

**Future Trends
in
Dairy Foods Retailing**

Retail Trends

Home cooking

- + More home cooking / less take out : shred, sliced, ricotta, chunk, cream cheese

Staying in
vs Going out

- + Development of all cheeses for entertaining: specialty cheeses, spreadable cheeses (with crackers)

Health

- + All natural cheese vs processed (slices, shreds)
- + Development of usage of cheese in salads
- + Fat reduction

American are more
foodies / gourmet

- + Specialty cheese development
- + Success of fresh mozz vs chunk
- + Success of Gourmet Cheddar Spread vs cold packs

Price accessibility

- + Private label development
- + Development of alternative channel

What the customers want?

- Quality
- Variety
- Gourmet offerings
- Natural
- Organic
- Tastes better
- Healthy
- Price

Baseline Standards for WFM

- Free of added artificial growth hormones
- Natural product=Whole Food
- Ingredient Standards
- Free of artificial colors, flavors, sweeteners, hydrogenated fat
- Partnership with the producer
- Integrity through logistics-HACCP

Goals for WFM

- Hand Selected
- Exclusivity
- Sustainability
- Organic
- Third party audits
- Third party certification
- Waste management
- Energy management
- Partnership with R & D



WFM Core Values

SELLING the **HIGHEST QUALITY** natural and organic products available

SATISFYING and **DELIGHTING** our customers

SUPPORTING team member **HAPPINESS** and **EXCELLENCE**

CREATING **WEALTH** through profits and growth

CARING about our **COMMUNITIES** and our **ENVIRONMENT**

CREATING ongoing **WIN-WIN PARTNERSHIPS** with our suppliers

PROMOTING the health of our stakeholders through **HEALTHY EATING EDUCATION**



Our Quality Standards Set Us Apart

WE CAREFULLY **EVALUATE** each and every product we sell.

WE FEATURE **FOODS** that are free of artificial preservatives, colors, flavors, sweeteners, and hydrogenated fats.

WE ARE PASSIONATE about **GREAT TASTING** food and the pleasure of sharing it with others.

WE ARE COMMITTED to foods that are **FRESH, WHOLESOME AND SAFE** to eat.

WE SEEK OUT and promote **ORGANICALLY GROWN** foods.

WE PROVIDE food and nutritional products that support **HEALTH AND WELL-BEING.**

Caring About our Environment

- We strongly support organic, local, & sustainable agriculture
- Commitment to recycling and alternative energy: up to 100% Wind Energy Credits.
- Green Building: multiple LEED certifications and Green Globes Certifications
- Animal Welfare: GAP 5-step program



green
MISSION



WHITE PAPER
ONLY

green
MISSION



FREE
Coffee Grinds
FOR YOUR GARDEN

green
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We've made a
GREEN CHANGE...

We Care About Our Communities and Our Environment

WHOLE FOODS MARKET®

greenTM
MISSION 



WHOLE
FOODS
MARKET



5-STEP™ ANIMAL WELFARE RATING



Dairy requirements in the future

Supplier Transparency

- All products and all suppliers fully transparent on our website
- Personalize all suppliers
- Local suppliers are heroes
- Power of evolving technology—TAG



The graphic features a gold background with the Whole Foods Market logo in the top right corner. The main heading 'Buy Local' is in a large, dark green serif font. Below it, 'Locally Known Foods, ME' is written in a smaller, black sans-serif font. A photograph of four people standing in a field is positioned on the right side. An orange box with white text is overlaid on the bottom right of the photo, reading 'SUPPORTING OUR LOCAL VENDORS'. To the left of the photo, the text 'Background' is followed by a paragraph describing the farm's location and history.

Buy Local

Locally Known Foods, ME

Background
Located in Bowdoinham, Maine, Locally Known Foods was started in 2008 by young farmers Ben Dobson, David Goldstein and Shimon Horowitz. Locally Known harvests about 60,000 pounds of greens each week, including spinach and arugula in their 170 acre farm. With shorter transportation distances, Locally Known offers fresher greens and less carbon footprint.

SUPPORTING OUR **LOCAL** VENDORS

Millennials Rising

- Idealistic and pragmatic—
not cynical
- Environmental- and
community-oriented
- Heroic generation every
80 years



Opportunities

Sustainable construction elements such as:

- On-site renewable energy, such as solar power and a fuel cell
- Low energy light fixtures, as well as motion sensor detectors
- More skylights and day lighting
- Waterless urinals and motion sensor on-off water faucets

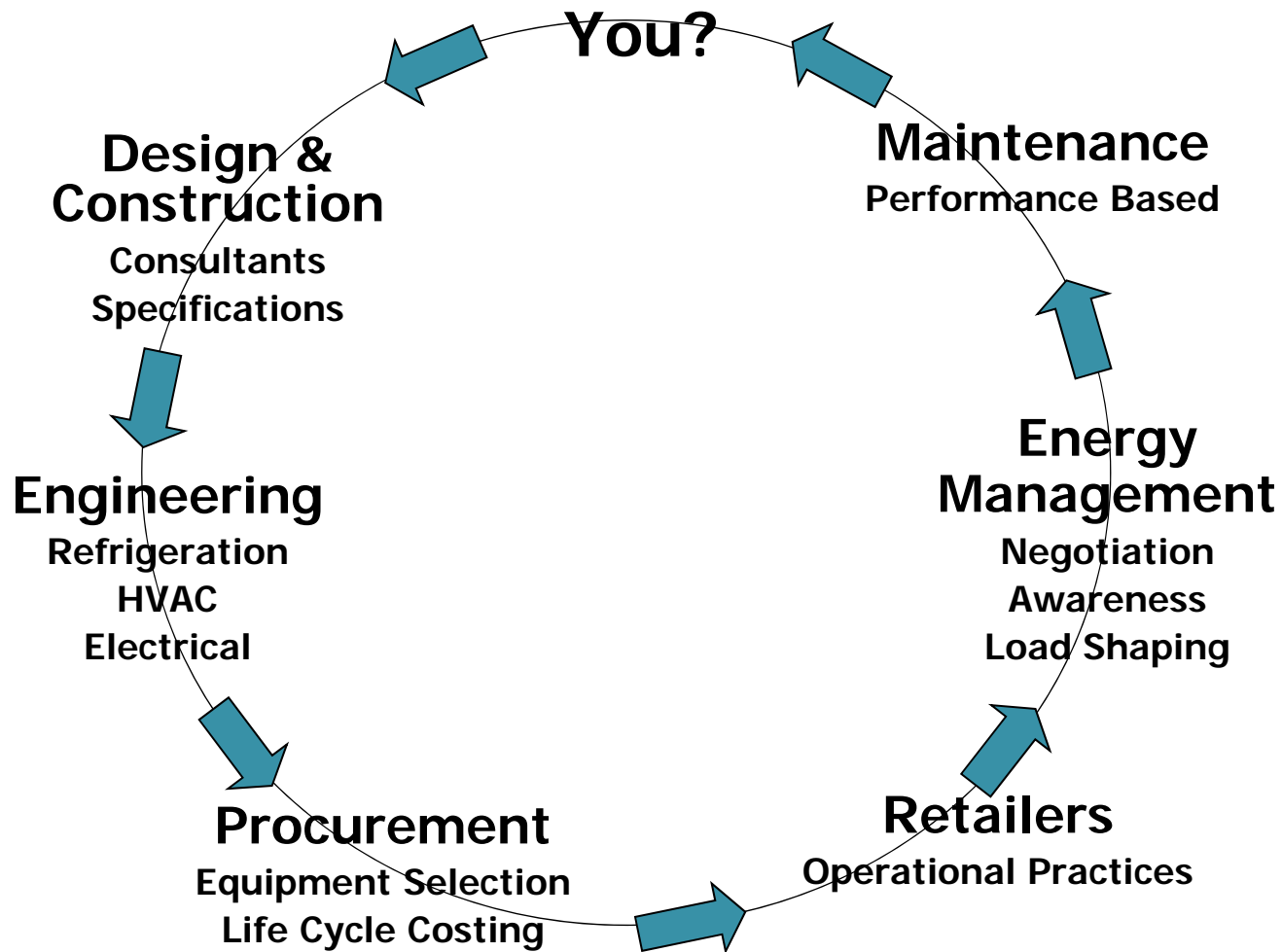
What else?

- Rainwater harvesting for landscape watering and other applications
- Reflective white roofs
- More distributed refrigeration systems that reduce the copper used, volume of refrigerants, and save energy by lowering ceiling heights

Coolers are ...Cooler

- Climate protection: enterprise-wide refrigerant management program that utilizes refrigerant leak detection systems.
- Distributed & medium temperature secondary refrigeration systems implemented in several stores.
- We've committed to building all new stores with non-ozone-depleting refrigerants

The Holistic Approach to Development and Operation



What About All Those Trucks and Distribution?

- Distribution fleet conversion to bio-diesel in
- Annual Recycling
 - Plastic
 - Cardboard
- Composting
- Certified organic

Waste Streams: Packaging & Composting



- Sustainable packaging
- Experimenting with compostable containers
- In search of PVC packaging

The Future Looks Even Greener



Current efforts:

- Benchmarking to determine baseline energy use

Consider?

- Vegetated rooftops
- Use of grey water where applicable
- Partnership to utilize porous paving and additional green space creation

Portfolio Approach to Greening Development and Operations Strategy

- Design and Construction
- Wind and Solar Energy
- More efficient lighting – also reduces HVAC load
- Packaging
- Recycling / Composting
- Transportation / Bio Diesel
- Saving Water and Natural Resources

What Can You Do?

- Whatever company you may work at, or go to work at –
 - Create the awareness of the Stakeholder Philosophy; make it real
 - Create awareness and support of how the Environment fits in;
 - Help set goals around sustainability
 - Gather a baseline; measure and celebrate progress!
 - Take a step at a time as needed

What Can You Do?

- Recognize there may be some transitional steps while technology develops
- Work through conflicting scientific information to reach the overall best fit
- Seek out the answers from others

What Can You Do?

If new to the company:

- Get to know and understand the Company's products, operations very well
 - See and feel the operation, listen, learn
 - Understand the industry, competition
 - Appreciate what has been done, built, and created