuous improvement of the efficiency of our operations allowed us to reduce our carbon footprint by 13.6% per every 1,000 euros of sales.

## J&J CO<sub>2</sub> PROJECT FUND



In 2014 J&J installed a 500kW fuel cell on their Advanced Sterilization Products facility in Irvine CA. This fuel cell will provide a continuous flow of clean power to the facility in addition to back-up power for critical systems.

“ At Johnson & Johnson, we understand the link between a healthy environment and human health. We have been focused on sustainability since our earliest days, as guided by Our Credo. We are committed to continuously improving our energy efficiency, lowering our environmental footprint and partnering on innovative approaches. ”



**ALEX  
GORSKY,  
Chairman  
and Chief  
Executive  
Officer of  
Johnson &  
Johnson**

### OUR POSITION

In 2005, we began utilising a central CO<sub>2</sub> reduction fund, allocating \$40MM per year in capital funding to install energy efficiency and clean generation projects at our facilities around the world. At the end of 2013, we completed 131 projects as part of this initiative, reducing our CO<sub>2</sub> emissions by more than 181,000 metric tons. This funding mechanism has effectively motivated our affiliate companies to improve their energy and emissions performance and improve our business.

In 2003, J&J publicly announced a worldwide Climate Friendly Energy Policy, which highlights:

- Our Credo is the foundation for our Climate Friendly Energy Policy
- The diligent management of energy helps lower our costs
- In the field of climate science, there is consensus that human activity is causing climate change
- A warming climate has the significant potential to impair human health
- We believe that business has a responsibility to conserve energy and help abate climate change
- Through public goals we are committed to improving our energy efficiency and reducing carbon emissions

At the same time we committed to reduce our total greenhouse gas (GHG) emissions, set emission targets for each of our business units, and began tracking annual progress towards these goals.

Despite aggressive GHG reduction targets and a wealth of innovative ideas, GHG emission reduction projects were not moving forward in a sufficient volume or at a pace that would achieve J&J's goals. Projects were proving difficult to justify financially against competing priorities for capital budget funds, such as regulatory compliance and new product development. Business units, feeling these multiple pressures, lacked the incentives to fund unfamiliar GHG reduction projects. J&J needed a new approach to set a path toward achieving its goals.

### Creating Capital Relief

J&J's energy team assumed the task of identifying opportunities to overcome budgeting barriers standing in the way of the company's GHG goals. They recognised the primary obstacle facing proposed

GHG reduction projects was an internal rate of return (IRR) that was often not as attractive as expected IRRs for other projects and therefore many efficiency upgrades and clean energy projects would stall during the funding approval process.

Traditional IRR comparisons, however, often did not incorporate the full value of GHG-reduction projects and did not provide an adequate means of comparing investment options and allocating capital. Most of the proposed GHG-reduction projects were relatively low-risk and offered operating cost savings, energy reliability and performance enhancements, significant GHG and other emissions reductions, as well as additional business value or community benefits. Essentially, what was lacking was the flexibility and incentive to pursue clean energy and efficiency upgrades, and the certainty that these investments would not restrict the business units' capital budgeting.

With strong support from J&J's Chief Financial Officer, the group ultimately recommended a capital relief strategy to overcome the barriers standing in the way of GHG reductions. Up to \$40 million would be allocated annually to business units to cover the capital costs for investments in GHG projects, provided projects meet certain criteria, such as IRR, with the intention of increasing available funding for large-scale projects (\$500,000 or more).

#### Prioritising and Approving Projects:

There was immediate demand for the capital relief funds. As the programme has continued, the volume of proposals submitted has settled into a steady stream of a couple proposals per month and the process has become routine for business units seeking capital funds for GHG projects.

To be approved for capital relief funds, J&J requires a one-page application that provides:

- A brief description of the project
- Projected capital and project expenses
- Expected IRR
- Estimated electricity and/or fuel use savings
- Expected water reductions
- Expected GHG reductions

Applications are reviewed first by the business units and then by a corporate committee with representatives from engineering, finance, and energy management. J&J evaluates proposed projects on the basis of capital per metric ton of CO<sub>2</sub>-equivalent saved, generally requiring the projects demonstrate an after-tax IRR of 15 percent or higher. J&J also encourages project champions to identify external financial incentives (e.g., tax credits or rebates), which are often overlooked but can significantly enhance financial returns.

The capital relief funds serve to supplement business units' capital budgets and, with project approval from the corporate committee, business units make the final decision on which investments ultimately move forward. Business units manage the projects, determining implementation schedules and allocating funds to meet business needs.

#### Reaping the Rewards of Capital Relief

Through 2013, J&J's has allocated over \$280 million in

## FIGURES



J&J began its formal energy management program over 30 years ago and continues to strive to be an industry leader in energy efficiency and clean energy. In 2000, J&J established its first enterprise-wide, public commitment to reduce CO<sub>2</sub> emissions. After achieving this goal, J&J established new energy/climate goals as part of its Healthy Future Program:

- **20%** reduction of facility CO<sub>2</sub> emissions by 2020 with a 2010 baseline  
> At the end of 2013 achieved a 5.7% reduction.
- **50 Megawatts** of on-site clean energy by 2015  
> At the end of 2013 we had 47.6 MW installed.
- **20%** improvement in fleet vehicle emissions by 2015  
> At the end of 2013 achieved 15.8% reduction which puts us ahead of target.

capital relief funds to support more than 130 projects resulting in significant GHG emission reductions. Business units have completed or initiated a variety of innovative clean energy and efficiency upgrades, including chilled water optimisation, HVAC upgrades, compressed air optimisation, lighting upgrades, etc.

Overall, these projects have produced an average IRR of more than 19 percent, validating the financial decision to allocate funds to GHG-reducing projects. By the end of 2013, J&J's approach to capital funding has successfully approved:

- 109 Energy Efficiency Projects
- 29 Solar Photovoltaic Projects
- 14 Combined Heat and Power Projects
- 6 Geothermal/Biomass Projects
- 2 Wind Projects
- 1 Fuel Cell Projects

At the end of 2013, these projects have reduced GHG emissions by 181,000 metric tons of CO<sub>2</sub>-equivalent per year—equal to the annual GHG emissions from approximately 38,000 cars. These projects represent a significant contribution to an absolute reduction in J&J's global GHG emissions of 5.7 percent compared to 2010 levels, during which time sales have continued to increase.

Historically J&J has been a public signatory, along with many other leading companies, to several climate communiqués including Bali, Poznan, Copenhagen, Cancun, & 2 Degree. We also actively engage with various partners including: World Wildlife Fund, World Resources Institute, CDP, Harvard Center for Human Health and the Global Environment, EPA Energy Star & the Department of Energy Better Buildings Better Plants Challenge. Additionally, last year we became a signatory of the Renewable Energy Buyers Principles with 25 other companies facilitated by World Wildlife Fund, World Resources Institute & CDP.



# COMMITTED TO CLIMATE ACTION: FOOD, FARMERS & AGRICULTURE



Smallholder Quinoa Farmer in Bolivia Harvesting His Plants for the Season

“ At Kellogg Company, we know that people care about where their food comes from, where it’s grown and how it’s made. We’re working to help farmers thrive, protect land where our foods are grown and made and address hunger today and for generations to come. ”

## OUR POSITION

Kellogg is committed to supporting agriculture that is smart for our climate and smart for our farmers. Our goal is to increase resilience to climate impacts including extreme weather, market shocks, productivity, while reducing greenhouse gas emissions.

Science indicates that we must limit the global temperature rise to below 2° C to avoid the most serious consequences for people, the environment and economies worldwide. Studies show that climate change is likely to reduce food productivity, its production stability and farmer incomes in areas that already have high levels of food insecurity.

Kellogg has committed to support the livelihoods of more than 500,000 farmers worldwide by 2030 through climate smart agriculture (CSA) practices, training and partnership with suppliers, NGOs and other stakeholders. This pledge builds on the announcement made during the 2014 UN Climate Summit to support 15,000 smallholder farmers in adopting CSA practices; Kellogg has reached over 8,000 smallholders to date.

Smallholders play a critical role in the global food supply chain, fostering food security in their own families and their communities. On average, women smallholders comprise 43 percent of the agricultural labour force in developing countries<sup>(1)</sup>. As a member of the UN Women’s Empowerment Principles, Kellogg realises that women play a significant role in the world of agriculture.

At Kellogg, we source grain for our cereals from thousands of farmers around the world, including corn from smallholder farmers in India



**JOHN BRYANT,**  
Chairman and Chief  
Executive  
Officer of  
the Kellogg  
Company

(1) The Role of Women in Agriculture”, FAO, March 2011



Thailand Rice Farmer Inspecting her Rice Fields

and rice from smallholder farmers in Thailand. Some examples of our work include:

- Working with our supplier and quinoa farmers in Bolivia to health programme, which aims to provide guidance on organic fertilisation, irrigation and other methods that help improve soil health and quinoa crop yield, and to continuously improve on quinoa farming methods. Through this partnership, we have helped enhance the livelihoods of more than 700 farmer families.
- In Mexico, our partner CIMMYT founded MasAgro, an initiative that brings smallholder and women farmers together with agricultural research and development organisations to raise and stabilise crop yields and increase incomes. Our funding has helped support development and training for smallholder farmer groups.
- We are working locally in Bangladesh to develop a value-added supply chain of potatoes for use in Pringles for the Asian market. Through our partnerships with our suppliers and the U.S. Agency for International Development, we have engaged more than 1,000 Bangladeshi smallholder farmers to support their livelihoods and expand the use of sustainable agricultural practices.

As a global food company we can leverage our scale, partnering with farmers, suppliers, NGOs, governments and industry peers to help address the social and environmental needs posed by climate change.

## FIGURES



*We are working to deliver our Global Sustainability Commitments to help support the livelihoods of the individuals, families and communities who rely on us and on whom we depend.*

Key Commitments include:

- Responsibly source **our 10** priority ingredients **by 2020**.
- Help to increase adoption of CSA practices for **15,000 smallholder farmers** in communities from which we source.
- Enable farmers and millers to implement more sustainable farming practices.
- Support the livelihoods of **over 500,000 farmers by 2030** through partnerships, research and training on CSA.

In our own Facilities, these include:

- Expand the use of low-carbon energy in our plants **by 50%**; and continuing to reduce energy use **by 2020**.
- Reduce GHG emissions in our plants **by 2020**, **an additional 15%** (per metric tonne of food produced) from 2015 baseline.

## -50.2% OF CO<sub>2</sub> EMISSIONS IN ABSOLUTE TERMS BETWEEN 2005 AND 2014



“ At L'Oréal, we have integrated sustainability into our business strategy, We work to do our part for a limitation of global warming at 2°C, having already reduced by 50.2 % in absolute terms the CO<sub>2</sub> emissions of our operations between 2005 and 2014, while increasing our production by 22% over the same period, demonstrating that performance and responsibility can go hand in hand.

**JEAN-PAUL  
AGON,**  
Chairman  
and Chief  
Executive  
Officer of  
L'Oréal



### OUR POSITION

L'Oréal is engaged since many years in the fight against climate change and we set through our *Sharing Beauty with all* sustainability commitments, new ambitious targets. Our ambition for 2020 is to reduce our CO<sub>2</sub> emissions at plants and distribution centres by 60 % in absolute terms from a 2005 baseline. In 2014, we achieved a milestone with the reduction of 50.2 % of our emissions from a 2005 baseline. We demonstrated that it is possible for an international company, owning 44 plants and numerous distribution centres around the world to deliver ambitious and tangible results on CO<sub>2</sub> emission reduction.

#### Reduce energy consumption

“ L'Oréal firmly believes that lessening energy consumption is one of the principle levers for reaching its target for reduced CO<sub>2</sub> emissions. All new buildings must therefore respect the most cutting edge standards in this realm (sustainable building standards such as LEED, HQE, BREEAM). Existing sites, however, have been improving their energy efficiency for more than 20 years. Redefining processes, LED installation, building insulation, heat recovery, improved overall production efficiency – these dedicated efforts have reduced the kWh per finished-product consumption of plants and distribution centres by 30% between 2005 and 2014. In 2014, to take this commitment even further, L'Oréal began the roll-out of an ISO 50001 norm certification programme (continuous energy-efficiency improvement) at its plants, with the first site, the Sicos plant in France, certified in 2014.

#### Reduce emissions from transportation

To supplement the efforts of its production sites, L'Oréal has committed to reducing CO<sub>2</sub> emissions from transportation of finished products, from its plants to its customers. The goal is a 20% decrease



L'Oréal's plant in Burgos, Spain

per finished product and per kilometre between 2011 and 2020. The Group is relying on two levers to achieve this: integrating low-emission transport options as soon as possible and developing and implementing optimised transport plans.

#### Expand the use of renewable energy

L'Oréal is continuing to expand and enhance its strategy of increasing use of renewable energy. To this end, several major projects have got underway on many sites in recent years. Innovative installations and technologies have significantly reduced CO<sub>2</sub> emissions: a biomass plant and cogeneration systems in Belgium, trigeneration in Spain, heat networks in Germany and Italy, photovoltaic power in China, the United States, and Spain. This proactive approach now means that five of the Group's plants (Burgos, Settimo, Rambouillet, Libramont and Yichang) and one distribution centre (DC Australia) have already reached, or will reach in 2015, a neutral carbon footprint.

#### A best practice: combined renewable energies in Spain

L'Oréal's factory in Burgos opened a new biomass plant in September 2014. This is a novel installation for the industry in Spain, one that combines the energy produced by biomass, photovoltaic technologies and a trigeneration system. For the first time, trigeneration facilities can supply the factory with steam, hot water, cold water and electricity and furnish 100% of its energy requirements for manufacturing and packaging its products. The biomass source will be waste wood from forests and sawmills in the Castille and León region.

## FIGURES



Credits: Alexis Ramboult

## PLAN A FOR THE CLIMATE



“ At Marks and Spencer we're committed to playing a leading role in tackling climate change. It's what our 34 million customers expect of us. We also know that unchecked climate change will have major implications for our operations and supply chains.

”



**MARC BOLLAND,**  
CEO of Marks  
and Spencer

### OUR POSITION

Marks and Spencer is a food and general merchandise retailer with over 1200 shops and websites world-wide. In 2007 we launched an ambitious sustainability plan, Plan A (because there is no Plan B for the one planet we have) consisting of 100 social and environmental commitments.

We put climate change at the heart of Plan A, 29 of the 100 commitments. In 2007 we estimated M&S operational emissions accounted for about 700,000 tonnes CO<sub>2</sub>e, but when we took into account our total value chain carbon footprint including products and customer use, the figure increased to about 7 million tonnes CO<sub>2</sub>e. So our climate commitments covered our own operations but also committed to help our suppliers (thousands of factories and farms globally) and customers make a difference too.

In the last 8 years we've made good progress:

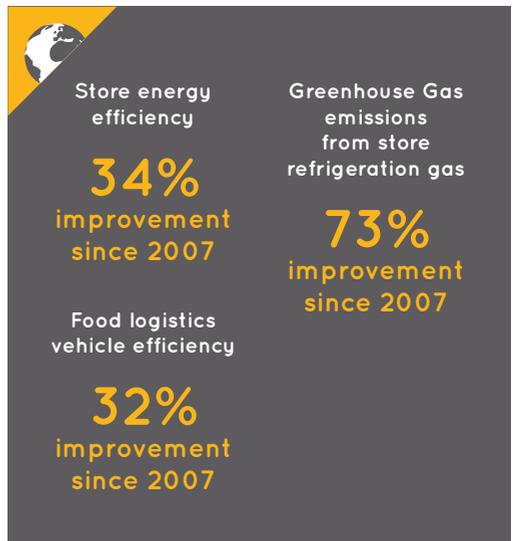
1. Reduced our operational carbon footprint by 24%
2. Improved energy efficiency in our stores by 34% per square foot, which in turn has helped us save £22m from our energy bill
3. Reduced GHG emissions from our refrigeration units by 73%
4. Purchased all our electricity in the UK & Republic of Ireland from green tariff renewable sources of which 28% came from small scale de-centralised sources
5. Invested in the UK's largest solar roof at our Castle Donington distribution centre
6. Made our operations carbon neutral to help accelerate investment in renewables and programmes to prevent deforestation in the developing world
7. Prevented deforestation by ensuring 96% of our wood comes from responsible sources (with a target to achieve 100%) and 100% of our palm oil is RSPO certified
8. Demonstrated using Cool Farm Tool that the adaptation of Better Cotton Initiative practices in regions of India have reduced emissions by 50% compared to traditional growing practices



9. Raised customer awareness and acceptability of washing clothes at 30°C together with wider industry
10. Put all the food factories that supply us on a structured sustainability programme, with 19% of the food already coming from sites that have reduced their energy use by at least 20%

But despite these achievements we know there is so much that still needs to be done. Not just in our own value chain but by collaborating with others too. That's why the CGF's work on climate change is so important to us. Literally, together we're stronger, able to send a powerful collective message to Governments that we're playing our part in tackling climate change and that a strong COP21 agreement can embolden us to do more.

## FIGURES



# REDUCING EMISSIONS IN OUR BUSINESS

“ At METRO GROUP we work on a limitation of global warming to 2°C. Since 2011 we have reduced our CO<sub>2</sub>-emissions by 19% already. Reducing our carbon footprint helps to cut down our operating costs. We have understood that the impacts of climate change bear several risks for society and business ”



**OLAF KOCH,**  
Chairman  
of the  
Management  
Board of  
METRO AG



## OUR POSITION

As a retail company, our aim is to provide products and services for our customers in our stores and outlets – at the right time and in the volume and quality they require. The resources needed to transport, store and refrigerate products properly and to operate our stores and back offices include energy – electricity, gas, oil and district heating – as well as refrigerants, fuel and water. This use of resources has an impact on the environment and generates operating costs.

By taking a responsible approach to resources, we make an immediate contribution to protecting the climate and the environment and can directly influence the cost of our business activities. With this in mind, we are constantly working to improve our use of resources, our behaviour and our internal processes to make them more efficient.

Several factors determine the consumption of resources such as energy, refrigerants and water at our stores, outlets and head offices. We are implementing a number of different measures at our sales lines to reduce our use of resources and cut climate-relevant emissions from our commercial operations. Above all, these are geared towards optimising the operation of our stores and lowering our energy requirements – by increasing efficiency and promoting awareness of responsible energy usage. In certain cases we can even derive benefits for our customers.

With regard to store operations, our overriding aim is to bring about a 20% reduction in METRO GROUP's specific greenhouse gas emissions by 2020 compared with the 2011 figure. In concrete terms, this means that we want to cut our emissions per square metre of selling space from 330 kilograms of CO<sub>2</sub> equivalents to 264 kilograms per annum. The two main components within the climate target are

formed by electricity consumptions and leakages from refrigerants.

The bulk of our energy requirements can be attributed to the lighting, heating and cooling technology used in our stores and outlets and to air-conditioning in our buildings. Because of this, our aim is to identify efficiency potential and optimise our energy usage. Therefore, our Real and METRO Cash & Carry sales lines invested in energy-saving technology for refrigeration units: Especially fitting screen doors to the chiller cabinets allows for substantial reduction in energy consumption. Apart from the energy reduction, the screen doors allow for a higher quality perception of customers without acceptance issues. Further side effects consist in the fact that temperature requirements can be achieved more easily as well. A minor saving potential could be realised through the replacement of chiller fans that use less energy.

Staying with the refrigeration issue, leakage losses in our refrigeration systems is a major source of greenhouse gas emissions as well as being a significant cost factor for the company. In the sales line METRO Cash & Carry, we developed the refrigeration system logbook (Locs\*) with a view to identifying leaks in refrigeration systems early on and shortening response times. Among other things, it records the quantities of refrigerants used and the amounts required for refilling.

We have been conducting at least four leak tests a year on all refrigeration systems at Real in Germany since 2012. At 150 Real and METRO Cash & Carry outlets, we have also switched our commercial refrigeration systems to natural refrigerants such as carbon dioxide. These have a far lower global warming potential than the gases that are conventionally used. METRO Cash & Carry has also agreed on a programme for phasing out the use of F-gases by 2025, which it has started implementing.

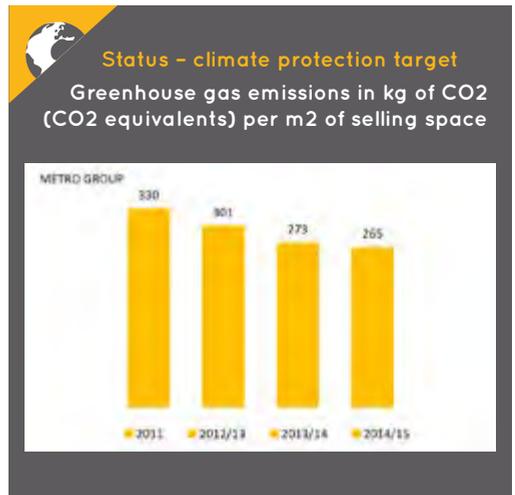
A second focus in energy saving measures consists in changing the lighting systems: All of our sales lines invested in replacing conventional neon tubes by LED stripes. This allows savings of around 40% in energy usage compared with the lighting that was previously used (T5). In comparison with former lighting solutions (T8), the savings potential is even higher.

We do not only use new technologies and know how to handle them in our own operations, but we offer

them also to our customers via our products and services. Our sales lines Media-Saturn and Real make a point of including energy-efficient and resource-friendly appliances into their product ranges. These include, for example, washing machines, dishwashers and fridge-freezers. 75% of all washing machines sold by Media-Saturn are rated A++ or A+++. The proportion of A+++ washing machines sold at Media-Saturn in 2014 rose by 16% year on year. Taking all product groups together, A++ and A+++ appliances made up almost 60% of the retailer's sales.

As you can see, improving the climate balance of our operations and of our customers is a core component in METRO GROUP's climate efforts. As a result, we are very close to reaching our climate balance target for 2020 of 264 kilograms of CO2 per square metre much earlier than expected. We would like to express our gratitude to all employees who made this possible.

## FIGURES



# ELIMINATING DEFORESTATION FROM PALM OIL



“ At Mondelez International, we depend on increasing supplies of sustainable commodities to meet the growing demand for our snacks. So, we’re taking action on climate change because it poses a potential threat to agriculture.”



**IRENE ROSENFELD,**  
**Chairman and Chief Executive Officer of Mondelez International**

## OUR POSITION

Sourcing sustainable palm oil is at the heart of our operations. Using our scale as a global company, we collaborated with our suppliers and have embedded sustainability into our palm oil sourcing practices and contracts. Our approach was driven by growing concerns regarding the long-term environment and societal impacts of palm oil production, including deforestation and human rights.

In 2013, we achieved our goal of having Roundtable for Sustainable Palm Oil (RSPO) coverage of 100 percent of the palm oil we buy\*. We achieved this through a combination of RSPO-certified oil and Greenpalm certificates that support sustainable production. But while RSPO is well recognised for having the most widely supported approach, it has been challenged to do more.

So in 2014, we published an action plan to secure a sustainable supply of palm oil that takes us beyond our current RSPO coverage. The plan was developed in consultation with World Wildlife Fund (WWF) and the United Nations Development Programme (UNDP). The plan outlines the steps we are taking to ensure that the palm oil we buy is produced on legally held land, does not lead to deforestation or loss of peat land, respects human rights - including land rights - and does not use forced or child labour. Our guidelines for palm oil production also dictate that development should not take place in Primary Forest, High Conservation Value (HCV) areas, High Carbon Stock (HCS) forests, or use fire in plantation operations.

We have challenged our palm oil suppliers to meet our principles. As outlined in our action plan, we give priority to supplies that meet these principles and exclude supplies that don't. The plan requires suppliers to achieve 100 percent traceability to the mill level by the end of 2015. In addition suppliers must publish sustainable sourcing policies that meet our principles and implementation timelines by the

\*Our RSPO coverage refers to palm oil, not PKO, which is excluded on basis of complexity and low usage (2013-14: 7%).



same date. We did not just simply ask our suppliers to supply us with sustainable palm oil. We asked them to transform their entire supply chain. We feel that these steps not only improve the palm oil we're sourcing, but also positively influence suppliers' approach more broadly.

We are committed to report annually on our progress; and at the end of 2014, 70 percent of the palm oil we sourced was traceable back to the mill. Furthermore, approximately two-thirds of our suppliers have published policies in place that meet our sustainability principles, including all of our strategic suppliers who supply around 80% of our total purchase. While we're encouraged by the progress with strategic suppliers, we are seeing gaps that we will need to address with local suppliers who may fail to meet our requirements by end of 2015.

Additionally, we have supported the United Nations Development Programme (UNDP), the Government of Indonesia, and other partners to develop the Indonesia Sustainable Palm Oil (SPO) Initiative. The initiative aims to develop national capacity to promote and scale up sustainable palm oil by strengthening smallholder farmers, supporting national policy reform and reducing deforestation through public-private partnerships. In September 2014, Mondelez International, along with UN-REDD and others, agreed to provide funding to support the design, launch and expansion of the SPO Initiative, extending its reach to the provincial level. We are also inviting our suppliers to add their support to the platform as a means to help ensure deforestation-free supply chains across the Indonesian palm oil sector.

## FIGURES



Rather than a segregated supply from existing certified plantations, our priority is to add momentum to efforts to transform the entire palm oil sector by requiring suppliers to publish no-deforestation policies by end-2015 covering their entire supply chains.

We co-chair the CGF's work to define palm oil sourcing guidelines and sit on the RSPO's Board of Governors.

Irene Rosenfeld, joined world leaders at the UN Climate Summit in September 2014 to announce the first global timeline to slow and then end forest loss. The New York Declaration on Forests strives to cut forest loss in half by 2020, and end it by 2030.



**Nestlé**

Good Food, Good Life

# COMMITTED TO PROVIDE CLIMATE CHANGE LEADERSHIP



Credit: Paul Peché © Dr. Felipe Llanos/Agroprom

“ At Nestlé, the world’s leading Nutrition, Health and Wellness company, we commit to set science-based GHG emissions reduction targets and to focus on climate change adaptation because this is fully aligned with our own explicit commitments, which reflect our respect for society in which we operate, respect for the environment and respect for future generations.



**PAUL  
BULCKE,**  
Chief  
Executive  
Officer  
of Nestlé

”

## OUR POSITION

Nestlé has long been committed to lead on climate change. This focus has shaped both its beliefs as a company and its practices, all along the supply chain, in line with its Creating Shared Value approach to doing business.

Nestlé is continuously making efforts to improve the environmental performance of its operations in order to preserve natural resources and to be successful in the long term. Today, it emits half the greenhouse gases per kilo of product it emitted 10 years ago. And, by 2015, it aims to further reduce direct emissions of greenhouse gases by 35% compared to 2005 levels.

Nestlé also looks to the beginning of its supply chain on environmental issues, helping farmers adapt their practices to the environmental challenges resulting from climate change through, for example, the Nespresso AAA Sustainable Quality™. This plan seeks to make the coffee farming more sustainable from an economic, social and environmental perspective. Nestlé’s work to help coffee farmers adapt to environmental challenges has been recognised as an example of best practice by the United Nations Framework Convention on Climate Change.

Through its Nespresso AAA Sustainable Quality™ Program, Nespresso is improving the environmental impacts of growing the highest quality coffee it requires to produce its Grands Crus. Today 80% of the Nespresso coffee supply is sourced from this Program.

Nespresso supports coffee farmers in the AAA Sustainable Quality™ Program to become more environmentally responsible while increasing the quality of their coffee and their productivity, through training, technical assistance and direct investments. Nespresso also works with partners to measure and track the impacts of its Program. A survey conducted by Centro de Estudios Regionales Cafeteros y Empresariales (CRECE) of more than 1,000 farmers involved in the Nespresso AAA Sustainable Quality™ Program in Colombia found that farmers who are part of it scored 52.1% better on the survey’s environmental index than those who are not.



Nespresso is further improving its environmental performance by building environmental efficiencies into its operations.

For example, Nespresso production centres in Switzerland are equipped with a number of features that seek to improve their environmental impact. At Orbe, Nespresso incorporates a system that uses river water to cool the factory. Meanwhile, the Avenches facility uses an innovative system that recovers heat from processes to heat the factory, saving 230,000 m<sup>3</sup> in gas each year. 100% of Nespresso green coffee is delivered to the Nespresso production centres by rail.

Nespresso is committed to improving the environmental performance of its distribution logistics. Nespresso is improving its environmental impact throughout Europe by implementing the best combinations of rail, road and sea transport to move products between the Nespresso production centres and regional distribution warehouses.

At the other end of the supply chain, Nespresso is driven to create ever more innovative, high-performing and energy efficient machines for its consumers and business customers. Since 2009, all Nespresso consumer machine ranges have been equipped with an automatic power-off function or an automatic stand-by mode. PIXIE, U and Inissia, three recent machines, automatically switch off after 9 minutes of inactivity, consuming 60% less energy than A-ranked machines according to FEA / CECEC standards.

To increase consumer participation in recycling, Nespresso is investing heavily in making it as easy as possible for consumers to return their used Nespresso capsules for recycling. So far, Nespresso has installed over 14,000 dedicated collection points in 31 countries and doorstep collection in 15 countries.



These actions contribute to ensuring that Nestlé products are not only tastier and healthier but also better for the environment along the entire value chain.

## FIGURES



By 2015 - To contribute to greenhouse gas (GHG) emission reduction, we will reduce our direct GHG emissions per tonne of product **by 35% since 2005**, resulting in an absolute reduction of GHG emissions.

We have reduced our direct GHG emissions per tonne of product **by 40% since 2005**, achieving an absolute reduction of **11.4%**.

By 2015 - **30% of the volume** of our 12 priority categories of raw materials has been assessed against our Responsible Sourcing Guideline requirements and is compliant, or improvement plans to preserve natural capital are ongoing.

By the end of 2014, **28% by volume** of our priority categories were responsibly sourced in accordance with our guideline requirements.

By 2014 - **Expand the use** of natural refrigerants, which do not harm the ozone layer and have a negligible impact on climate change, in our industrial refrigeration systems.

By the end of 2014, we had phased out **92% of our industrial refrigerants**, replacing them with natural refrigerants.

# ADDRESSING IMPACT THROUGH AGRICULTURE



“ At PepsiCo, we support a limitation of global warming at 2°C because I think that it is absolutely critical to our future – to my company, our customers and consumers – and to our civilisation. Now is the time for collective action.”

## OUR POSITION

PepsiCo is one of the world's largest food and beverage companies reaching consumers one billion times a day in more than 200 countries and territories with leading brands including Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana.

At the heart of PepsiCo is Performance with Purpose – our goal to deliver top-tier financial performance while creating sustainable growth and shareholder value. We do that by providing a wide range of foods and beverages; minimising our impact on the environment; providing a safe and inclusive workplace; and investing in local communities. Performance with Purpose enables us to stay ahead of trends and address some of today's most pressing issues, including climate change, through sustainable business practices.

Understanding the critical impact of climate change on food and water supplies, we have a multi-faceted strategy addressing current and predicted climate change risks in our operations and supply chain. That includes:

- investing in renewable energy and efficient technologies;
- innovating to improve the efficiency of our point-of-sale equipment (coolers, vending machines and fountain dispensers);
- improving the efficiency of our truck fleets;
- reducing our use of packaging and supporting recycling.

With agriculture representing more than 70% of the world's water use and up to 30% of GHG emissions, implementing sustainable farming practices is critical. Agriculture is central to PepsiCo's business and we continue to build on decades of expertise with diverse geographies, crops and suppliers to reduce impacts.



**INDRA K. NOOYI,**  
**Chairman and Chief Executive Officer of PepsiCo**



PepsiCo's Sustainable Farming Initiative (SFI) is a tool to engage with our growers to assess and promote practices that reduce environmental and social impacts, while improving economic strength and viability. SFI has been developed over three years and is the beginning of a centralised agriculture programme for PepsiCo which will continue to reach global markets in the years ahead. Importantly, SFI addresses a host of climate-related factors: carbon footprint, water use and agricultural chemical management, including reducing the use of and replacing nitrogen-based fertilisers, proper tilling practices and on-farm fuel reductions.

Through SFI and other long-standing agricultural programs, we help farmers reduce their impact and adapt to climate change by providing them with tools in the field to help with changing weather patterns, track water use, and improve their yield.

To help meet our UK '50 in 5' goal, we've worked with growers and Cambridge University to develop i-crop - an innovative system of sensors measuring soil moisture levels and crop water requirements. This has even included launching an i-crop smartphone app to improve the ease, speed and quality of the data.

In 2010, we started to use the Cool Farm Tool, developed by the University of Aberdeen and co-funded by PepsiCo. It is a farmer-friendly program that enables growers to identify and measure on-farm GHG emissions. Importantly, it allows modelling to help farmers create carbon reduction strategies. We are

now working with The University of Aberdeen to enhance the tool for specific crops and to translate it into other languages as we roll it out across Europe.

## FIGURES



Over the course of decades, PepsiCo has developed local agricultural programmes to address impact around the world:

- Introducing **drip irrigation in more than 1,700 acres** with smallhold potato farmers in 2 states in India, drove 474 million litres of water savings in 2013.
- Setting '50 in 5' ambition to make a **50% reduction in carbon and water usage** in water stressed areas in our UK agricultural operations to grow our key crops by the end of 2015. By the end of 2013, we had cut our carbon footprint by 38% and water usage in water stressed areas by 31%.
- **Recycling organic potato waste** from a PepsiCo foods manufacturing facility into a fertilizer named "Naturalis" in Turkey. This innovation came by adopting a "Net Zero Waste" approach and supports PepsiCo Turkey's aim to reduce chemical usage in fertilisers for potato production by 40%.

# PICK N PAY EXCEEDS CARBON EMISSIONS REDUCTION GOALS



“ At Pick n Pay, we work for a limitation of global warming at 2°C because the impact of climate change will be most acutely felt by people in developing countries. We owe it to our customers in South Africa and beyond to do whatever we can. Most of the country’s energy still comes from coal, so it is even more imperative for business to take the lead by setting and meeting bold targets to reduce carbon emissions. ”



**GARETH  
ACKERMAN,**  
Chairman  
of Pick n Pay  
Stores  
Limited

## OUR POSITION

Electricity accounts for more than 80% of our company’s carbon footprint. Improving energy efficiency is therefore at the centre of our strategy to reduce our carbon emissions. More than 90% of our electricity usage occurs at store level which is where our energy efficiency efforts are focused: behavioural change, trading area lighting efficiency and refrigeration plant control are key focus areas.

All of our new stores are constructed with energy efficiency in mind. Stores opened during the past year are up to 44% more energy efficient than stores opened in 2010. We have also invested a significant amount in retrofitting older stores.

Online metering and sub-metering with regular dashboard reporting of energy performance and usage have been implemented across all our corporate stores and distribution centres. We have also incorporated efficiency measures such as daylight harvesting and motion sensors at our flagship distribution centres, which are 20-25% more energy efficient than other similar sites.

The rollout of key-switches at our stores has resulted in substantial benefits. Through a key-switch, stores are able to minimise light levels after trading hours. Our night merchandising setting saves 75-80% of the lighting’s energy consumption. Using key-switches can save up to 14 400 kWh per store each year.

Refrigeration is another key focus. We have mitigation programmes in place for both direct and indirect emissions from refrigeration. We manage direct emissions by tracking refrigerant gas leakages



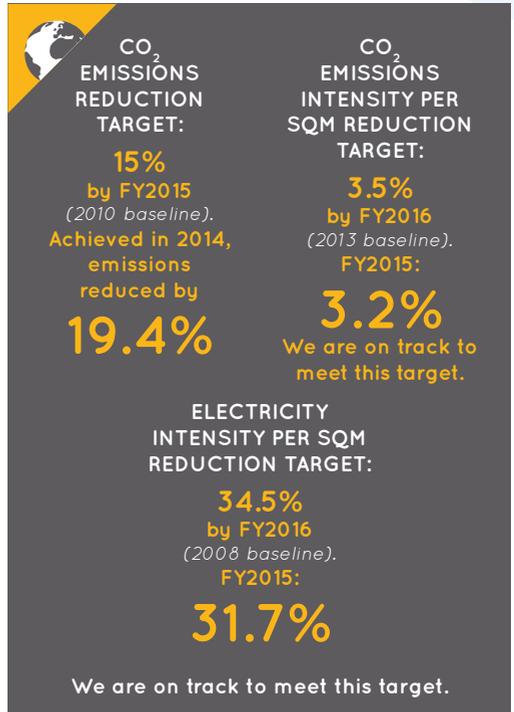
and by installing more climate-friendly equipment. The majority of our newly opened stores use a combination of CO<sub>2</sub> and other gases with low global warming impact. Our six distribution centres have phased out the use of harmful coolants and now use ammonia as a natural alternative. We have expanded our refrigeration energy management programme to include 73 stores in the past financial year.

Although the use of renewable energy is still in its infancy within South Africa, we have implemented Solar PV at several of our sites to reduce our dependency on the electricity grid.

As a result of these energy reduction and energy efficiency programmes, our business has saved more than €58 million in energy costs since 2008.

We are pleased that our climate change strategy has been recognised both locally, through our inclusion in the Socially Responsible Investment Index of the Johannesburg stock exchange, and internationally through our inclusion in the Dow Jones Sustainability Index. In 2014 we achieved one of the leading retailer scores in the world, scoring 98A in the Carbon Disclose Project, and were the only South African retailer to be included in both the Carbon Disclosure Leadership Index (CDLI) and Carbon Disclosure Performance Leadership Index (CPLI).

## FIGURES





# RENEWABLE ENERGY REDUCES GREENHOUSE GAS EMISSIONS FROM P&G PLANTS



“ At Procter & Gamble, our vision is to one day have all our global facilities run on renewable energy, thus reducing our greenhouse gas emissions and the overall carbon footprint of our operations and of the consumers who choose our products.

## OUR POSITION

P&G has a vision to use 100% renewable energy at all of its global manufacturing facilities. Its efforts to move to renewable energy is reducing greenhouse gas emissions along with reducing the environmental footprint of the Company and of the consumers who choose some of the world’s most popular brands.

For example, P&G announced two projects in 2015 that together will nearly double its use of renewable energy.

### Albany Biomass

P&G launched a multi-year partnership with Constellation to build one of the largest biomass facilities in the United States. Located in Albany, Georgia, this facility will provide 100% of the steam energy to make two leading US brands: Bounty paper towels and Charmin toilet tissue. When completed in 2017, the facility will also generate electricity for the local utility, Georgia Power. P&G invested more than two years in planning and partnership building, to design and build the plant. It will run on scrap wood - tree limbs, discarded tree tops, waste wood, even pecan shells - sustainably harvested from the surrounding region. P&G also worked with long-time partner, World Wildlife Fund, to establish procurement standards ensuring responsible collection that improves the health of local forests.

### Tyler Bluff Wind Farm

P&G plans to meet its electricity demands by using 100% wind power to make iconic Fabric & Home Care brands, such as Tide and Dawn at P&G owned plants in the US and Canada. P&G will partner with EDF Renewable Energy to generate more than 370,000 MWh of electricity each year. The wind farm will be fully operational in December 2016.



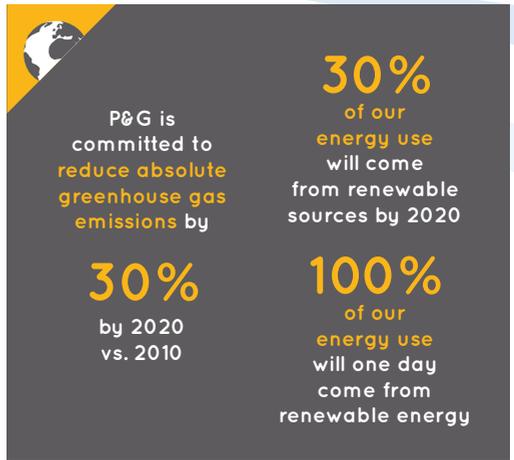
**MARTIN RIANT,**  
Group  
President &  
Advisor to  
the Chief  
Executive  
and Executive  
Sponsor,  
Global  
Sustainability,  
P&G



P&G's pledge to run all its facilities on renewable energy means finding creative solutions that are successful for the environment and the business. In many cases, this includes working in partnership to share the investment and reward of developing a renewable energy project, such as windmills, hydropower or biomass facilities or solar panel installations. P&G approaches each project seeking a win for the environment, local community, business, its partners and its employees.



## FIGURES



# CONVERTING FROM HFC TO NATURAL REFRIGERANTS



“ Sobey's Inc. is committed to reducing our carbon footprint and contributing to the CGF's efforts to slow global warming through practical and environmentally responsible practices. The introduction of natural refrigeration systems in our stores is one of our most significant successes to date.



**MARC POULIN,**  
President  
and Chief  
Executive  
Officer of  
Sobeys Inc.

## OUR POSITION

Sobeys Inc. has been serving the food shopping needs of Canadians for more than 108 years. With a network of approximately 1,500 stores from coast-to-coast bringing thousands of products to customers, we recognize that our operations and business practices can have a significant impact on the environment.

In 2009, we began reviewing alternatives to traditional hydrochlorofluorocarbon (HCFC) and hydrofluorocarbon (HFC) refrigerant systems. While common place in grocery retailing, HCFC and HFC systems are known for their high greenhouse gas impact and have Global Warming Potential (GWP) ratings of up to 4,000; meaning that a kilogram of leaked refrigerant is the equivalent to leaking approximately 4,000 kilograms of carbon dioxide (CO<sub>2</sub>) into the atmosphere. In 2010, Sobeys joined other members of The Consumer Goods Forum (CGF) in a commitment to being phasing out HFC refrigerants for natural refrigerant alternatives in new builds by 2015.

As background, previous internal studies indicated that our retail store network was responsible for the majority of our direct operations' carbon footprint and that refrigerant leaks accounted for approximately 25% of that amount. These results are similar to that of the North America food retailing industry. Based on this understanding, we knew Sobeys could make a material reduction of our carbon footprint by focusing on the refrigerants used in our stores.

After a global review of potential technologies and considering



Canada's wide ranging climate, several carbon dioxide options were identified. Sobeys ultimately decided on an approach that balanced our goals of environmental improvement and financial benefit. A key part of the design was the inclusion of a heat reclamation unit. This component uses the waste heat generated through refrigeration to offset heating requirements in our stores, leading to both greenhouse gas and energy savings.

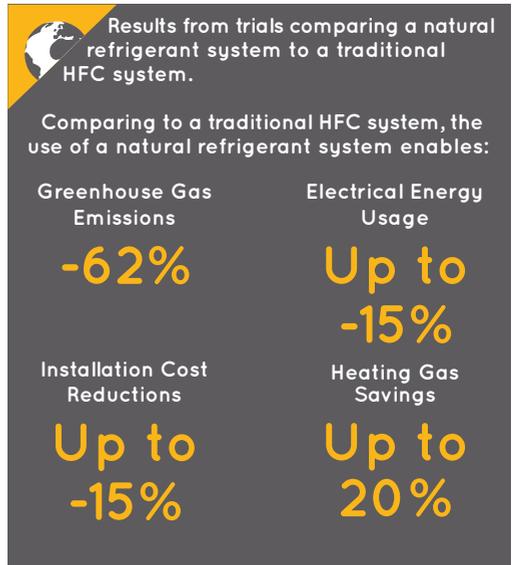
Results have been overwhelmingly positive. Compared to traditional systems, our transcritical systems have reduced GHG emissions by an equivalent to over 800,000 kilograms less per store per year. In addition, they have reduced not only our energy costs, but also our maintenance and installation costs. The financial benefits may grow as more Canadian jurisdictions institute carbon tax benefits. Natural refrigeration is now the corporate standard for all new store builds and major retrofits.

Sobeys has been well recognised both in North America and internationally for our progress and industry leadership in transitioning to natural refrigeration systems. The United Nations Environment Program (UNEP) included Sobeys in a compendium of case studies for their Climate and Clean Air Coalition to Reduce Short Lived Climate Pollutants. The United States Environmental Protection Agency has awarded us with their GreenChill Platinum rating at 44 of the 72 sites. The Retail Council of Canada also recognized Sobeys with their annual environmental award.

Sobeys will continue to expand the number of stores having natural refrigerant systems, adding approximately 15 - 20 sites on an annual basis.

However, global climate change is a challenge that we all share and one which cannot be solved in isolation by any single company, sector or country. We believe that our participation in worldwide organisations like the CGF provide a unique, effective, and efficient approach to contribute to socially responsible environmental practices.

## FIGURES



# OUR CLIMATE CHANGE COMMITMENT

“ Sofidel believes that it’s time for government, businesses and civil society to join forces for multilateral, efficient action against climate change. ”



## OUR POSITION

Sofidel believes that companies have the responsibility of playing a fundamental role for society, not only in terms of the production and distribution of goods and services, but also in guaranteeing long-term social and environmental sustainability for stakeholders at all stages of the value chain.

That’s why Sofidel values sustainability with high strategic importance for growth and development, setting objectives to ensure the reduction of its own environmental impacts and the maximisation of social benefits.

Moreover, for Sofidel sustainability is a leverage for business and cultural growth, with considerable benefits coming from the application of strict business policies in terms of increased economic and productive efficiency, access to financial markets and reputation.



LUIGI  
LAZZARESCHI  
CEO  
SOFIDEL

## OUR STORY

Sofidel adheres to the “less is more” philosophy, a principle which characterises all of the Group’s activity, and which translates into keeping our environmental impact to a minimum on all levels, from sourcing, to production, to logistics and the office; we reduce waste and promote responsible consumption.

Our overall objective is to create products which contain increasingly lower levels of natural capital, with an ever shrinking environmental impact while at the same time an increasingly high level of efficiency.

The “less is more” philosophy is seen through our commitment to the WWF’s Climate Savers Programme, that has committed Sofidel to:

- reducing its direct emissions of CO<sub>2</sub> per tonne of paper produced by 23% compared to 2009 levels. This means the abatement of approximately 900,000 tonnes of CO<sub>2</sub>, equal to the emissions of a fleet of 10,000 articulated lorries travelling at 10,000 km a year for 10 years,
- limiting indirect emissions of CO<sub>2</sub>, caused by third parties within the value chain, by 13% compared to 2010 values per tonne of paper produced,
- reaching a level of 8% of energy from renewable sources on the quantity of fuel consumed annually.

Sofidel has also implemented strict procurement policies for pulp certified by independent third parties with forest certification schemes (FSC®, FSC Controlled Wood, SFI®, PEFC™) and works to safeguard water resources, limiting its use within its production processes, with values far lower than the industry benchmark.

Last but not least, Sofidel is also socially sustainable, with the signing of a partnership with WaterAid, an NGO whose mission is to secure safe water and sanitation in some of the world’s poorest communities. Other institutional partnerships have been established with the UN Global Compact, the Sodalitas Foundation, EU-OSHA (European Agency for Health and Safety at Work) and the Giuseppe Lazzareschi Foundation.

## THE BENEFITS

The overall environmental performance of Sofidel Group has grown year by year. As of 2016, carbon intensity has decreased by 19.1% compared to 2009 levels per tonne of paper produced, average water consumption reached 7.0 l/kg compared to an industry benchmark of 15-25 l/kg, and the goal of procuring 100% pulp certified by independent third parties with forest certification schemes has been achieved.

These results have also resulted in improved operational efficiency and lower production costs compared to competitors, and all the sustainability investments taken so far by the Group have shown a positive return in the middle and long term.

Environmental achievements have also been accompanied by sustainable positive growth of the business. The turnover of Sofidel Group reaching 1,842 million euros in 2016, with profits, number of employees and productive capacity increasing as well.

Furthermore, Sofidel’s commitment to sustainability has satisfied the company’s consumers and raised the standards of the industry, safeguarding against social and environmental dumping and companies flooding the market with products at rock-bottom prices.



## FIGURES

 Carbon emissions have decreased by 19.1% per tonne of paper produced compared to 2009 levels)  
100% of pulp was procured by third-party independent forest certification schemes  
Average water consumption is at 7.0 l/kg (the industry benchmark is 15-25 l/kg)  
Financial performance is growing hand in hand with environmental ones

PLANTS  
MAKE US  
HAPPY AND  
MAKE OUR  
PACKAGING



“ At Coca-Cola, we recognise climate change poses a threat to our business. Natural resources are stressed, and communities and companies are challenged to do more with less. Action today impacts our tomorrow. We’re focused on sound choices and solutions, starting with limiting our own carbon footprint.



**MUHTAR  
KENT,  
Chairman  
of the Board  
and Chief  
Executive  
Officer of  
The Coca-Cola  
Company**

**OUR POSITION**

Innovation comes from inspiration, and at The Coca-Cola Company we are inspired by the very people who drink our beverages. Our consumers expect us to deliver the beverages they know and love in a package that meets their needs such as convenience and safety, but also in a package that is environmentally considerate. PlantBottle™ packaging has been meeting consumer expectations since 2009.

Developed by The Coca-Cola Company, PlantBottle packaging is the first-ever fully recyclable PET plastic made partially from plants (up to 30%). PlantBottle packaging is helping to reduce our dependence on fossil fuels and increasing our use of renewable materials.

” Since the material’s launch in 2009, more than 30 billion PlantBottle packages have been distributed in nearly 40 countries. The technology has enabled us to eliminate more than 270,000 metric tons of carbon dioxide emissions—the equivalent to the amount of carbon dioxide emitted from burning more than 630,000 barrels of oil—and save more than 30 million gallons of gas.

From inception, we envisioned sharing the PlantBottle Technology™, based on the belief that sustainable innovation can have a greater impact when others join the journey. In 2011, The Coca-Cola Company licensed PlantBottle Technology™ to H.J. Heinz for use in its ketchup bottles. In 2013, Ford Motor Company announced plans to use PlantBottle Technology™ in the fabric interior of its Fusion Energi hybrid sedan. And in 2014, the first reusable, fully recyclable plastic cup made with PlantBottle Technology™ rolled out in SeaWorld® and Busch Gardens® theme parks across the United States.

We have an aspiration to convert all new PET plastic bottles, which account for approximately 60 percent of our packaging globally, to PlantBottle™ packaging by 2020. In addition, we are working with biotechnology firms on a commercial solution for PET plastic made entirely from plant-based materials. After all, our ultimate goal is a 100 percent renewable, responsibly sourced bottle that is fully recyclable.



In June 2012, The Coca-Cola Company, Ford Motor Company, H.J. Heinz, NIKE, Inc. and P&G announced the formation of the PlantPET Technology Collaborative (PTC), a strategic working group focused on accelerating the development and use of 100% plant-based PET materials and fiber in their products. PTC members are making a commitment to support and champion research, expand knowledge and accelerate technology development to enable commercially viable, sustainably sourced, 100% plant-based PET plastic while reducing the use of fossil fuels.



## FIGURES


**More than 30 billion PlantBottle™ packages have been distributed in nearly 40 countries.**

Compared to use of virgin PET, this has eliminated **more than 270,000 metric tons** of carbon dioxide emissions, the equivalent to the amount of carbon dioxide emitted from burning more than 630,000 barrels of oil.

Our aspiration is to use PlantBottle™ packaging **for all our PET plastic packaging by 2020.**

# CLIMATE ACTION: SCALING FOR IMPACT



“ At Unilever, we work for a limitation of global warming at 2°C because it’s imperative to sustainable and inclusive development. That’s why Unilever is committed to 100% sustainable sourcing, zero net deforestation, HFC-free ice cream freezers, and moving to renewable energy.



**PAUL POLMAN,**  
Chief Executive Officer of Unilever

## OUR POSITION

### Sustainable Sourcing

By sourcing sustainably, we can protect scarce resources, tackle deforestation, and ensure land use and social and community issues are managed responsibly. We can also ensure long-term security of supply for our business and reduce costs.

Our progress on sustainable sourcing has been strong – 55% of our agricultural raw materials were sustainably sourced by the end of 2014, exceeding our interim milestone of 50% by 2015. Our efforts are concentrated on our top ten agricultural raw materials (two thirds of our volumes) including palm oil, paper and board, soy, sugar and tea etc.

” Deforestation is a major contributor to climate change. As one of the world’s biggest buyers of palm oil we are committed to driving market transformation towards a sustainable palm oil sector. Unilever has committed to purchase all palm oil sustainably from certified, traceable sources by 2020. 100% of our palm oil already comes from sustainable sources, largely through the purchase of GreenPalm certificates.

Whilst we believe that the purchase of GreenPalm certificates makes a significant contribution to a more sustainable palm oil industry, we also recognise that it is only a first step. That is why in 2013 we announced our commitment that all palm oil bought will be traceable to known sources by the end of 2014, and will come from traceable and certified sustainable sources by 2020. By the end of 2014, more than 98% of the palm oil purchased for our Foods business in Europe was traceable and certified (from RSPO segregated sources). This represents 8% of our global volumes. In addition, two of our Personal Care factories and our Australian Foods business and have started using RSPO mass balance certified palm oil.

We believe that a profitable and sustainable palm oil sector must get the right balance between social, environmental and economic objectives. That is why Unilever is working with industry leaders and NGOs to move towards a collaborative solution to halt deforestation,



protect peat land, and drive positive economic and social impact for people and local communities. Working through The Consumer Goods Forum, Unilever helped lead the process which resulted in the creation of the Tropical Forest Alliance 2020 (TFA), a public-private partnership which aims to end the tropical deforestation associated with commodities such as palm oil, soy, beef and paper and pulp.

The work of the TFA and its members was strengthened by the launch of the New York Declaration on Forests at the UN Climate Summit in September 2014. The declaration demonstrates a clear vision for progress by pledging to halve deforestation by 2020, end it by 2030, and restore 350 million hectares of degraded land. Along with Unilever, the declaration was endorsed by over 175 entities including countries, states, provinces, businesses, indigenous leaders and NGOs.

### Climate Friendly Refrigerants

As the world's largest producer of ice cream, we have accelerated the roll-out of ice cream freezer cabinets that use climate-friendly (hydrocarbon) refrigerants. Our climate-friendly freezers have a negligible global warming impact compared to those that contain hydrofluorocarbons (HFCs) and are around 10% more energy efficient. We have achieved our initial goal of purchasing an additional 850,000 additional HFC-free freezers (1.5 million in total) two years ahead of schedule.

To further accelerate this process we are working with industry to promote the move to more environmentally-friendly freezers through our participation in The Consumer Goods Forum and *Refrigerants, Naturally!* - the multi-stakeholder partnership with UNEP and Greenpeace International.

### Eco-Efficiency and Renewable Energy

We are making good progress against our commitment to reduce greenhouse gas emissions from our manufacturing. To date Unilever's manufacturing operations have achieved 1 million tonnes of carbon savings. CO<sub>2</sub> from energy in manufacturing has been reduced by 37% per tonne of production respectively since 2008. Over the same period, cumulative costs avoided through eco-production have exceeded €400 million, with energy efficiency

playing a big role.

Our reduction in CO<sub>2</sub> has also been supported by the purchase of renewable energy. 28% of our energy requirements for manufacturing came from renewable sources in 2014, while 39% of our electrical energy came from renewables. 100% of our manufacturing sites in Europe, Canada and the US (more than one-third of all our manufacturing sites) purchase electricity from renewable sources. The only exception to this is where a site sources electricity from energy-efficient combined heat and power plants. We continue to evaluate renewable technologies that are scalable and cost effective to keep us on track to meet our target to double our use of renewable energy by 2020.

### FIGURES

- We will source 100% of our agricultural raw materials sustainably by 2020, and help end deforestation linked to commodity supply chains.**
- We will accelerate the roll-out of HFC-free freezer cabinets – purchasing a total of 1,500,000 units by 2015.**
- By 2020, CO<sub>2</sub> emissions from energy from our factories will be at or below 2008 levels despite significantly higher volumes (Representing a reduction of around 40% per tonne of production).**
- We will more than double our use of renewable energy to 40% of our total energy requirement by 2020. This is a first step towards a long-term goal of 100% renewable energy.**

## REDUCING EMISSIONS IN OUR BUSINESS



“ At Walmart, we work to reduce emissions within our operations and supply chain. This allows us to be more efficient and more sustainable and to provide our customers with everyday low prices. ”



**DOUG MCMILLON,**  
President  
and Chief  
Executive  
Officer  
of Wal-Mart  
Stores, Inc.

### OUR POSITION

In 2005, Walmart's then-CEO Lee Scott said: "Every company has a responsibility to reduce greenhouse gas emissions as quickly as possible." We still believe this today. More than ever, we know that our goal to be supplied 100% by renewable energy is the right goal. And we know that complementing this with energy efficiency is especially powerful. Whether it's our relentless pursuit of renewable power, our focused attention on energy efficiency or how we work collaboratively with our suppliers across the supply chain, Walmart is proof that businesses can prosper while reducing emissions.

In the area of renewables, we have a commitment to drive the production or procurement of 7 billion kilowatt hours (kWh) of renewable energy globally by Dec. 31, 2020 - an increase of more than 600 percent compared to 2010. To achieve this aspiration, we're committed to expanding the development of on-site and off-site solar, wind, fuel cells and other technologies. Heading into 2015, we had more than 350 renewable energy projects in operation or under development. Together with renewable electricity from the grid, 26 percent of our global electricity needs are supplied by renewable sources.

We also have a commitment to reduce the total kWh per square foot energy intensity required to power our buildings globally by 20 percent by Dec. 31, 2020. As of the end of 2014, we were operating with 9 percent less energy per square foot compared to our 2010 baseline.

Beyond scope 1 and 2 emissions, we're working directly with suppliers, farmers and factories to help drive their energy efficiency and reduce emissions. We have a commitment to eliminate 20 million metric tons (MMT) of GHG emissions from Walmart's global supply chain by the end of 2015. Our Climate Smart Agriculture Platform involves



partnering with farmers to help drive improvements in agricultural productivity and responsible resource utilisation over a ten-year period.

In 2014, Walmart announced a goal to further strengthen the sustainability of our global supply chain by advancing the energy efficiency of our China-based manufacturers. The commitment states that suppliers representing 70 percent of Walmart's business sourced in China will be invited to participate in an energy efficiency programme by the end of 2017. Since the announcement, more than 200 factories have signed onto the Resource Efficiency Deployment Engine (RedE)—a Web-based tool that guides the identification of energy-efficiency improvement initiatives.

Our work has helped lessen our company's impact to climate systems and reduced greenhouse gas emissions. The changes our suppliers have made in conjunction has meant a multiplying effect. Most importantly, addressing the climate challenge has made our company more efficient, more sustainable, and more responsible.

A business must rely on experimentation, trial and error, rapid prototyping, and above all a bias towards action. For Walmart, we've seen the positive impact sustainability has on our bottom line.

Businesses must leverage our considerable assets in conjunction with key partners—be they governments,

competitors, NGOs, or other stakeholders like the CGF. Retailers specifically have a huge opportunity to affect broad change across our entire supply chain, as well as in our own operations.

## FIGURES



**For eight consecutive years, we've reduced our Scope 1 and 2 carbon intensity, and we're on track to hold our absolute emissions flat over this decade, despite our continued growth.**

Walmart has an aspirational goal of **being powered 100 percent by renewable energy**. We're currently at 26 percent.

Through our Climate Smart Agriculture Platform, Walmart will work with suppliers and other partners to **gain increasing visibility over the next ten years** into key metrics regarding yields, water usage, and GHG in food supply chains.



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