
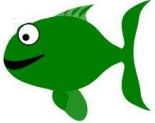


# The Tale of Two Projects

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# Two Very Different Projects

- Waste Reduction 
  - Measurable
  - Sustainability aspects but, mainly cost driven
  - Solid, immediate ROI
- Seafood Sustainability 
  - Not easily measurable
  - Customer not necessarily asking for it
  - Risk mitigation elements
  - Right thing to do



# Waste Reduction

- Project Overview
  - Replicate LEED EBO&M results of 2010
    - Maximize Recycling/ Reduce Waste
      - Focus on executing SOP's
      - More intense rigid plastics recovery
      - Introduce food waste programs
    - Engage store level associates
    - Create a scalable method to launch chain wide
  - Conducted a District (11 stores) Pilot



# Waste Reduction

## Costs

District Resource

**Estimated: \$30K**

Store Resource

**Estimated: \$134K**

Associate Training

**Estimated: \$45K**

Communications

**Estimated: \$20K**

**= (\$230,000) first year**

**= (\$114,000) after first year**







# Waste Reduction

## Pilot Results & Projections

September - December

Chain-wide Annual Projected Savings

Waste volume	 35%	\$900K
Cardboard recycling	 6%	\$200K
Plastic & shrink wrap recycling	 9%	\$65K
Rigid plastics recycling	 320%	\$125K

\$1.3M

**Summary: spend \$230K to get back \$1.3M**



# Seafood Sustainability

- Project Overview
  - Develop a sourcing policy (seafood)
  - Review products containing seafood
  - Work with suppliers on compliance
  - Develop traceability to track ongoing compliance
  - Execute this in stores



# Seafood Sustainability

- Sustainability drivers
  - 80% of wild fisheries in trouble
  - Rapid growth of aquaculture problematic
  - It is the right thing to do
- Business drivers
  - Ensure supply
    - Not sell the “last fish”
  - Mitigate risk
    - Take responsibility for supply chain
    - High visibility with NGO
    - Brand Enhancement



# Seafood Sustainability Costs

Consulting

**Estimated: \$75K / yr. ongoing**

Traceability Licensing

**Estimated: \$5K / yr. ongoing**

Communications, Associate Training & Marketing Expense

**Estimated: \$150K (estimated)**

Labor (data collection, project management , execution)

**Estimated: \$200K**

**= (\$430K) first year**

**= (\$80K) after first year**





# Seafood Sustainability

## Results

Hmmmm.

1. Reduce costs? **No**
2. Answer a customer imperative? **Nope**
3. Sell more fish? **Maybe (longer term)**

Enhance brand equity

Leadership, positive PR, mitigate some risk

**Probably.**

**Summary: spend \$430K to get back ...what?**

