

Food Lion Announces Major New Sustainability Commitments

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Goals Support Sustainable Sourcing, Bold Climate Action, Reducing Waste and Healthier Choices

SALISBURY, N.C., April 19, 2021 (GLOBE NEWSWIRE) -- Food Lion is taking a big leap in its already <u>industry-leading sustainability efforts</u> to make a greater impact in caring for the planet and its neighbors. The new, far-reaching commitments make it easier for customers to know how and where their food is sourced, reduce energy usage and greenhouse gas emissions across all layers of the retailer's operations, and eliminate waste through all parts of the food supply chain, in addition to several other initiatives and goals that will help reinforce Food Lion's role as a good neighbor to help create a more sustainable future.

"In 2015, we set big goals for ourselves to achieve significant sustainability targets in several critical areas, and I'm proud to say we've met or exceeded many of those milestones," said Meg Ham, President of Food Lion. "However, we know much more work needs to be done, and that's why we're holding ourselves accountable for even bigger goals that we hope to achieve by 2025 and beyond. We are committed to sustainability across every part of our business – now and into the future – and we're making it easier for our customers to join us to create a more sustainable community because we all have a role to play."

Greater Transparency

By 2025, Food Lion, in partnership with its parent company, Ahold Delhaize USA (ADUSA), will empower customers and make it easier to see how their products were grown or produced and where they come from. Additionally, Food Lion will be 100% sustainably certified in its palm oil, pulp and paper products and packaging, and make key advances in animal welfare and human rights. By 2025, the retailer also aims to offer a 100% cage-free shell egg assortment.

"Our neighbors deserve to know where their food comes from and that it contains ingredients they trust," Ham said. "We are passionate about providing our customers with products they have confidence in and that fit their dietary needs and lifestyle, from farm to table, sea to store."

Food Lion is committed to developing a program that enables customers to shop based on personal preferences such as using less plastic, ensuring humane treatment of animals, finding products free of chemicals of concern and much more. Additionally, the retailer aims to continue to lead the industry in traceability and is focused on driving clear transparency in the supply chain.

In recent years, Food Lion has made great strides in making it easier for customers to know how and from where their products are sourced. In February of 2020, Food Lion joined the Ocean Disclosure Project to enable customers to see the origin of wild-caught seafood and trace it back more easily to its source. The easy-reference platform enables customers to make more informed decisions when shopping with Food Lion. All seafood products sold in Food Lion stores are fully traceable to the wild fishery or farm and come from sustainable sources.

Additionally, in partnership with ADUSA and Retail Business Services, which develops private brand products for each of the ADUSA local brands, Food Lion announced in 2019 that it will restrict certain chemicals from products and packaging, work with suppliers to ensure all private brand products meet high standards for ingredients beyond what's required by law and collaborate with suppliers to address root causes of contaminants.

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New goals support sustainable sourcing, bold climate action, reducing waste and healthier choices

Food Lion's 2021 Sustainability Impact



Food Lion is committed to sustainability across every part of its business – now and into the future.

ADUSA and Food Lion also recently committed to a transparent GMO labeling option to make it easier for customers to understand what is included in the products they love. All private brand products will have clear on-pack Bioengineered Food disclosure well ahead of the Federal Bioengineered labeling deadline of January 1, 2022.

Further, all of Food Lion's own brand coffee, cocoa, tea, seafood and soy products are 100% sustainably sourced. The retailer also maintains robust animal welfare guidelines, grounded in the five freedoms of animal welfare, including requirements for suppliers and issue statements on topics within animal welfare such as cage free eggs, animal testing, growth hormones and more.

Eliminating Waste

Food Lion is committed to reducing food waste by 50% by 2030. A significant way this will be achieved is by donating near-date food to local feeding agencies to feed food-insecure neighbors.

In 2000, Food Lion worked with Feeding America® to create and implement a pioneering retail food rescue program, which has since been adopted by retailers across the country. Through the food rescue program, associates at each of Food Lion's more than 1,000 stores work hard to reduce unnecessary waste and get nourishing food where it is needed most – to families and individuals in the communities Food Lion serves. The equivalent of more than 339 million meals has been donated through the food rescue program since 2014.

Aside from donating food, Food Lion will also continue its extensive efforts to reduce waste across its network through a number of means. The retailer will achieve 85% waste diversion in its more than 1,000 stores through a mix of recycling, composting and animal feed. Since 2015, Food Lion has decreased its annual waste to landfill or incinerator by nearly 60,000 tons.

Additionally, by 2025, all of Food Lion's plastic packaging will also be 100% reusable, recyclable or compostable. In 2020 alone, Food Lion recycled more than 170,000 tons of cardboard and paper and 6,900 tons of plastic. Since 2013, Food Lion has saved an estimated 15 million plastic bags through the sale of more than five million reusable bags.

Taking Bold Climate Action

Food Lion is committed to reducing carbon emissions by 50% from its own operations by 2030, in partnership with ADUSA, while working with suppliers to reduce emissions from the supply chain by 15%.

This commitment is on top of Food Lion's industry-leading energy efficiency efforts to reduce its carbon footprint. Food Lion is the only company in the United States to be granted the U.S. Environmental Protection Agency's EnergyStar Partner of the Year award 20 years in a row, and since 2000, it has reduced carbon emissions by more than 593,103 metric tons, investing \$15 million to improve operational efficiencies. This energy savings is equivalent to the annual energy use of 70,717 homes, and supplying the energy needed to charge more than 75 billion smartphones.

Whether by utilizing renewable energy, improving the energy efficiency of our stores, moving toward more climate-friendly refrigerants, further reducing refrigerant leaks or improving transportation and logistics efficiency, Food Lion is committed to further reducing carbon emissions from every area of the business.

Healthier Choices

Food Lion aims to have more than 48% of private brand food sales come from healthy sales by 2025. In support of this commitment, Food Lion and ADUSA have announced a relationship with the Partnership for a Healthier America through which it will increase access to healthier food options for consumers and publicly disclose the percentage of sales from healthier options. The announcement marks the largest pledge to increase healthier food sales and transparency from a grocery retailer in the United States.

All of Food Lion's more than 1,000 stores offer the <u>Nature's Promise</u> private brand product line which feature simple ingredients and no artificial flavors, no artificial preservatives and no synthetic colors.

Additionally, Food Lion carries products rated by <u>Guiding Stars</u>, a proprietary nutrition guidance system that supports customers in making nutrition choices best for them. As each of our private brands offer foods to meet personalized health and lifestyle choices, Guiding Stars is leveraged to make nutritious choices easy and convenient so our customers can make more informed decisions when shopping with Food Lion.

For more on Food Lion's new commitments, and to see some of the additional ways Food Lion is operating as a responsible neighbor, visit www.foodlion.com/sustainability.

About Food Lion

Food Lion, based in Salisbury, N.C., since 1957, has more than 1,000 stores in 10 Southeastern and Mid-Atlantic states and employs more than 82,000 associates. By leveraging its longstanding heritage of low prices and convenient locations, Food Lion is working to own the easiest full shop grocery experience in the Southeast, anchored by a strong commitment to affordability, freshness, and the communities it serves. Through Food Lion Feeds, the company has donated more than 750 million meals to individuals and families since 2014, and has committed to donate 1.5 billion meals by 2025. Food Lion is a company of Ahold Delhaize USA, the U.S. division of Zaandam-based Ahold Delhaize. For more information, visit www.foodlion.com or job applicants may visit www.foodlion.com/careers.

CONTACT: Food Lion Media Relations

704-245-3317

publicrelationsteam@foodlion.com

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