Food Manufacturing Impact Measurement and Reporting

Client Organization: Albertsons Companies

Main Client Contact
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About Albertsons Companies
Albertsons Companies is the second largest food and drug retailer in the United States, operating more than 2,271 retail stores with 1,726 pharmacies, 401 associated fuel centers, 22 dedicated distribution centers, and 19 manufacturing facilities as of December 2, 2023. The Company operates stores across 34 states and the District of Columbia with 24 banners including Albertsons, Safeway, Vons, Jewel-Osco, Shaw’s, Acme, Tom Thumb, Randalls, United Supermarkets, Pavilions, Star Market, Haggen, Carrs, Kings Food Markets and Balducci’s Food Lovers Market. Students can learn more about our company in our latest fact sheet and on our website.

In 2021, Albertsons Companies announced Recipe for Change, our Environmental, Social and Governance (ESG) framework focused on using our national presence and resources to drive meaningful, proactive change. With focus areas in Climate Action, Diversity, Equity & Inclusion, Waste Reduction & Circularity, and Community Stewardship, Albertsons Companies has set ambitious goals that lean into the company’s strengths and long-term strategies to better the lives of our associates, the communities we serve, and the planet we share. Students can learn more about our Recipe for Change in our 2023 ESG Report.

Project Overview and Context
It is estimated that the global food system accounts for a third of the world’s greenhouse gas emissions. As companies look to reduce their environmental impact, climate and otherwise, supply chain activities have become a focus for sustainability programs. For retailers and Consumer Product Goods (CPG) companies, this involves looking at where impact occurs across the value chain, from agriculture, to food manufacturing, to transportation, and beyond.

Within Albertsons Companies’ manufacturing business, we operate 19 manufacturing plants that produce bread, beverages, ice cream, milk, ice, and other grocery items. Through these operations, we create products for our Own Brands as well as for other CPG companies and retailers. As companies make progress on responsible sourcing and supply chain commitments, Albertsons Companies has

received requests from our B2B customers to measure and report the environmental impact of the products and/or product lines produced.

Objectives, Possible Approach, and Deliverables
Through this project, students will create a strategy and methodology to calculate the environmental impact of products produced in our manufacturing plants (focusing solely on impacts from within our operations, not within the value chain) as well as propose an implementation road map.

- Determine which environmental impact stats are most important to Albertsons Companies’ manufacturing customers for us to calculate and track within our manufacturing plants, such as energy and emissions, water efficiency, and waste on a product and plant basis.
- Identify the data required to calculate environmental impact stats and become familiar with existing data to determine data gaps. Students will make recommendations on how to develop a methodology and document procedures for calculating the recommended impact stats.
- Recognizing that this is a new endeavor for the company, create a road map for the sustainability team to begin reporting identified manufacturing impacts to manufacturing customers and expand robustness of reporting over time to achieve the “ideal” methodology and procedure.

To ensure that students are able to ground their recommendations in our business operations, students will utilize their recommended methodology to determine the environmental impact of an Albertsons Companies Own Brands product manufactured in an Albertsons Companies manufacturing plant in California. Through a plant visit and meetings with the sustainability and manufacturing teams, students will gain an understanding of current company operations, reporting, and resources.

Implications
Manufacturing is an important part of our business, and as companies become more thoughtful of supply chain impacts Albertsons Companies needs to be able to meet the needs of our B2B customers.

Through this project, students will gain exposure to the operations of a Fortune 60 company and insight into manufacturing, supply chain sustainability, and how corporate sustainability initiatives support business strategies and goals.

Equity
This project does not focus on environmental justice (EJ) implications but understanding the environmental impacts of a facility is an important part of being able to evaluate EJ. Students will gain experience in calculating impact through this project.

Data Availability
Albertsons Companies’ sustainability team will provide students with utility data related to the identified environmental impact categories (as available), as well as customer requests that our plants have
received for calculating various manufacturing impacts. The sustainability team will provide the student group with a broader context of sustainability reporting endeavors and strategies for students to base their road map.

Students and UCSB faculty working with the data will be required to sign Albertsons Companies’ mutual non-disclosure agreement. Academic and public deliverables of the project will not be allowed to disclose Albertsons Companies’ customers, the environmental impacts of a specific product, brand, or facility, or other sensitive information that is specified by Albertsons Companies. Academic and public deliverables will need to be approved by Albertsons Companies before publication.

**Student Internship**
A summer intern will continue working on the project for up to 13 weeks as a member of the main client contact’s team. To build off the work accomplished in the Spring 2024 quarter, the student will develop a 1-page highlight for our Fiscal Year (FY) 2023 manufacturing operations as a complement to our public FY2024 ESG report and engage with manufacturing teams and leadership to share results. Depending on the student’s specialization, background, and areas of interest, the student will also support other Recipe for Change initiatives (see intro for focus areas of Recipe for Change). The group will decide which of their members will be the summer intern. The student will earn $25/hour working full time, with up to 13 consecutive weeks of work. Students will be hired by Albertsons Companies and must meet company hiring requirements.

**Funding**
Albertsons Companies will coordinate with students to cover additional funding required for visiting an Albertsons Companies manufacturing plant in California. We do not anticipate any additional funding to be required beyond that.
Client Letter of Support

Bren Group Project Selection Committee,

I’m excited to submit a group project proposal to kick off in the Spring 2024 quarter on behalf of Albertsons Companies. As a Bren school alumna, I’ve leveraged my insights from my own Group Project to help shape a project that we believe meets the proposal requirements and will provide students with an educational experience and meaningful insights into the world of business sustainability.

Albertsons Companies is a leading U.S. food and drug retailer, and our manufacturing business provides fresh, high quality, and well-loved Own Brands (private label) products as well as products for other companies in our industry. As part of our B2B customers’ supply chains, we receive inquiries relating to the sustainability practices and impact of our manufacturing processes. Albertsons Companies is seeking assistance in developing our strategy and methodology to address these inquiries, and I’m thrilled at the prospect of having Bren students address this issue.

I lead Albertsons Companies’ external sustainability engagement strategy and execution, including working with our vendor and B2B partners, voluntary and mandatory reporting, and communications. As this project rolls up within my team, I will be the main contact for the project team and will ensure the project aligns with our reporting priorities and broader business strategy, while liaising students with other teams within the company.

To help students understand our manufacturing business better, we will schedule time for the group to visit one of our manufacturing plants in California. Albertsons Companies will cover any additional funding needed for the students to travel for the site visit.

As part of this proposal, I’m excited to extend an opportunity for an intern from the group project team to join my own team for the summer. The group will decide which student should accept the internship position, which will be offered for up to 13 weeks during the summer at a payrate of $25 per hour.

Thank you for your consideration. If you should have any questions about the proposal, please do not hesitate to reach out to me.

Best,

Melissa Kral

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