



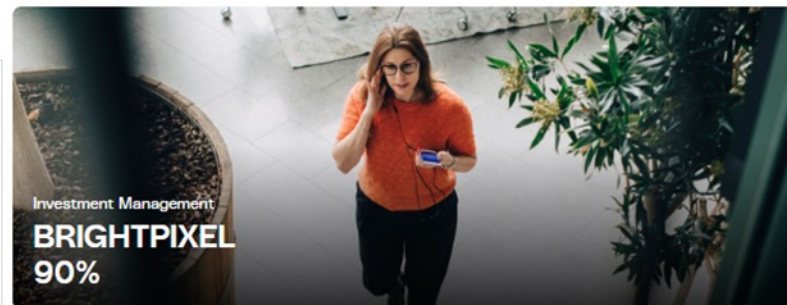
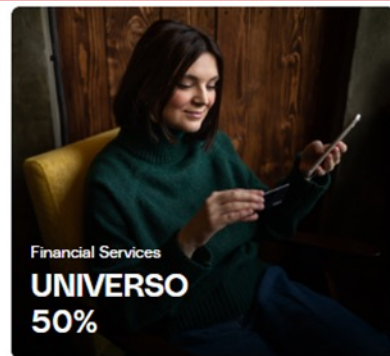
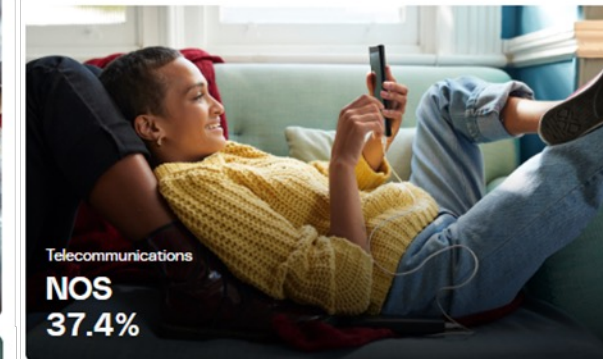
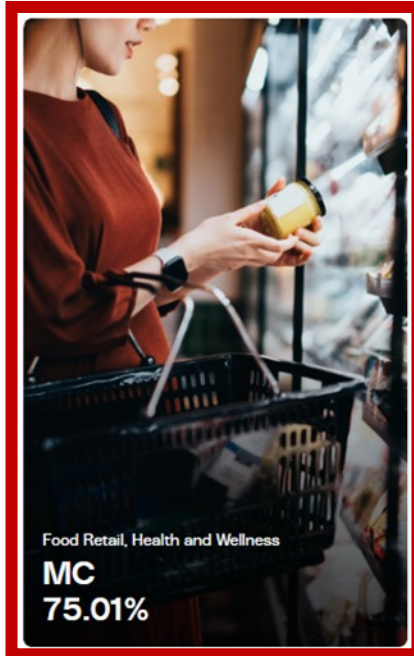
Sustainability and food innovation: a retailer's experience

24th July 2024

Ana Machado Silva, Area Coordinator, Food & Sustainability
R&D and Incentives, MC



Sonae is a multinational company managing a diversified portfolio of businesses in retail, financial services, technology, real estate and telecommunications



Sonae

#1 in Portugal



FOOD & SPECIALIZED RETAIL



MC is responsible for Sonae's food retail business and is a leader in the Portuguese market. It also comprises a Health, Wellness and Beauty division.

MC has an extensive range of private label products branded under Continate Equilíbrio and other brands.



Portfolio




CONTINENTE

CONTINENTE
modelo

CONTINENTE
bom dia

*Meu
super*

 go natural

Dr.Well's

Wells

keepwells

note!

·B·A·G·G·A·

ZU

arenal

 WASHY

home♡story

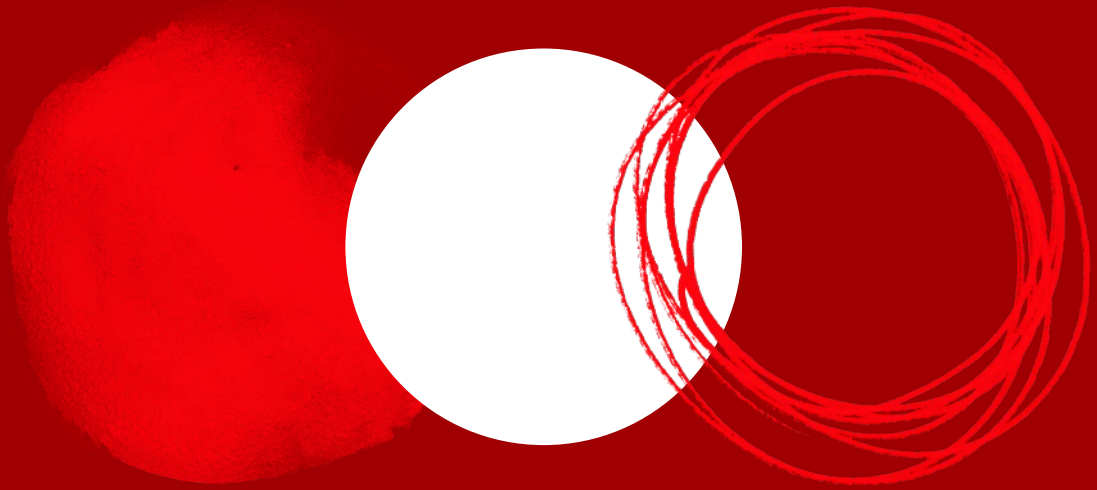
 elergone energia

Cozinha
CONTINENTE

 QUICO[®]
CONTINENTE

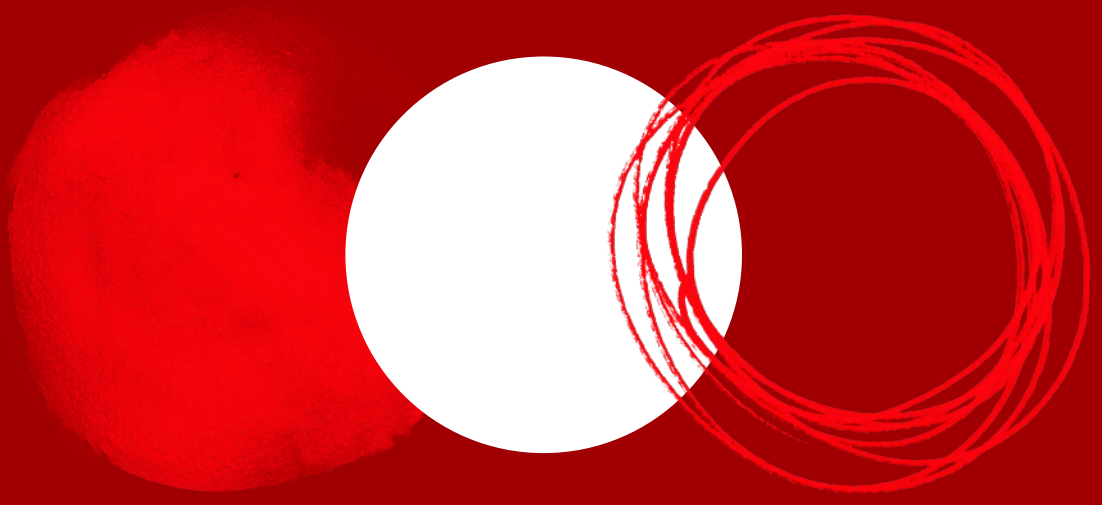
SOHI
MEAT SOLUTIONS

Sustainability in the food value-chain



- > Overall trends and drivers
- > Sustainability strategy at MC
- > Translating strategy into concrete actions

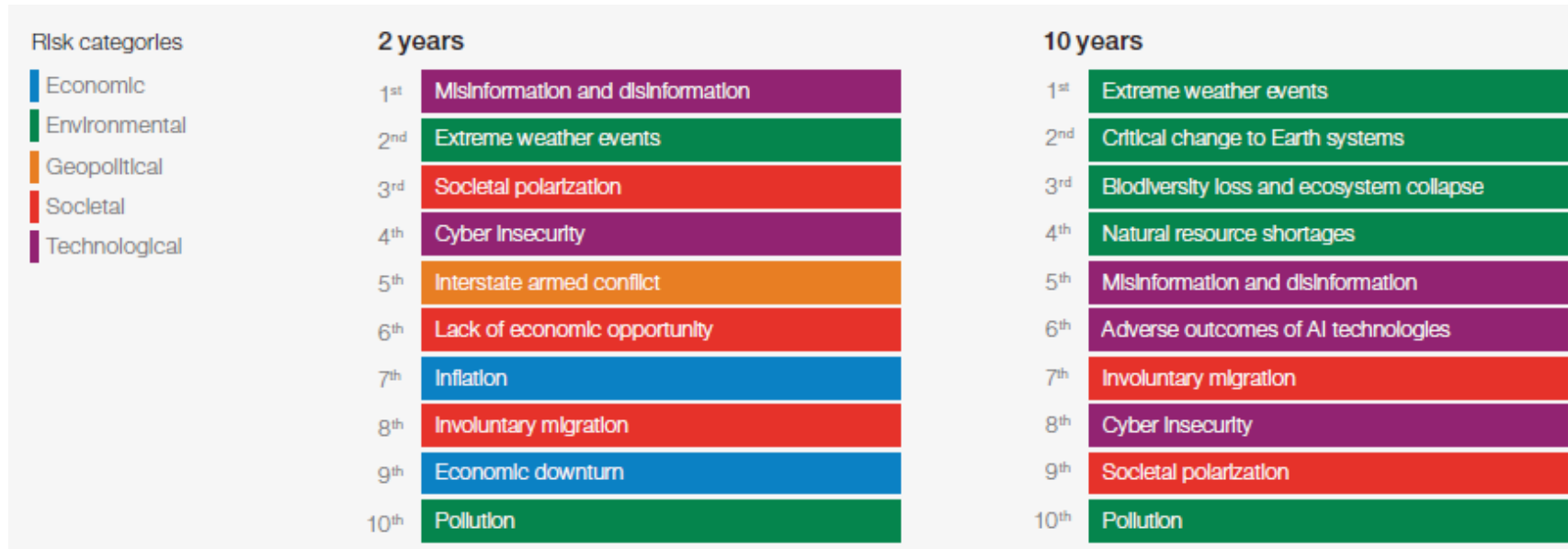
Sustainability in the food value-chain



- > Overall trends and drivers
- > Sustainability strategy at MC
- > Translating strategy into concrete actions

Perception of Global Risks

The most severe risks, on a global scale, identified in the next 10 years:



Source: World Economic Forum Global Risks Perception Survey 2023-2024



Climate action

Global greenhouse gas emissions and warming scenarios

- Each pathway comes with uncertainty, marked by the shading from low to high emissions under each scenario.
- Warming refers to the expected global temperature rise by 2100, relative to pre-industrial temperatures.

Annual global greenhouse gas emissions
in gigatonnes of carbon dioxide-equivalents

150 Gt

100 Gt

50 Gt

Greenhouse gas emissions
up to the present

0

1990 2000 2010 2020 2030 2040 2050 2060 2070 2080 2090 2100

No climate policies

4.1 – 4.8 °C

→ expected emissions in a baseline scenario
if countries had not implemented climate
reduction policies.

Current policies

2.7 – 3.1 °C

→ emissions with current climate policies in
place result in warming of 2.7 to 3.1°C by 2100.

Pledges & targets (2.4 °C)

→ emissions if all countries delivered on reduction
pledges result in warming of 2.4°C by 2100.

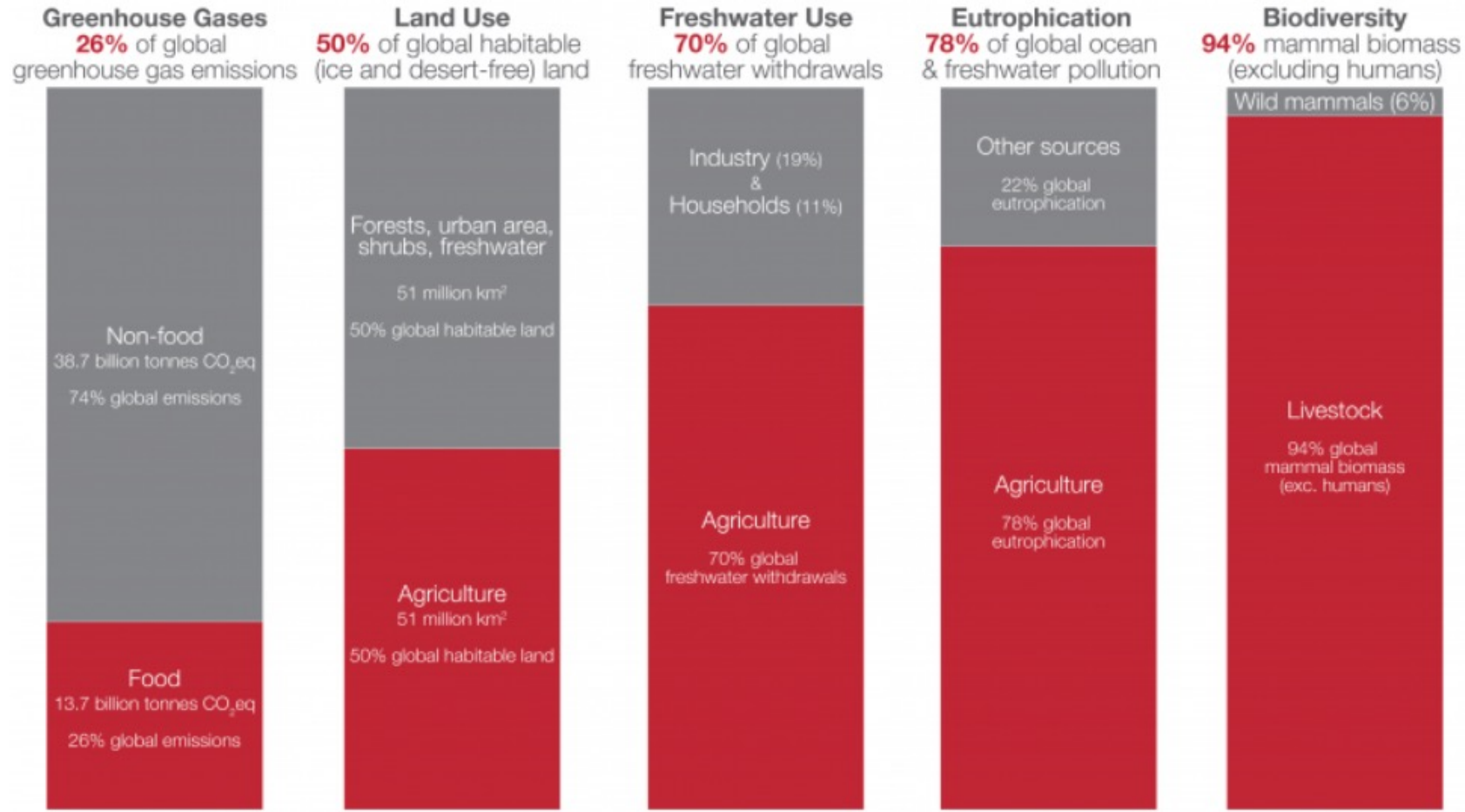
2°C pathways

1.5°C pathways

Source: Our World in Data



Impacts of food and agriculture on the environment

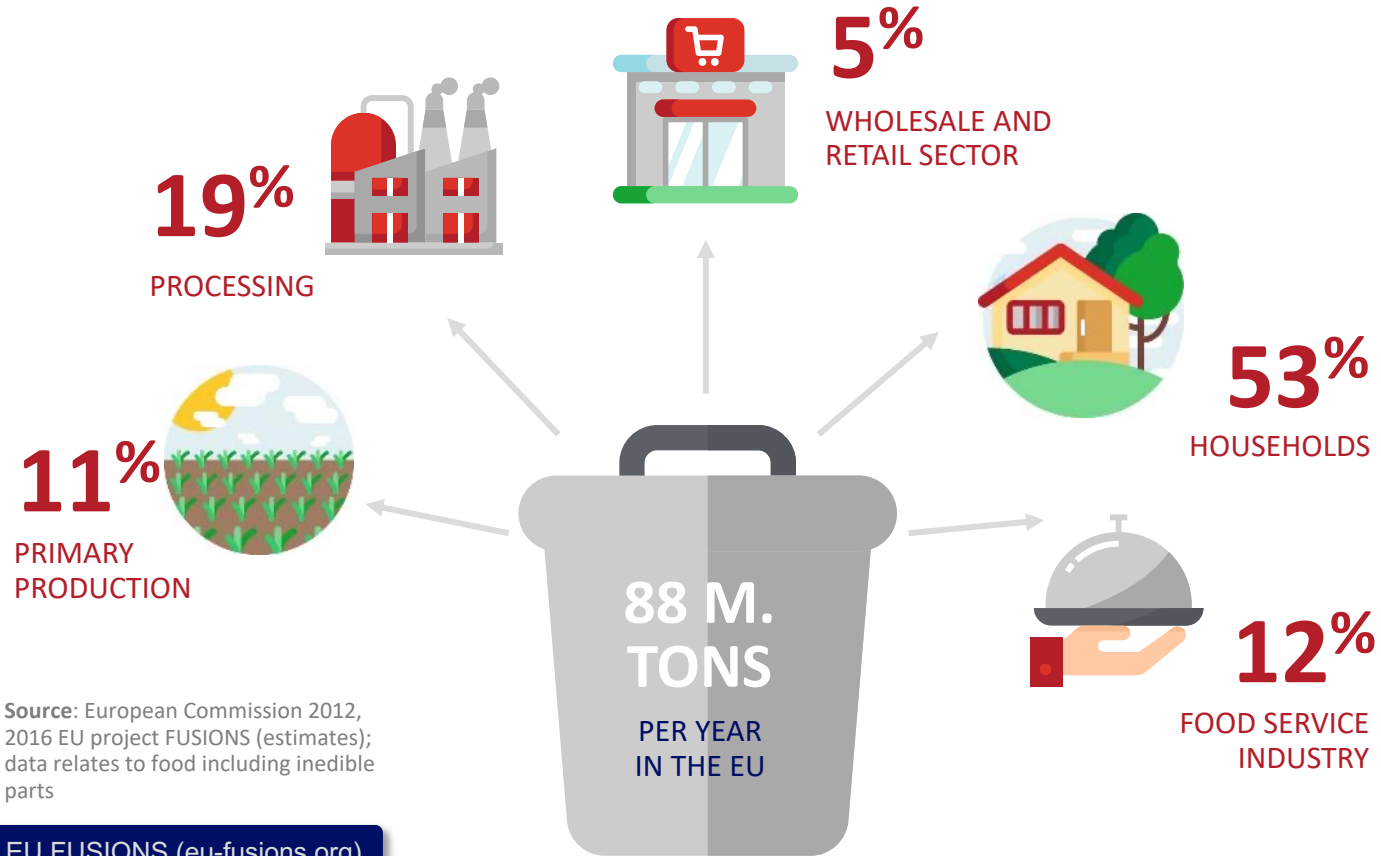


Source: Our World in Data



Food waste in Europe

Food waste in the EU



Source: European Commission 2012, 2016 EU project FUSIONS (estimates); data relates to food including inedible parts

EU FUSIONS (eu-fusions.org)

Estimated

20%

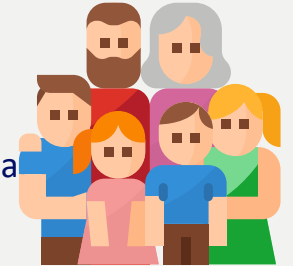
of total food produced is lost or wasted



43

Million people

Cannot afford a quality meal every second day



Estimated costs of

143

billion euros

Portugal

132

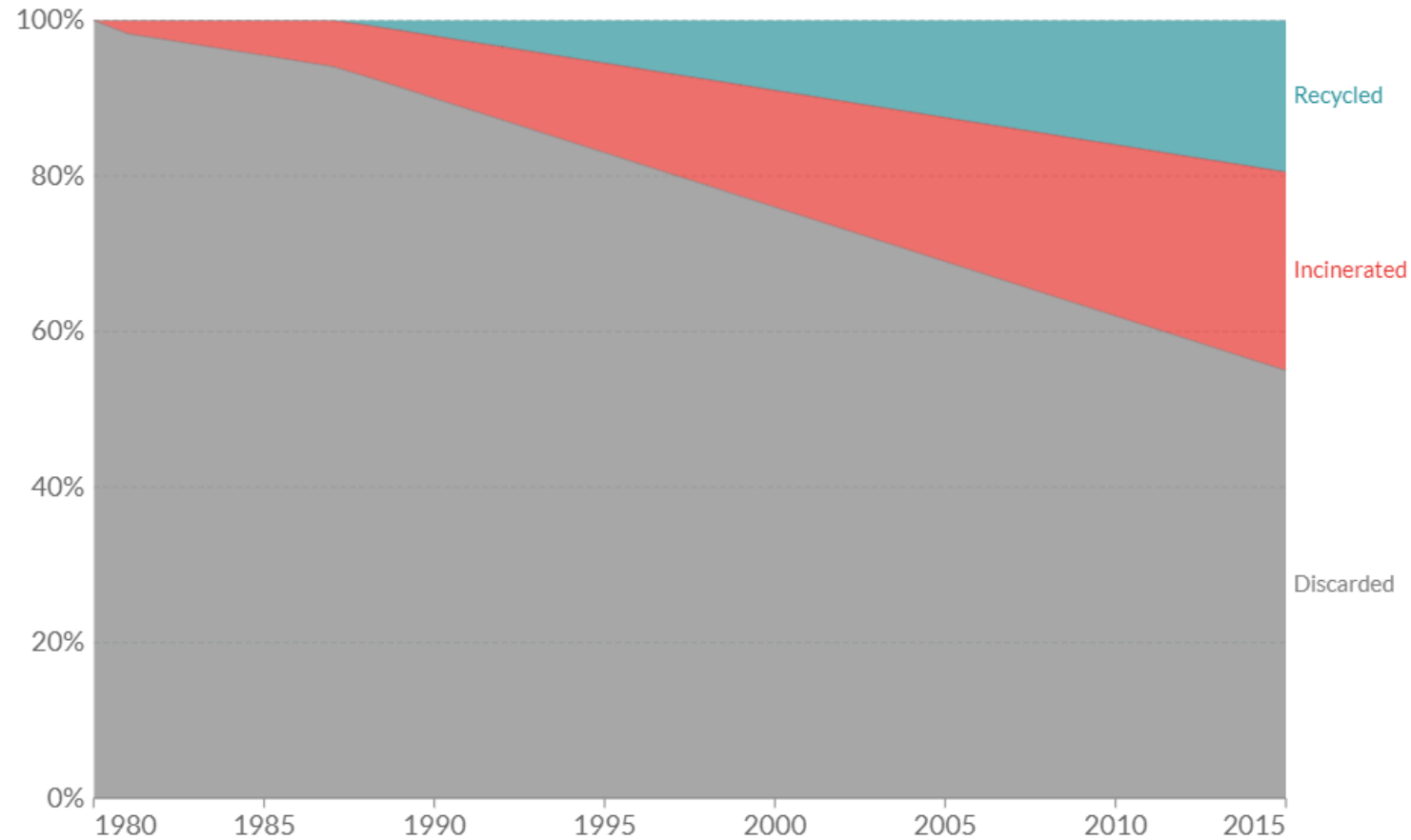
Kgs/person



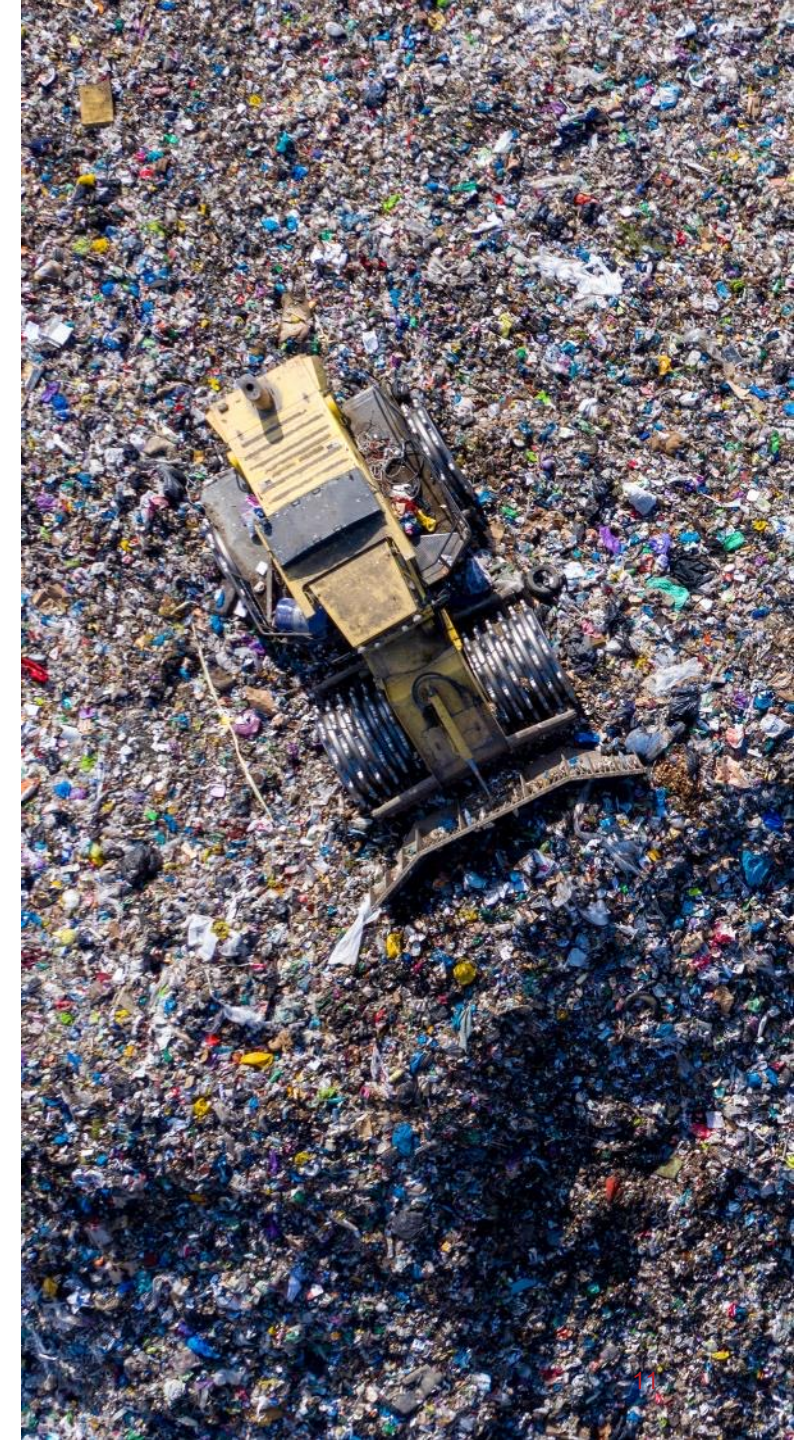
Plastic

Global plastic waste by disposal, 1980 to 2015

Estimated share of global plastic waste by disposal method.



Source: Our World in Data



Plastic

Almost 26 million
tonnes

of plastic waste is generated in
Europe every year

Around 80%

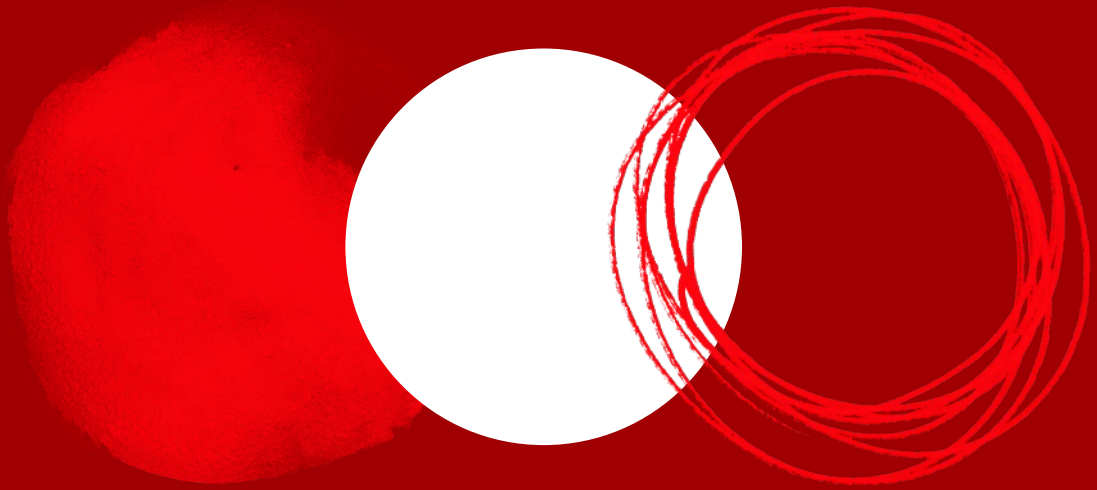
of marine litter is plastic

87%

of Europeans are worried about the
impact of plastic products on the
environment



Sustainability in the food value-chain

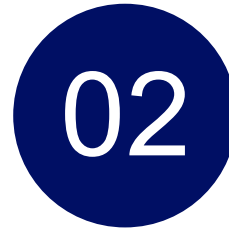


- > Overall trends and drivers
- > **Sustainability strategy at MC**
- > Translating strategy into concrete actions

Progressively democratize access to a healthier and more sustainable basket of goods



Climate Action



Sustainable
Production



Circularity



Responsible
Offering

These 4 strategic agendas are complemented by MC's People and CSR Strategies

01

Climate Action Ambition

Ensure the decarbonization and adaptation of operations in line with the 1.5°C scenario.

Goals



80% electrification of the last-mile fleet by 2026. 15% electrification of heavy logistics by 2032.



By 2032, a 51% reduction in greenhouse gas emissions from operations compared to 2022.

SBTI target for operations aligned with the 1.5°C scenario.



Carbon-neutral operations by 2040.

Action Lines



Promotion of MC's **energy efficiency** program



Retrofit and replacement of **refrigeration units**



Production and consumption of **renewable energy**



Switching to **decarbonized transportation** and reducing emissions from logistics and home delivery vans

02

Sustainable Production Ambition

Promoting the adoption of production practices with a minimal environmental impact and ensuring human rights throughout the supply chain.

Goals



By 2024, pilot the SBTn (Science-Based Targets for Nature) methodology to define a target for water consumption and land use, for Fresh Products.



Zero deforestation associated with critical raw materials:

2025 Deforestation Regulation

2030 Zero Deforestation Commitment



By 2032, a 31% reduction in GHG (scope 3) emissions from the basket compared to 2022.

SBTI target aligned with the 2°C scenario.

Action Lines



Product identity card
& Attribute registration



Assessment of the **value chain's exposure to ESG risks** and adaptation of policies and procedures



Structuring a **supplier monitoring program** for critical product categories to support our goals



Identification and testing of a platform to support the **traceability of critical products and raw materials**

03

Responsible offering Ambition

Enhancing the offering of more sustainable and healthier products and facilitating consumer choice.

Goals



Start to test and introduce a simplified labeling scheme/sustainability claim on private label food products.



Launch a pilot program to incentivize the reduction of the customer's basket footprint.

Action Lines



Adoption of a **platform** to assess and **communicate product attributes**



Expanding the assortment of balanced food products, plant-based products, organic products, products with animal welfare certification and responsible fishing certification



Development and implementation of **responsible consumption promotion campaigns**



Facilitating the consumer's choice of healthier and more sustainable products

04

Circularity

Ambition

Guide our actions towards greater resource efficiency and reinforce circularity.

Goals



100% recyclable, reusable, or compostable packaging¹ with 30% recycled material incorporation by 2025.



By 2028, a 50% reduction in food waste in our operations compared to 2020.



By 2030, zero organic waste sent to landfills.

Action Lines



Sustainable packaging



Promotion of circular products and services

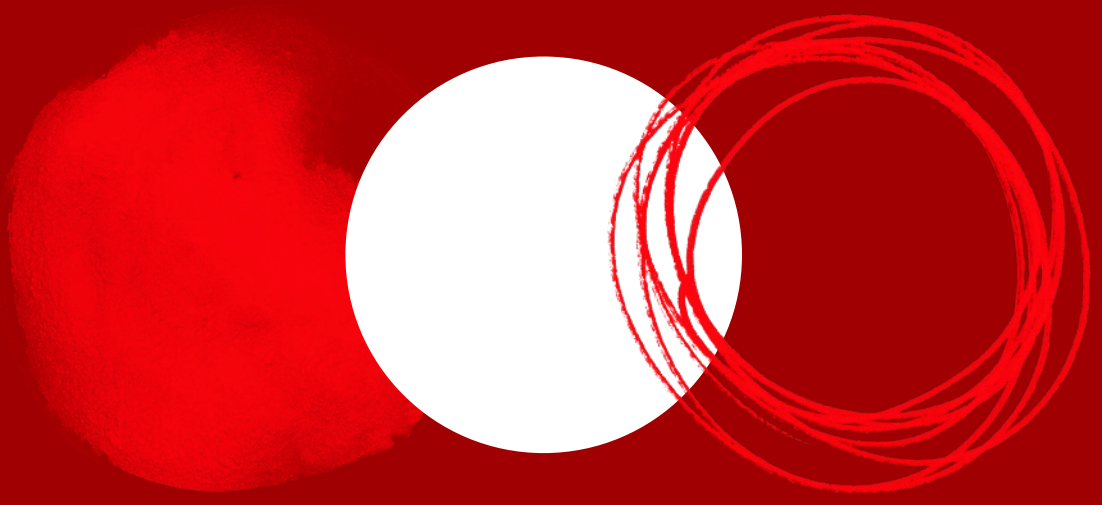


Optimization of waste management systems in our operations for material valorization and/or reintegration into the supply chain



Strengthening initiatives to combat food waste our operations

Sustainability in the food value-chain



- > Overall trends and drivers
- > Sustainability strategy at MC
- > Translating strategy into concrete actions

Platform for Valorization, Industrialization and Agrifood Innovation

Read more



VIAAFOOD PROJECT PARTNERS



MC R&D streams @ VIFAFOOD



02

Sustainable Production



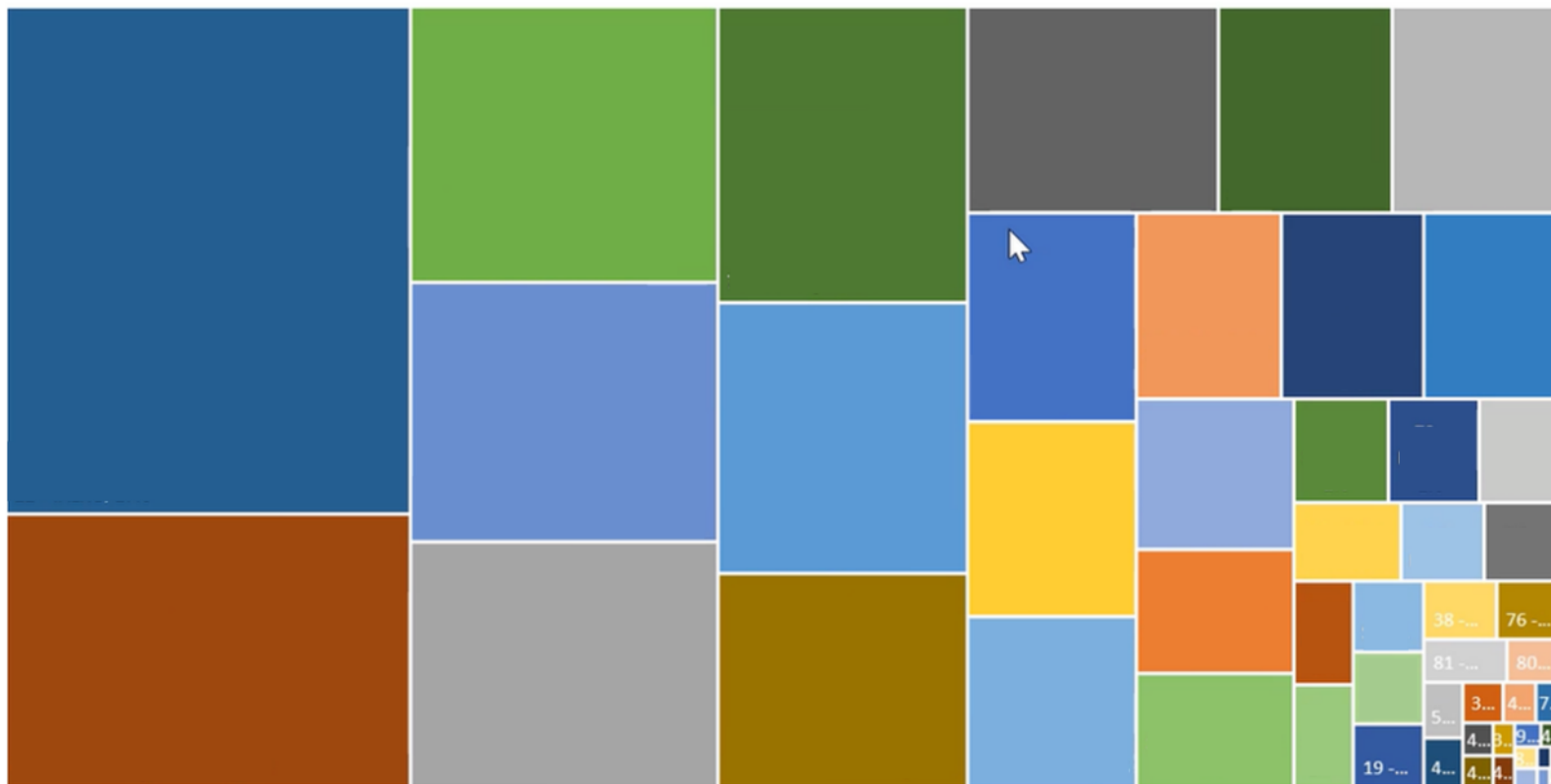
Structuring a **supplier monitoring program** for critical product categories to support our goals



Assessment of the **value chain's exposure to ESG risks** and adaptation of policies and procedures



WP8 | A8.2. Sustainable & Circular Framework for the food industry



- Initial mapping of carbon and water footprint of items in the average shopping basket
- Designing a framework to enable the progressive transformation of the food value chain in terms of sustainability impacts (actionable strategies and their potential impact)



MC R&D streams @ VAAFOOD



Responsible Offering



Expanding the assortment of balanced food products, plant-based products...



Facilitating the consumer's choice of healthier and more sustainable products

WP1 | A1.8. Development of **clean label** food products



Products (“natural” products, free from artificial ingredients), **with the fewest number of ingredients possible by exploring new and alternative ingredients**, with focus on nationally sourced products and plant-based ingredients:

(i) eliminating/replacing artificial preservatives, sweeteners, colorants and other ingredients with a negative impact and perception



WP1 | A1.9. Development of **healthier and more sustainable** food products



Development of **healthier and sustainable food products formulations** but still creating a positive emotional bond with consumers:

- (i) without palm oil and more balanced in terms of sugar and salt,
- (ii) reduced sugar, increased fibre content and other benefits
- (iii) added healthy alternative ingredients for specific targets



Universidade do Minho



INTERNATIONAL IBERIAN
NANOTECHNOLOGY
LABORATORY



FACULDADE DE CIÊNCIAS
UNIVERSIDADE DO PORTO



WP3 | A3.5. Development of new food products with **alternative proteins**

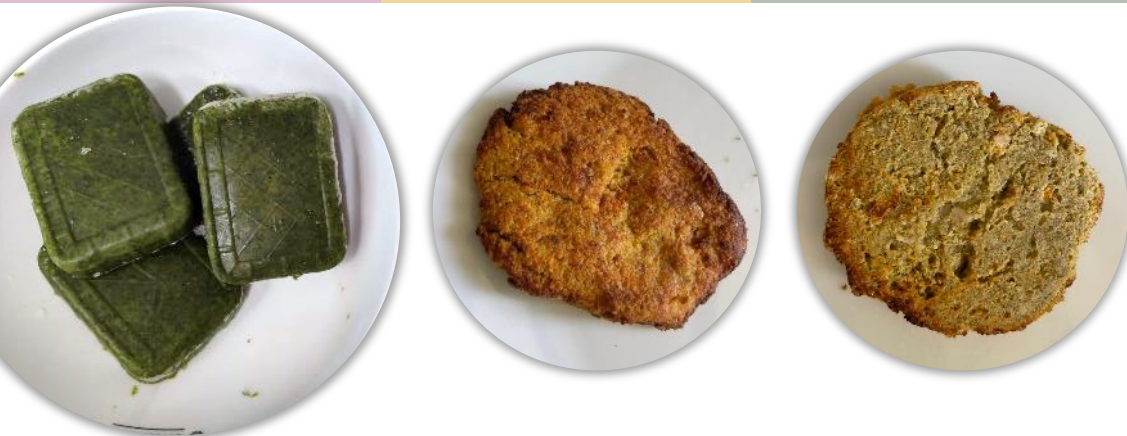


Development of **tasty and nutritionally balanced food products** based on new formulations with the incorporation of alternative proteins (animal-free).

Demonstrate innovative processes for “dairy-like” products, without animal protein and nutritional and sensory improved.



WP3 | A3.6. Fostering **local sea ingredients** in the food value chain



Foster the incorporation of sea ingredients in processed foods to deliver innovative and nutrient-rich foods, as well as to **promote the usage of under-used nationally sourced ingredients** (e.g., fish species, algae and related by-products) to obtain novel food products.

MC R&D streams @ VIFAFOOD



Circularity



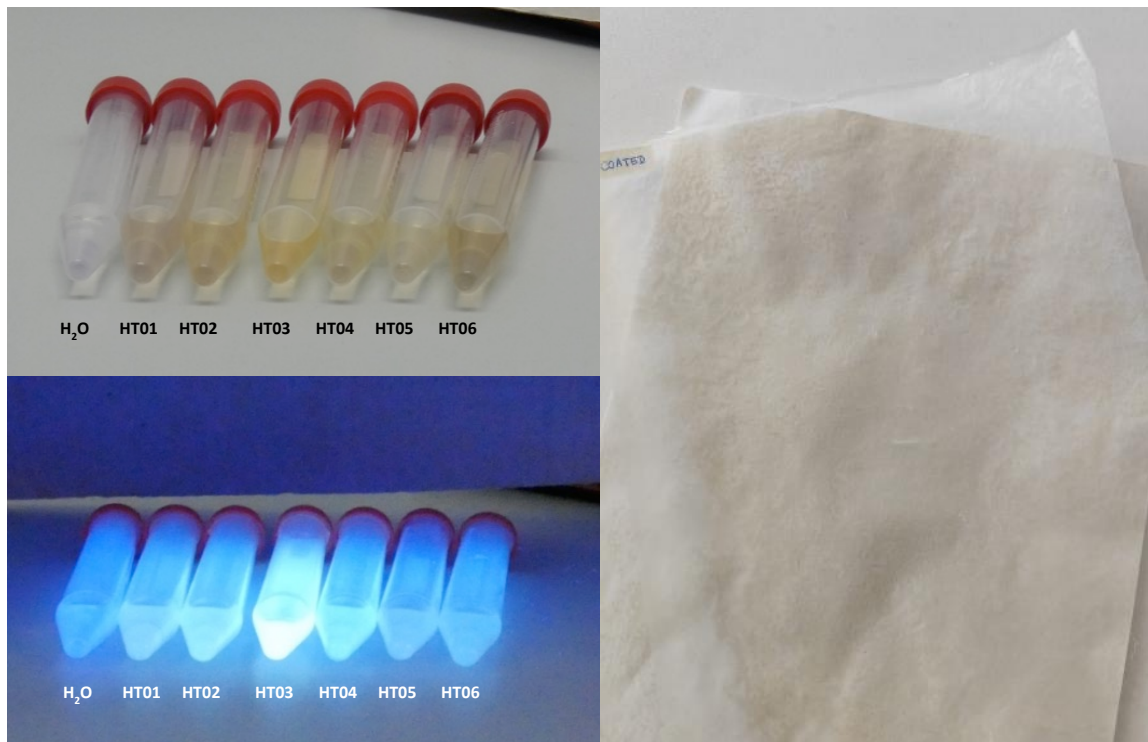
Sustainable packaging



Promotion of circular products and services



WP5 | A5.1. Innovative and sustainable solutions for **food packaging**



Development and scale-up of sustainable materials and processes for high-performance and functional food packaging production, based on **non-fossil sourced materials and with smart features.**



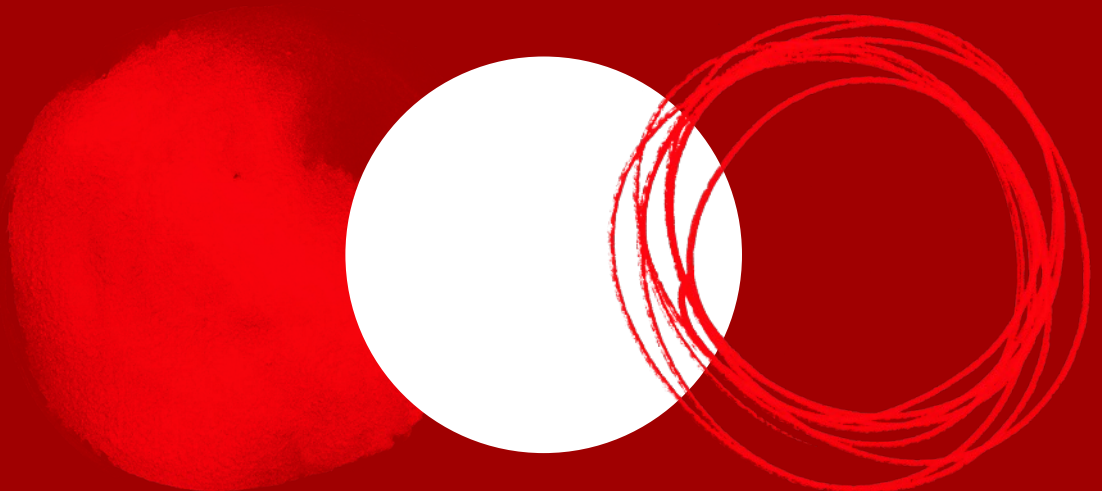
WP8 | A8.5. New bulk self-service systems



Expanding the self-service **bulk sale*** of products, with **reusable packaging**, to other food items

*a granel

Takeaway messages



> Challenges persist but also do opportunities to change the food sector

> Multi-stakeholder collaboration is key in solving complex problems

> Science and innovation play an important role in shaping the future of food and packaging

Thank you

**Shaping TOMORROW,
TODAY!**

Ana Machado Silva, Area Coordinator, Food & Sustainability
R&D and Incentives, MC
amsilva@mc.pt

