



# **Sustainability Programme 2011**

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## **Sustainability policy**

Axfood AB will strive to make continuous improvements to its work on issues relating to the environment, natural resources and society. A fundamental approach in this work is to take preventive action as far as possible and apply the precautionary principle. Axfood primarily works in line with ISO 14001.

Axfood's ambition is to be a leader in the field of sustainability and a daring pioneer when it comes to new technical solutions and ways of working.

Systematic work on environmental and social issues that comprises clear goals, measures and follow-up allows the work to be followed clearly by customers, employees, owners and society at large.

Our environmental work focuses on reducing our carbon footprint in the areas of goods handling, waste, transport, energy and use of premises. Ahead of major structural changes, Axfood draws up environmental impact statements. In our stores, we wish to make things easier for customers with an interest in the issues through an environmentally aware assortment, Fairtrade goods, practical solutions and good consumer information. We also want to give our customers opportunities to engage in sustainability issues by partnering up with non-government organisations. Our social work focuses on promoting a good social environment for those who work for Axfood and its companies, and for those who produce and deliver the Group's products.

Axfood's Code of Conduct clearly sets out what we expect of our suppliers, above all in the social sphere. We are gradually improving our ability to apply our Code of Conduct as a means of improving conditions where our goods are produced.

Axfood addresses sustainability issues as an integrated part of its business and individual companies within Axfood AB are responsible for practical implementation of Axfood's sustainability work. In order to realise our ambitions, we require good competence and commitment from employees on the subject of environmental issues. Environmental coordinators have been appointed in all our companies.

## Goods

### Goals

- Willys will continue to check that it offers the cheapest basket of organic food.
- Willys will certify its Willys Hemma 2.0 stores as a Good Environmental Choice during 2011.
- The Axfood Group should increase its sales of organic products to at least 3% of food sales by 2012.
- Axfood should increase its sales of organic products to at least 6% of food sales by 2015.
- All the chains will continue their active work to avoid unnecessary wastage.
- The results of our work on purchasing guidelines, including lifecycle analyses, will gradually start to be applied to purchasing work in 2011 and 2012.
- Axfood will continue to purchase GreenPalm's palm oil certificates for the amount of palm oil used in Axfood's private label products.
- The focus of Axfood's work on palm oil is for the palm oil used in our Garant products to be certified by 2015.

## Ecocycle

### Goals

- All warehouses and group-owned stores will work on extensive waste sorting, which includes all categories with producer responsibility, as well as waste that can be biologically processed and other waste. The aim is to recover as much material as possible from the waste.
- All the companies should achieve better profitability with regard to the sale of sorted waste for material recovery.

## Transport

### Goals

- Axfood will continue with carbon offsetting for its flights.
- All drivers of company vehicles will be offered information on eco-driving.
- All professional drivers should also continue to be offered training in eco-driving.
- Dagab and Axfood Närlivs should, during 2011, improve their follow-up of the environmental requirements placed on purchased transport services.
- Dagab and Axfood Närlivs will introduce the use of diesel based in part on biofuel during 2011.
- Dagab and Axfood Närlivs should reduce their carbon emissions from fuel by 12% per tonne-kilometre over the period 2009-2011 from the vehicles that they own.
- Dagab and Axfood Närlivs should reduce their carbon emissions from fuel by 20% per tonne-kilometre by 2015 from the vehicles that they own.
- During 2011, Dagab will increase the use of trains to transport goods into the warehouses, from suppliers in Sweden and in other European countries.
- 25% of domestic business trips over 50 km should be made by train or bus from 2015.
- During 2011, Axfood will survey employee attitudes to different ways of attending meetings, including travel-free meetings, e.g. videoconferencing.

# Energy and use of premises

## Goals

- To reduce our carbon footprint by 75% by 2020.
- To reduce energy consumption by 30% per m<sup>2</sup> in our premises by 2015 (base year 2009). The reduction plan includes a review of lighting, ventilation, refrigeration and heating.
- To reduce energy consumption by 4% per m<sup>2</sup> by the end of 2011 (base year 2009) in premises where we are able to measure energy consumption.
- To ensure accurate energy measurements in all stores in conjunction with renegotiating leases.
- To invest in solar panels on the roofs of warehouses in 2011.
- To become 'climate-neutral' by 2020.
- Axfood will switch to renewable and traceable electricity from 2010.
- Axfood will switch to electricity certified as a Good Environmental Choice from 2013.
- To halve our climate impact from refrigerants by 2015.
- Axfood should use ecolabelled office equipment (computers, printers and copiers) where such alternatives are available. A specific programme for green IT and the sustainable office<sup>1</sup> is to be drawn up by 2011.
- A green IT audit will be conducted in 2011.

# Suppliers

## Goals

- To consult with key organisations in the social sphere.
- To improve checks on the supplier chain with regard to private label products.
- All suppliers in high-risk countries are to have undergone a social audit by 2013.
- Following the audit, all suppliers in serious breach of the Code of Conduct must start working on a programme of improvements within an agreed timeframe.
- A social auditor will be employed at Axfood's purchasing office in Shanghai.
- To improve the quality of our follow-up work on social audits.
- The Code of Conduct will be integrated into all of Axfood's operations during 2011.
- Environmental requirements should be set when procuring office materials and cleaning services. The guidelines of the Swedish Environmental Management Council are to be applied in the procurement work.

# Employees

## Goals

- Consolidate work on health and fitness initiatives for employees.
- Maintain healthy work attendance rates of at least 95%.
- Maintain the Satisfied Employee Index at a level of at least 90%.
- Achieve an even gender distribution in managerial positions, with women and men represented within the range of 40-60% by 2015.

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<sup>1</sup> May contain items such as computers and server use, printing policy, ecolabelled purchasing, efficient use of server halls and measures to reduce travel through better facilities for distance work and conferencing.

- By 2015, 90% of employees should feel that the company is a workplace of equal opportunities when it comes to women and men.
- Achieve an even gender distribution among those who attend Axfood's management training courses, with women and men represented within the range of 40-60% by 2011.
- Double the proportion of employees who claim the health and fitness allowance by 2015.
- Reduce long-term and short-term absence.
- All employees are to have received basic environmental training by 2012.

## **The customer in our sustainability work**

### **Goals**

- All the chains must maintain good communications with their customers on sustainability issues.
- From 2010, all the chains will inform their customers about the ethical choices that have been made.
- During 2011, all the chains will carry out a marketing activity together with the Fairtrade organisation to boost sales of Fairtrade products.
- All the chains will make sure that shelf labels of ecolabelled and organic goods are clear (Enkla Vägen – Easy Way).
- Willys will continue providing environmental information for customers in the store.
- All the chains will make sure that information about how to take public transport to all the stores is available online.

## **Animal welfare**

### **Goals**

- The goal for sales of organic meat is 2% of all meat sales in 2011.
- Labelling the origin of meat in Axfood's private label products is to be introduced, with completion planned during 2011.