



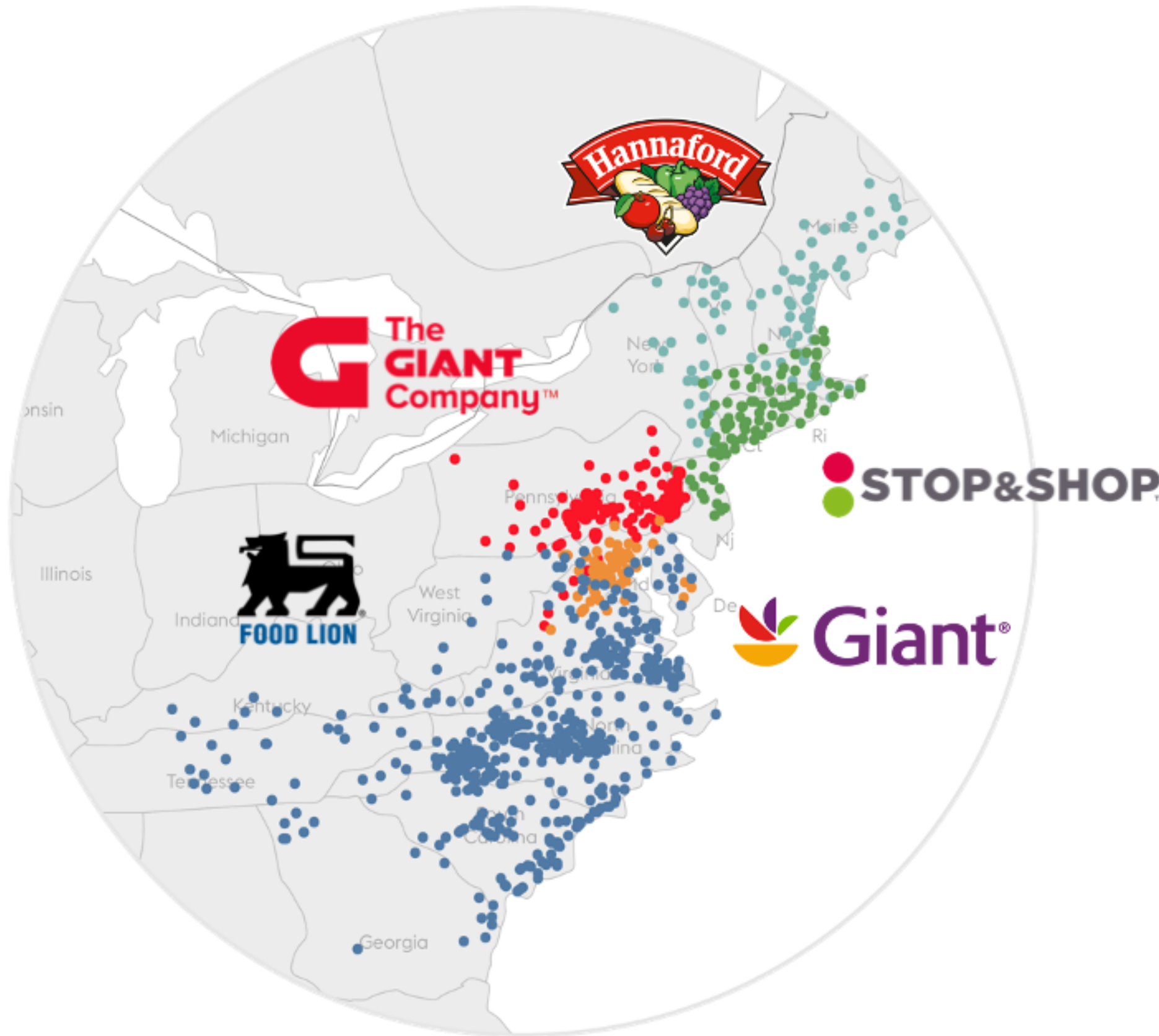
Ahold Delhaize USA Sustainability Ambitions and highlighting the role of Trace One PLM



Agenda

- **ADUSA company profile**
- **Plastics packaging objectives**
- **Local legislation**
- **Food safety & commodities of concern**
- **Overview of project**
- **Managing data requirements**
- **Visualizing progress**
- **Challenges and resolutions**

Companies of Ahold Delhaize USA



When considered together, the companies of Ahold Delhaize USA comprise the largest grocery retail group on the East Coast and the fourth largest grocery retail group in the nation, serving millions of omnichannel customers each week.

- **2,000+** local brand stores
- **\$58 billion+** in annual sales
- **14.5M** households served
- **90%** consumer coverage for e-commerce
- **32.5%** digitally engaged customers
- **AAA MSCI rating**, the highest possible sustainability/ESG rating given to companies



Plastic packaging

Global commitment aligned to the Ellen MacArthur Foundation, and in collaboration with the UN Environment Programme.

- ➔ Ahold Delhaize USA local brands aim to reduce the use of virgin plastic in their Own Brand primary product packaging by 5% compared to 2021 by the end of 2025.
- ➔ Ahold Delhaize USA continues to explore utilizing post-consumer recycled content in Own Brand packaging and work towards ensuring Own Brand packaging is reusable, recyclable, or compostable.

Local Legislation

Comply to emerging state-by-state and municipal packaging legislation and taxation requirements.

- ➔ Manage a rapidly changing landscape with complex rules and exceptions.
 - No two state laws are alike in Definitions, Scope, Targets and Reporting Requirements
- ➔ Provide tracking of progress against baselines and per period, with the ability to extract data in differing required formats.





Examples of Packaging Legislation

Maine

- Extended Producer Responsibility starting in 2026
- Minimum Post Consumer Recycled Content Law - 25% PCR Jan 2026
- Expanded Polystyrene foam ban exemption lifting - 2025

New Jersey

- Minimum Post Consumer Recycled Content Law - 15% PCR, beginning Jan 2024, 20% PCR Jan 2027
- Expanded Polystyrene foam ban exemption lifting – 2026

Connecticut

- Minimum Post Consumer Recycled Content Law - 25% PCR Jan 2027

Maryland

- Extended Producer Responsibility Needs Assessment Law passed

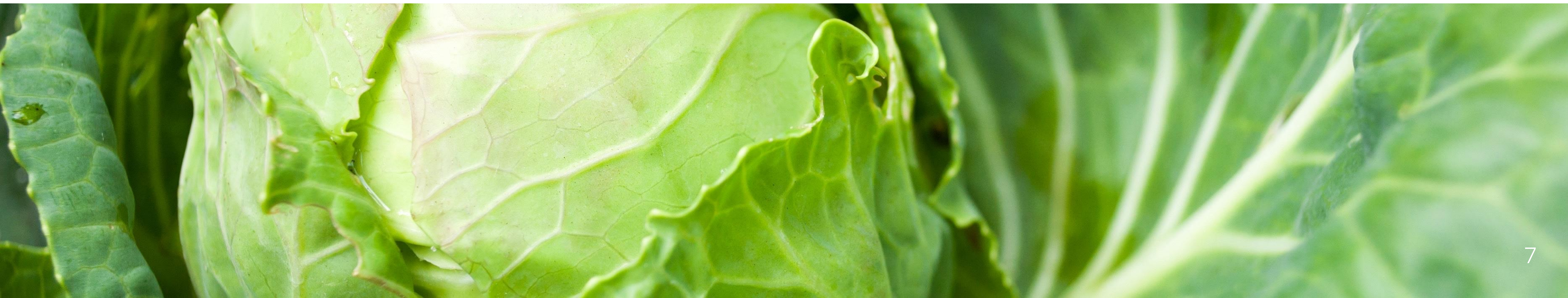





Food safety & commodities of concern

Ensure Own Brand products are safe, produced in clean, efficient facilities with good working conditions, made from sustainably sourced commodities, and clearly and accurately labeled.

- Safety compliance: All Own Brand food products GFSI-certified, or compliant with an acceptable level of assurance standard.
- Social compliance: All suppliers of our Own Brand products in high-risk countries audited against an acceptable standard, with a valid audit report or certificate indicating their compliance.
- Commodities: All Own Brand tea, coffee, cocoa, palm oil and wood fibers (product and packaging) certified against an acceptable standard.





**You can't improve
what you don't measure**

Project overview

- ➔ Adhere to packaging sustainability calculation methods and reporting needs. Reporting cadence needed to be weekly, quarterly, and annually.
- ➔ Complete and accurate packaging data for Own Brands that fit with the reporting needs to create a baseline and track progress against plastics waste objectives and enables extract of data required to adhere to State based legislation.
- ➔ A single repository for Own Brands to manage suppliers, facilities, and social compliance certificates, with automated notifications on upcoming compliance risks.



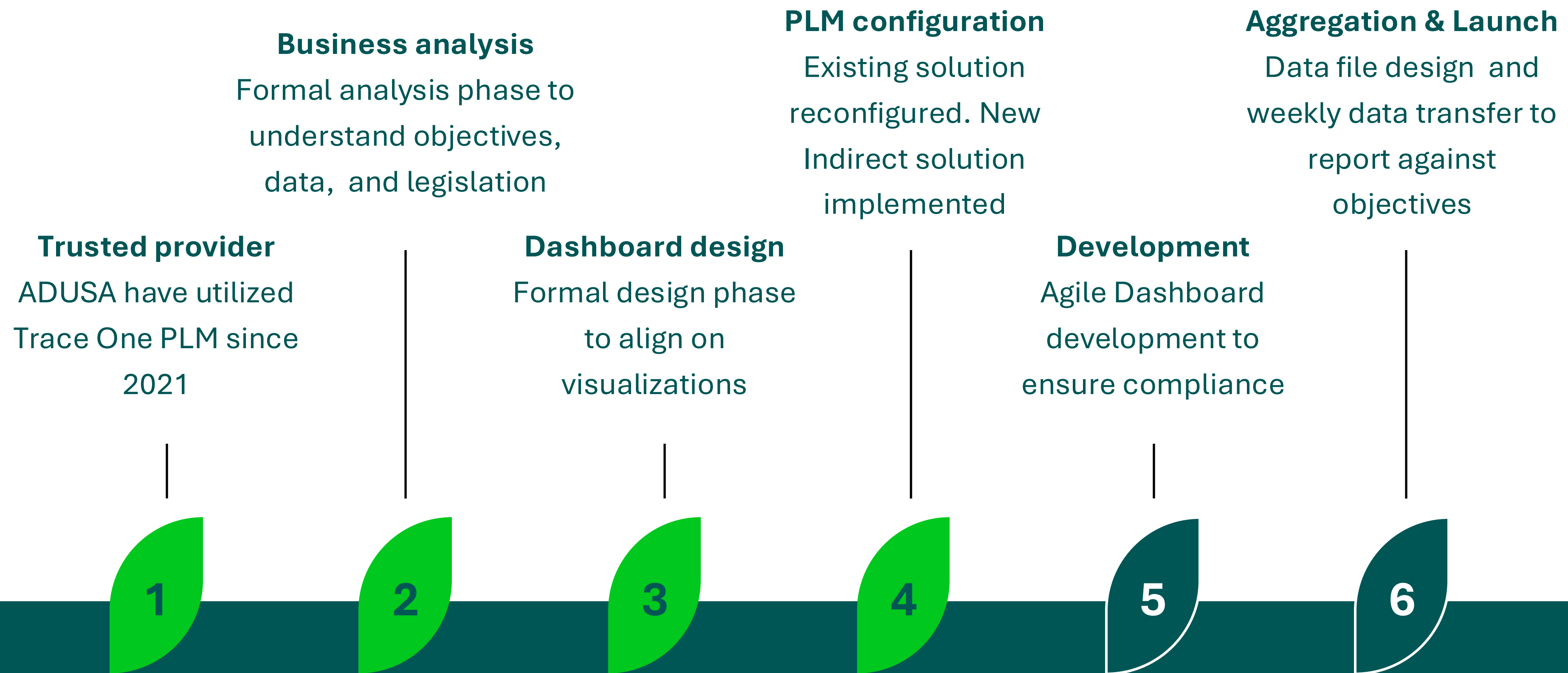


Solution

Implement Trace One PLM solutions to collect and consolidate product, packaging, and supplier social adherence data.

Combined unit movement data, so that key performance indicators (KPI's) and trends on packaging and social compliance can be provided to identify opportunities, track progress against business goals, and produce the required legislative documentation.

Project timeline



Managing data requirements

Formulation & commodities of concern

- Detailed formulation down to the component level provides transparency.
- Validation of formulations against Product Commodities Questions and claims to ensure accuracy and check for unwanted ingredients.

Actions ▼

Formulation Tree

Find

Filter Assembly Item ▼ Suppliers OFF

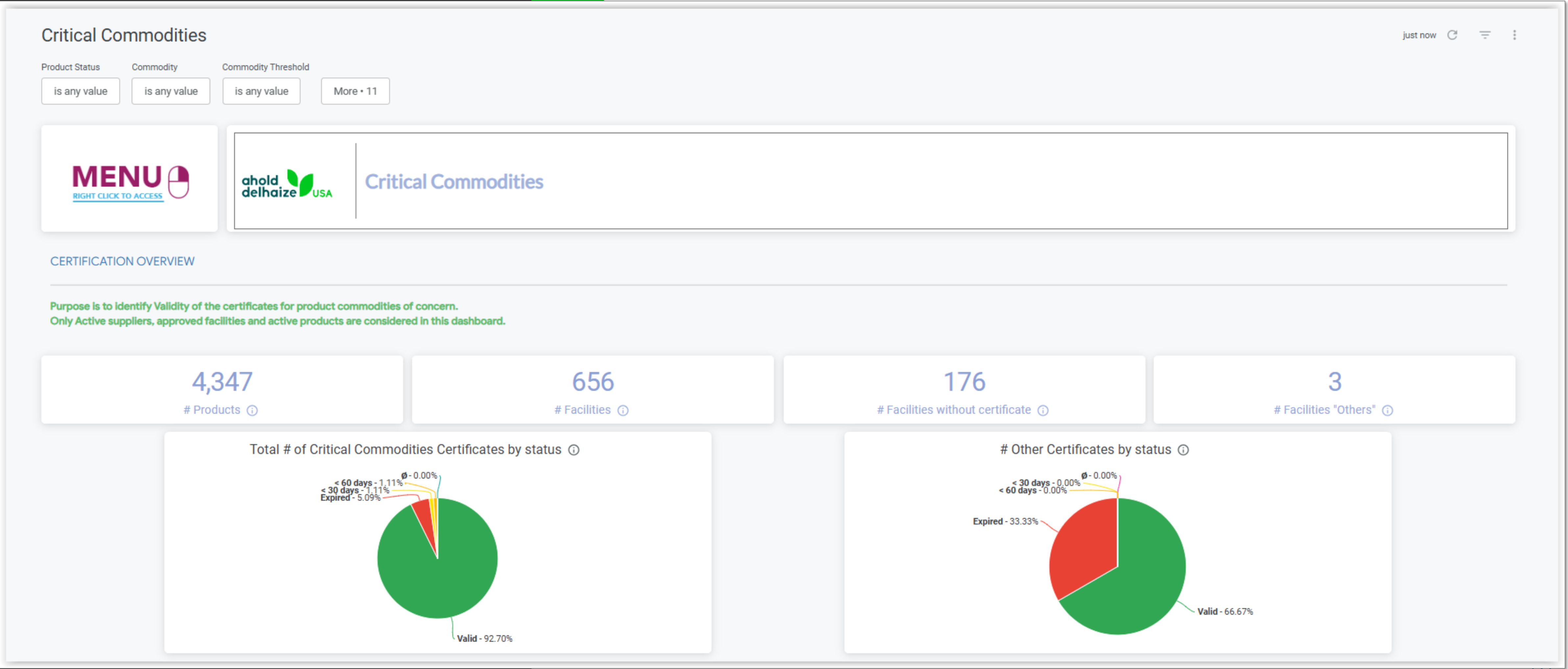
Organic Angel Hair 5S6044Q5101

- Crust
 - Wheat flour 001 (001)
 - Durum Wheat Flour (Food)
 - Niacin (Foods/Non Foods)
 - Thiamine Mononitrate (Food)
 - Folic acid

Critical Commodities

Question	No	Yes	Value	Comments
Is this a whole shelled egg product? If "Yes" please provide the count of eggs in this SKU in the comments (numbers only).	<input type="radio"/>	<input checked="" type="radio"/>		
>Are the whole shelled eggs in this product cage free? If "Yes" please upload a supporting egg document in the Facility Attachments tab for all facilities used to provide this product.	<input type="radio"/>	<input checked="" type="radio"/>		
Is this product an egg or basic dairy product where soy was used as the primary animal feed? Products that should be indicated as "Yes" include whole shelled eggs, egg substitutes, plain dairy products (butter made only from cream, sliced/shredded/block cheeses with no added ingredients, plain cottage cheese, plain sour cream, plain cream cheese, plain yogurt, half & half, whipping cream, unflavored milk)	<input type="radio"/>	<input checked="" type="radio"/>		

Visualizing progress



Managing data requirements

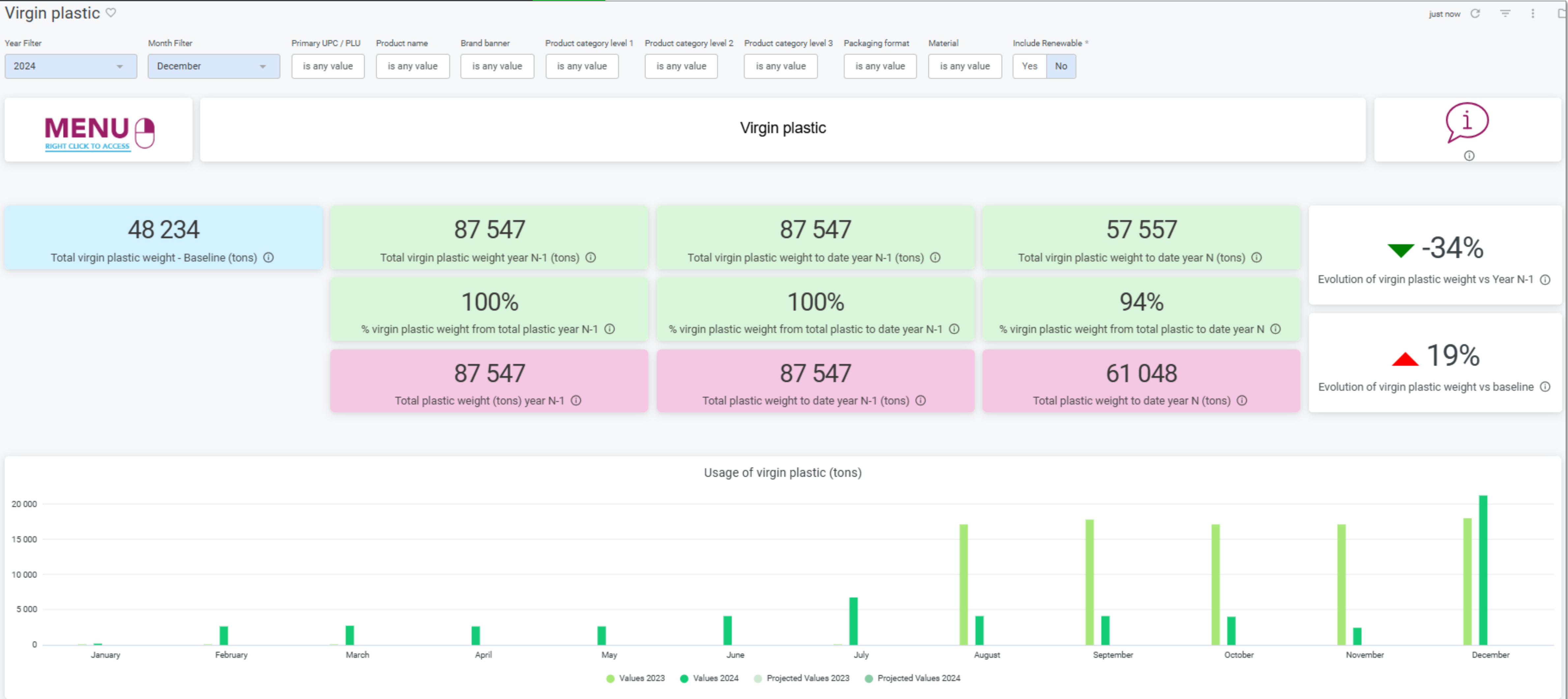
Packaging management

- Data dictionary to maintain consistency.
- New Packaging Sustainability Questions based on packaging format
- Update multiple specifications with new packaging items in a single action to reduce effort.
- Cascade packaging item changes to all impacted specifications to keep packaging data accurate.

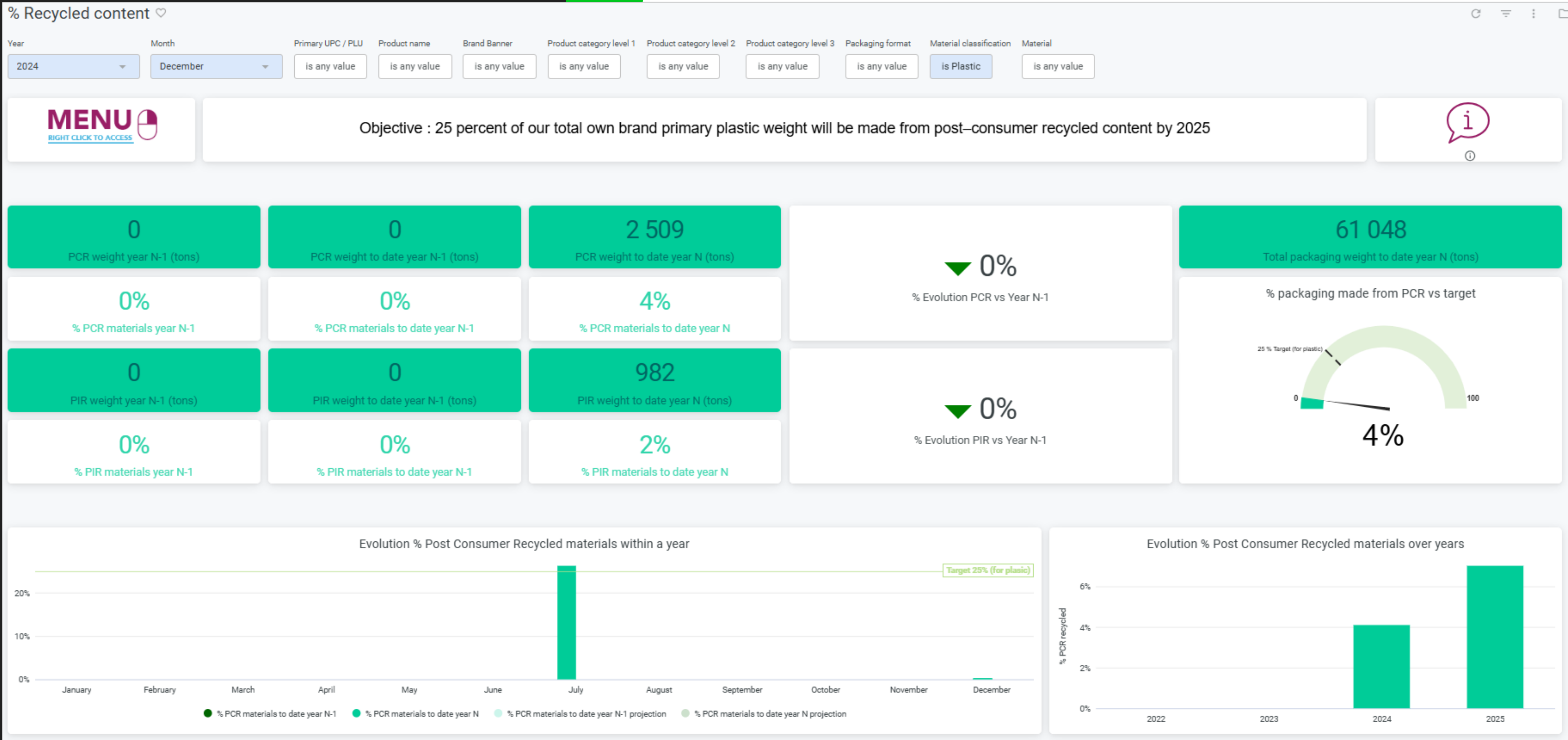
Packaging					
Packaging Item	Material	Country	Suppliers	Version	Status
Primary					
Bag	Amorphous Polyethylene terephthalate (aPET) Plastic	Africa	Approved supplier	1	Active
Pasta Carton Box 250g	Paperboard Paper/Paperboard	United States of America	Confidential Supplier	1	Active
Pouch Box 250g	Polyvinyl Chloride (PVC) Plastic	Canada	Approved supplier	3	Active
Secondary					
Composite can New Packaging Item	ABS (Terpolymer) Plastic	Africa			
Shipping Carton Shipping Carton	Corrugated Board Paper/Paperboard	United States of Am			
Tertiary					
Pallet Shipping Pallet	Wood Wood	Albania			

Packaging Recyclability and Recycled Content					
Supplier	Does this item contain recycled material? Yes/No	What is the % Recycled (Industrial + Post Consumer Waste)	Is this item Recyclable?	What is the % of recycled content (Post Consumer Waste)?	Renewable Content %
Bag					
Approved supplier	Yes	100.00	Yes	100	
Pasta Carton (Box 250g)					
Confidential Supplier	Yes	100.00	Yes	100	
Pouch (Box 250g)					
Approved supplier	Yes	100.00	Yes	100	100.00
Composite can (New Packaging Item)					
Approved supplier	No		Yes		
Shipping Carton (Shipping Carton)					
Confidential Supplier	Yes	100.00	No	100	
Pallet (Shipping Pallet)					
Confidential Supplier	No		No		

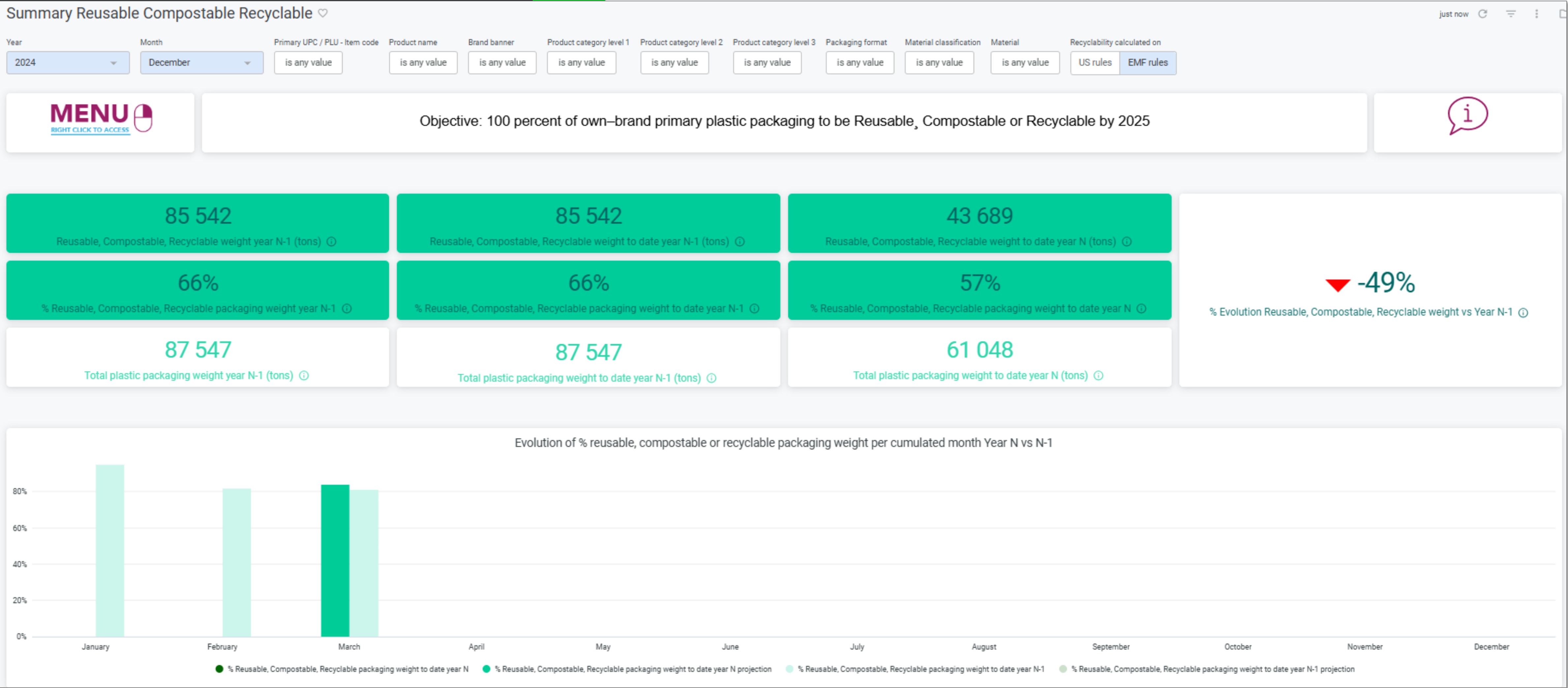
Visualizing progress



Visualizing progress



Visualizing progress





Challenges and Resolutions

- ➔ Maintaining AAA MSCI and ADUSA's commendable ESG objectives.
 - *Strong ADUSA team, weekly project calls, agile approach with Trace One's best resources.*
- ➔ *Legacy data was complex due to historical mergers.*
 - *Additional data analysis and mapping was completed during the project. Some additional configuration required to manage PLU's.*
- ➔ Trace One PLM is a collaborative solution. Onboarding and support for vendors is a "Must Have" for success.
 - *Dedicated onboarding team and additional adoption services were mobilized.*
- ➔ Reporting accuracy is critical. Products and their packaging are constantly evolving.
 - *Effective From and To dates added to Trace One PLM and considered in all dashboards*

Thanks!

