



Sustainability of Food Companies

“Greenwashing” or True Strategy ?

Top Manager Working Breakfast

Paris, October 20, 2008



■ Sustainability : the concept that was philosophical in its beginning

Formalizations scientist and policy

- ▶ 1980 : International Union for the Conservation of the Nature (UICN)
- ▶ 1986 : the European Single Act
- ▶ 1987 : the Brundtland report « Our Common Future »
- ▶ 2002 : Sustainability World Summit at Johannesburg

Definition

- ▶ General : to meet the needs for the present without compromising capacity of the future generations to answer theirs.
- ▶ Social and environmental responsibilities for companies is the taking into voluntary and progressive account of the corresponding factors in their economic development and improvement of the relations with the stakeholders.

Strong waiting and answers of various nature

▶ Some indicators of social waiting :

- Success of the demonstrations altermondialists in Seattle and Puerto Allegre
- Interest for environmentalists documentary films
- Multiplicity of the universities' offers of training


▶ Examples of answers observed via Internet:

- Resolutions International organization (UNO and its agencies, OECD, G8...)
- Al Gore's report distinguished by the Peace Nobel Prize
- Political implications (ministerial attributes, regulations...)
- Numerous standards, grids of evaluation, classifications, stock exchange indexes, distinctions
- Nomination of company managers as director for « Sustainability »
- Offers of international expert consultants


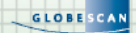


A not very significant consumers' perception of country situation

(Quota sample into 14000 Net surfers from 14 countries)



A research project by National Geographic and GlobeScan

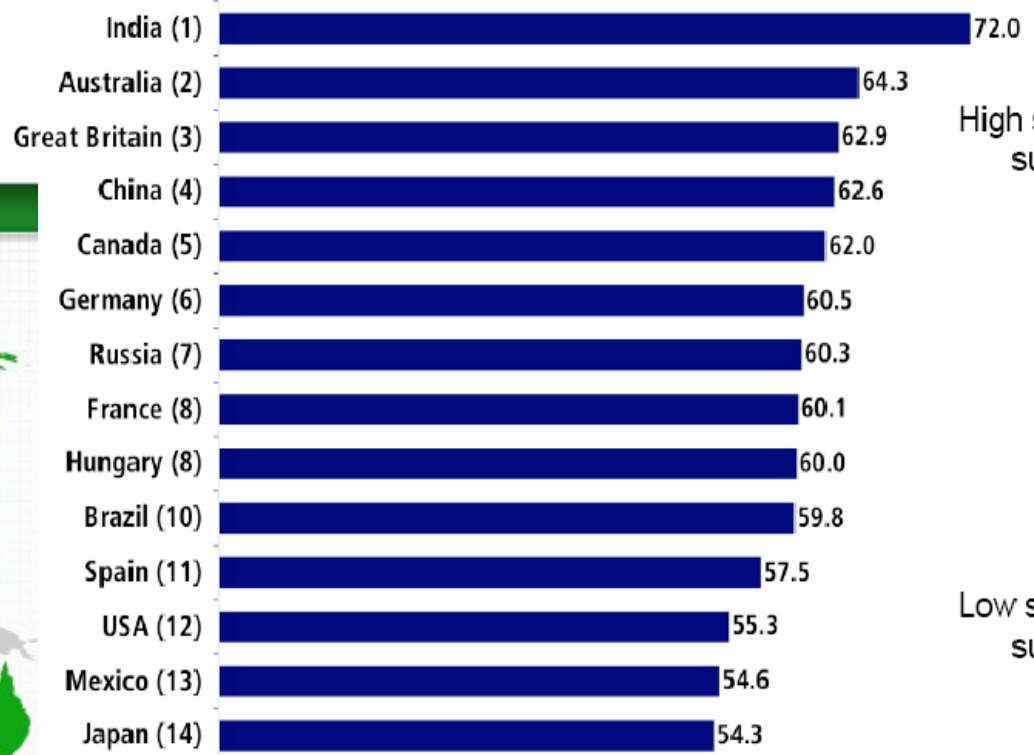



Greendex 2008:
Consumer Choice and the Environment

Greendex Rankings: Food



Consumers in...



High scores = more sustainable

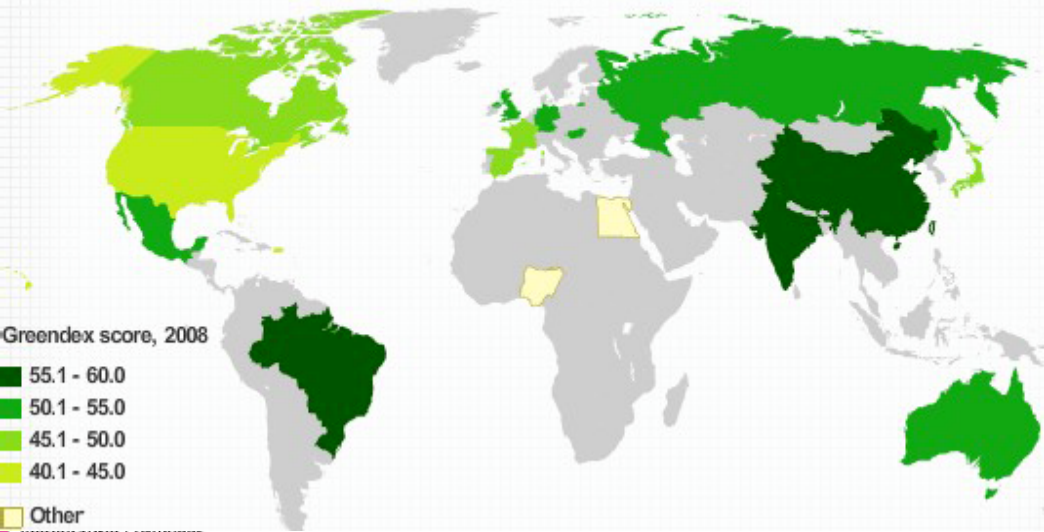
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Low scores = less sustainable

Most Important National Problem

Greendex Map of the World

Roll over a country to reveal its consumers' Greendex



NG08_IGS_map



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Collective answers :

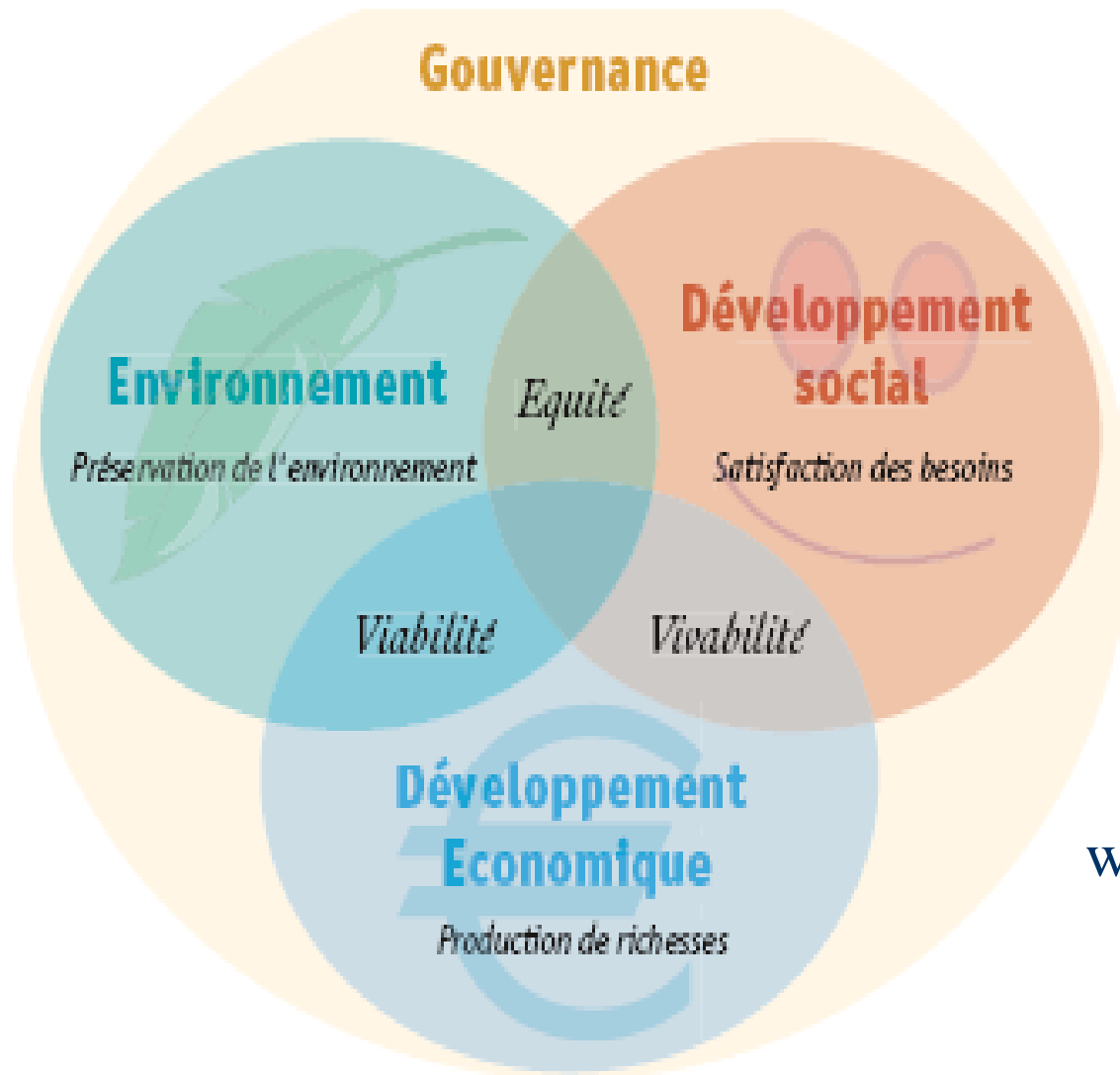
- **2003** : Launching by the ANIA (French Federation) of 12 action plans
- Topic of CIAA (European Federation of Food & Drink Industries) congress 2008
- Project of Coop de France in the course of finalization
- Participation in projects initiated by Regional Communities

Many and multiform individual answers:

- Industrial groups and SME take real initiatives and communicate on their realization
- Companies carry out actions which could be taken into account within the framework of sustainability but without referring to it explicitly
- Others affirm simply that they fit in sustainability ...



The concept of sustainability, a concept broader than citizenship ...



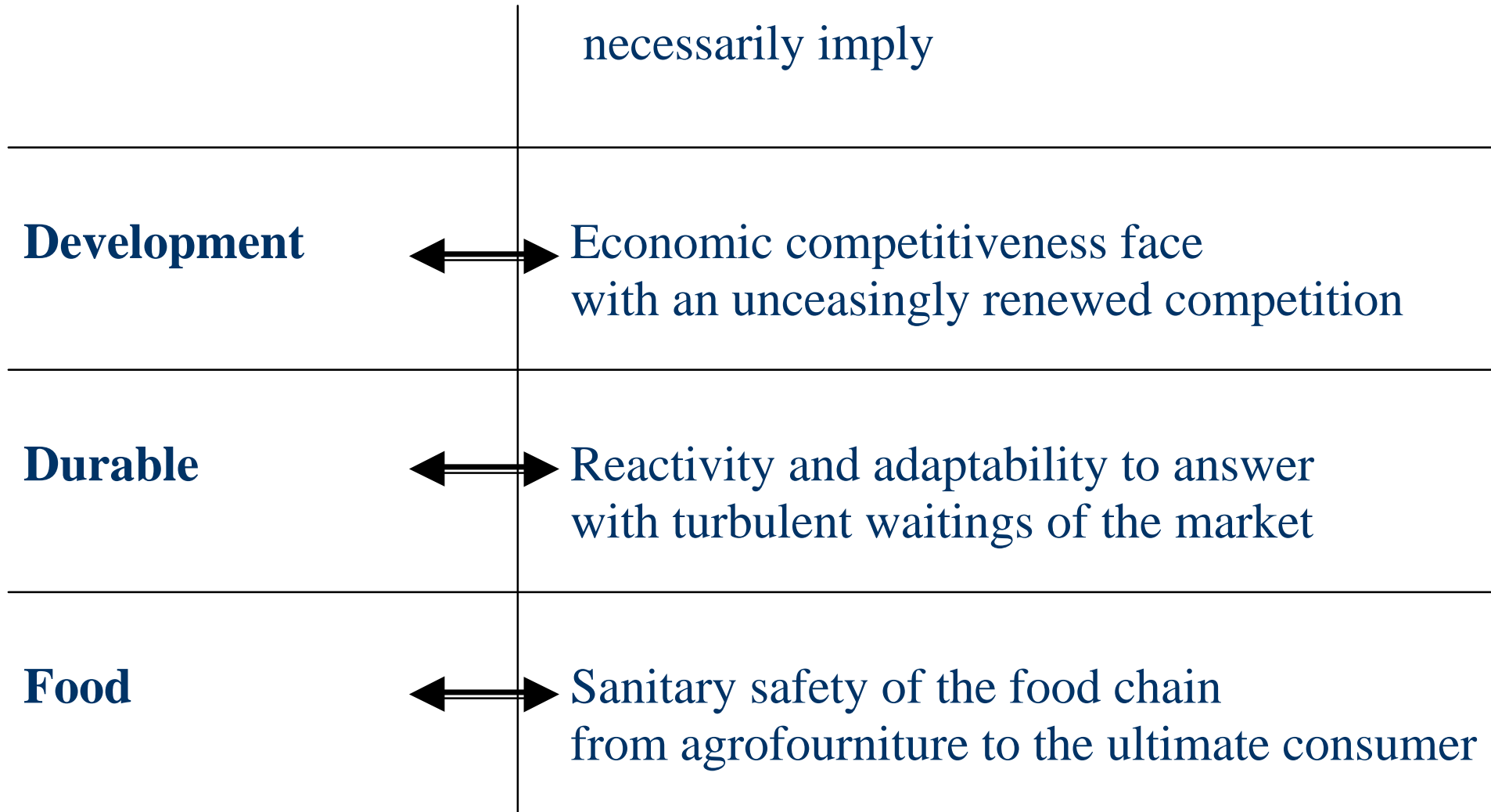
A rational political approach but ...

... the variation of the collective
towards the economic operators



who must be competitive on the market

is it relevant ?

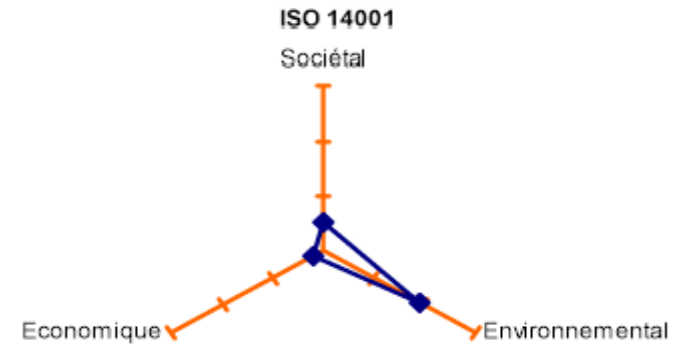
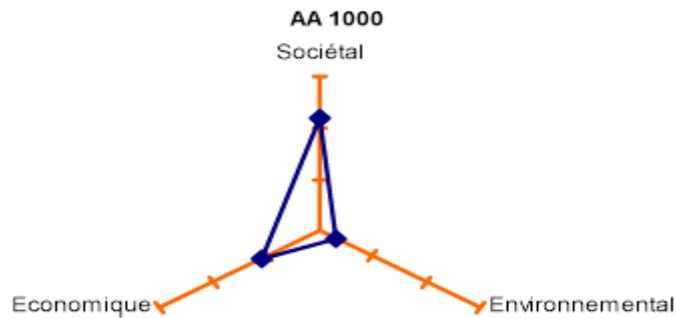
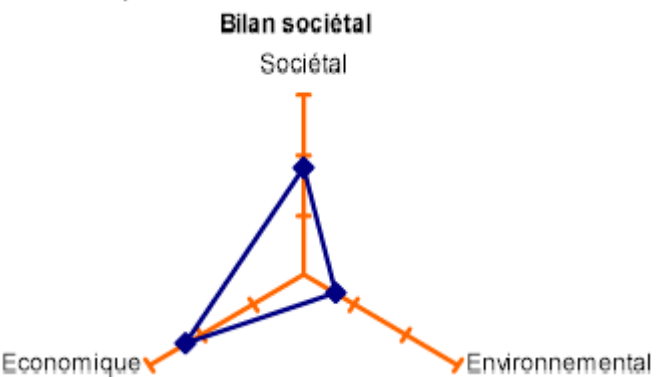
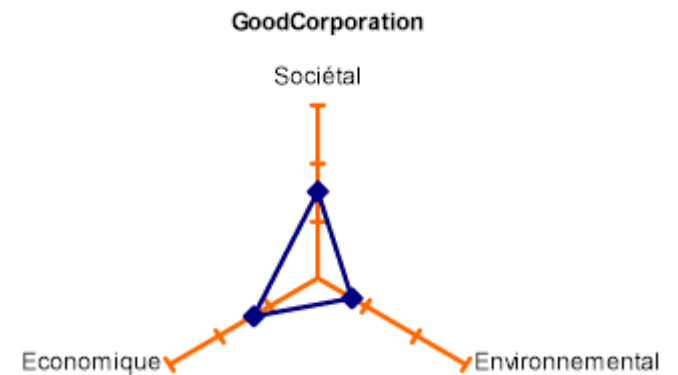
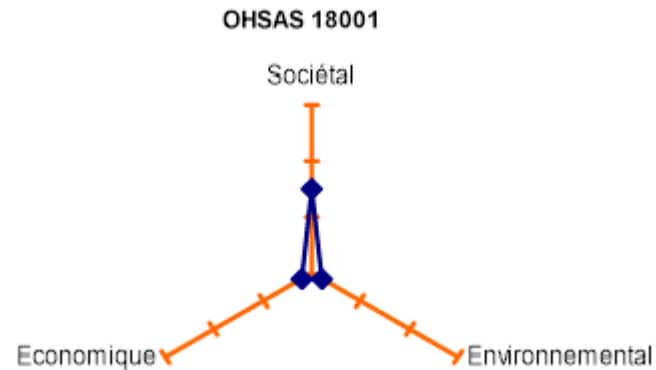
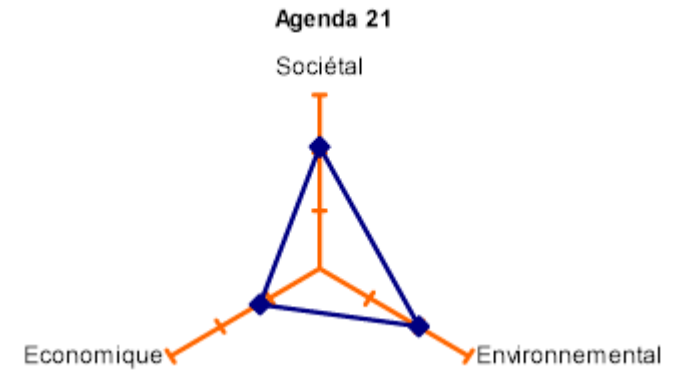
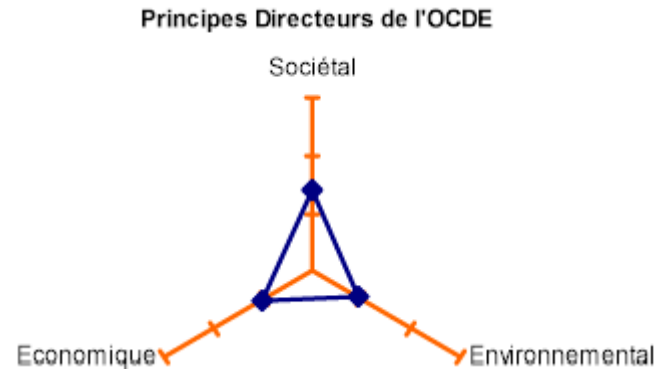
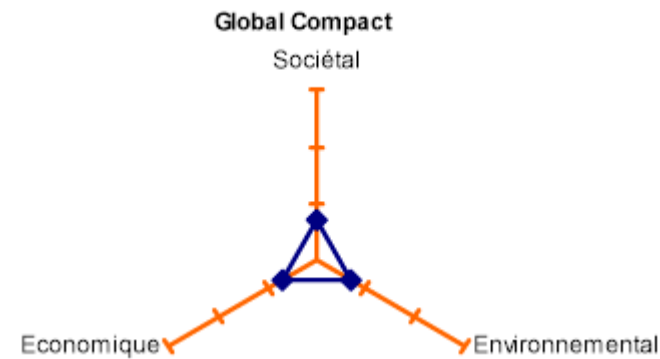
■ Sustainability for a Food Company...



Nearly a hundred guides and norms as management tools

Reference Norms	Global	Economical	Environmental	Social
<p>Main management tools for companies</p>	<p>«Global Compact» </p> <p>GRI  Global Reporting Initiative»</p> <p>CANADIAN SUSTAINABILITY INDICATORS NETWORK (CSIN)</p> <p>Loi RNE française</p> <p>ISO 14001 </p> <p> CJDES</p> <p>Bilan sociétal autoévaluable</p>	<p>IGD </p> <p>Norme UK  goodcorporation</p>	<p>Eco Management & Audit Scheme </p> <p>Norme SA 8000 </p> <p>Norme OHSAS 18001 </p>	<p>Norme ILO-OSH 2001 de l'OIT </p> <p>Norme de l'ISEA  AA1000 Assurance Standard Revision Proc</p> <p>Norme FORETICA SGE 21:2005 </p>

with very heterogeneous sensitivities...



Source: Ecopass

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And tools of benchmarking and external communication (certifications, scorings, ratings, awards...) that multiply

Référenciels

Globaux

Economiques

Environnement

Sociétaux

certifications
et outils de
benchmarking

AFAQ 1000



ISO 26000



Certificat «Li
Qualité Frai



Innovest

STRATEGIC VALUE ADVISORS



CoreRating



IVCA
Award

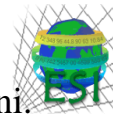


Premios Europeos de Medio Ambiente a la Empresa
European Awards for the Environment
Sección País Vasco 2007/2008

SEEDA Sustainable
Business Awards



Index de Yale
& Columbia Uni.



Tamar sustainability index



ASPI Eurozone

Ethisphere

Forbes

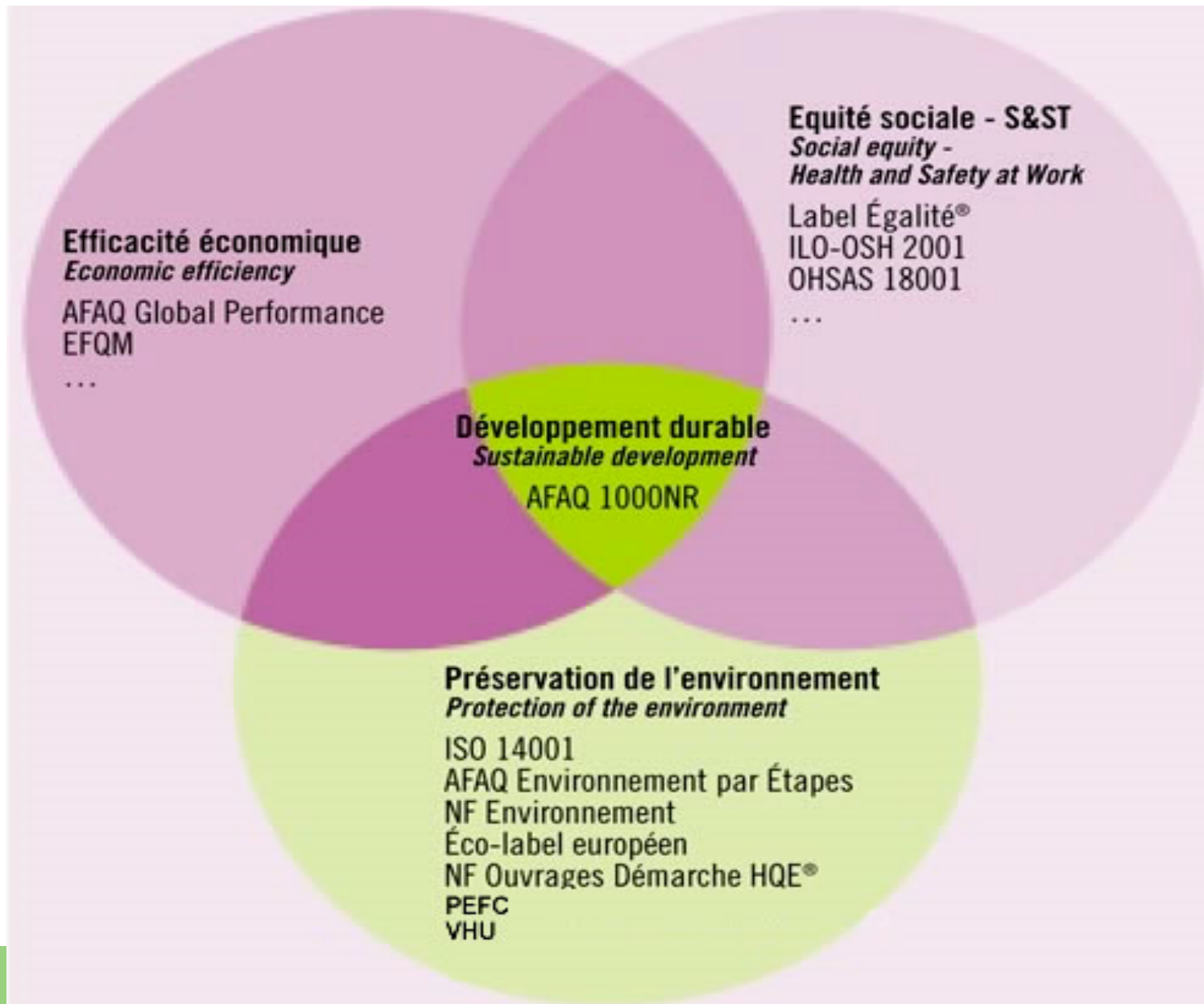


London Corporation's
Sustainable City Award



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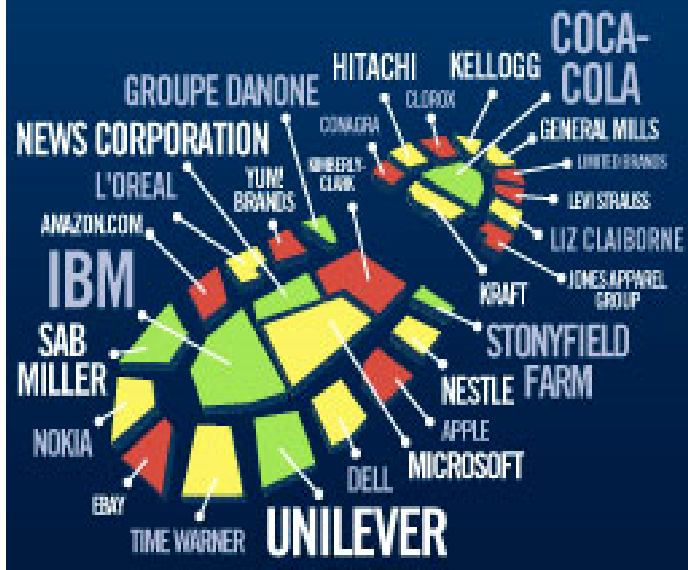
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An example of community rating : 2008/2007 Climate Counts

(score on 100)

YOUR CHOICE. YOUR VOICE.
OUR COMPANY SCORES HELP YOU
VOTE WITH YOUR DOLLARS.



Stuck



Starting



Striding

🍏 FOOD PRODUCTS

🏃	Stonyfield Farm	78	+15
🏃	Unilever	75	+4
🏃	Groupe Danone	64	+14
🏃	The Coca-Cola Co.	61	+4
🏃	Nestle	61	+19
🏃	General Mills	39	+2
🏃	Kraft Foods	39	-4
🏃	PepsiCo	37	+11
🏃	Kellogg	35	+11
🏃	ConAgra Foods	21	+15
🏃	Sara Lee	13	+11

🍷 BEVERAGES - BEER

🏃	Anheuser-Busch	50	+21
🏃	SABMiller	48	n/c
🏃	Molson Coors Brewing	34	+14

☕ FOOD SERVICES

🏃	Starbucks	49	+3
🏃	McDonald's	27	+5
🏃	Yum! Brands	1	n/c
🏃	Burger King	0	n/c
🏃	Darden Restaurants	0	n/c
🏃	Wendy's International	0	n/c

Source: <http://www.climatecounts.org>



After the quality assurance, the groups of distribution will make sustainability a criterion of selection of their suppliers



For 400 references under retailer label

- Carrefour Cy proposes to its suppliers a self-diagnosis tool

- Intermarché made certify by Veritas in April 2008 the respect of the schedule of conditions « sustainable fishing », including as regards social aspects, four of the principal species caught by its trawlers.

- le groupe Casino will generalize a system of “green labelling” on the 3.000 foodstuffs sold under its label. Two years of studies were devoted to determine the quantity of carbon emitted by the products under Casino label. The retailer took account of all the stages of their manufacture from agricultural production with design of packaging and transport.

- Wal-Mart Cy (CA: 280 milliards €, around Carrefour Cy x 3 , with 1/4 outside USA) invited in July 2008 its partners in “Wal-Mart Sustainability Index Summit” to work out the index which the company will use to evaluate its 60.000 suppliers and all their products.

||||| The expansion of indicators and awards relativizes the challenges

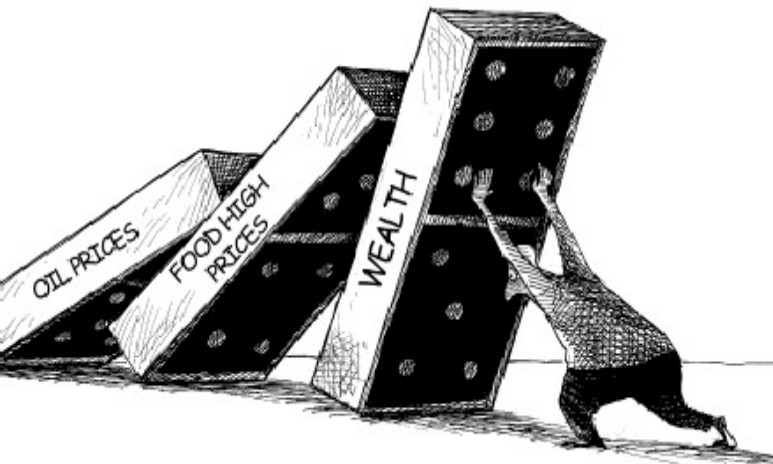
In a world of the XXI^e century characterized by its complexity and its messy situation (cf. « 2007-2017 Map of Future Forces Affecting Sustainability » by IFTF), whose crisis of the 2007 world prices of cereals and oil were, with the failure of the OMC negotiations because of the dissension Inde/USA, first elements,

2 major world challenges will impact particularly the food sector and companies toward 2020:

- the inescapable rise in the price of fertilizers and fuels with its impact on the supply chain**
- the urban demographic explosion in Africa and Asia (1 million additional consumers/week)**



Vis-a-vis the challenge of the inescapable increasing price of fertilizers and fuels...



The nitrate fertilizers are produced with natural gas whose price is related to the oil price. Oil rarefies and the content of the phosphate layers decreases.

So, the rise of the long term prices of these inputs is inescapable.

It will directly impact the agricultural production and transport costs, indirectly the whole of the “food supply chain”.

Traditional farming activity is to transform solar energy into nutritional biomass. It is necessary to develop new farming technologies more efficient and sparing of energy and to diversify its activity toward the production of 2nd generation bio-fuels.

The cost of transport will involve a revision structural of the food supply chain, even of the consumer's budget.

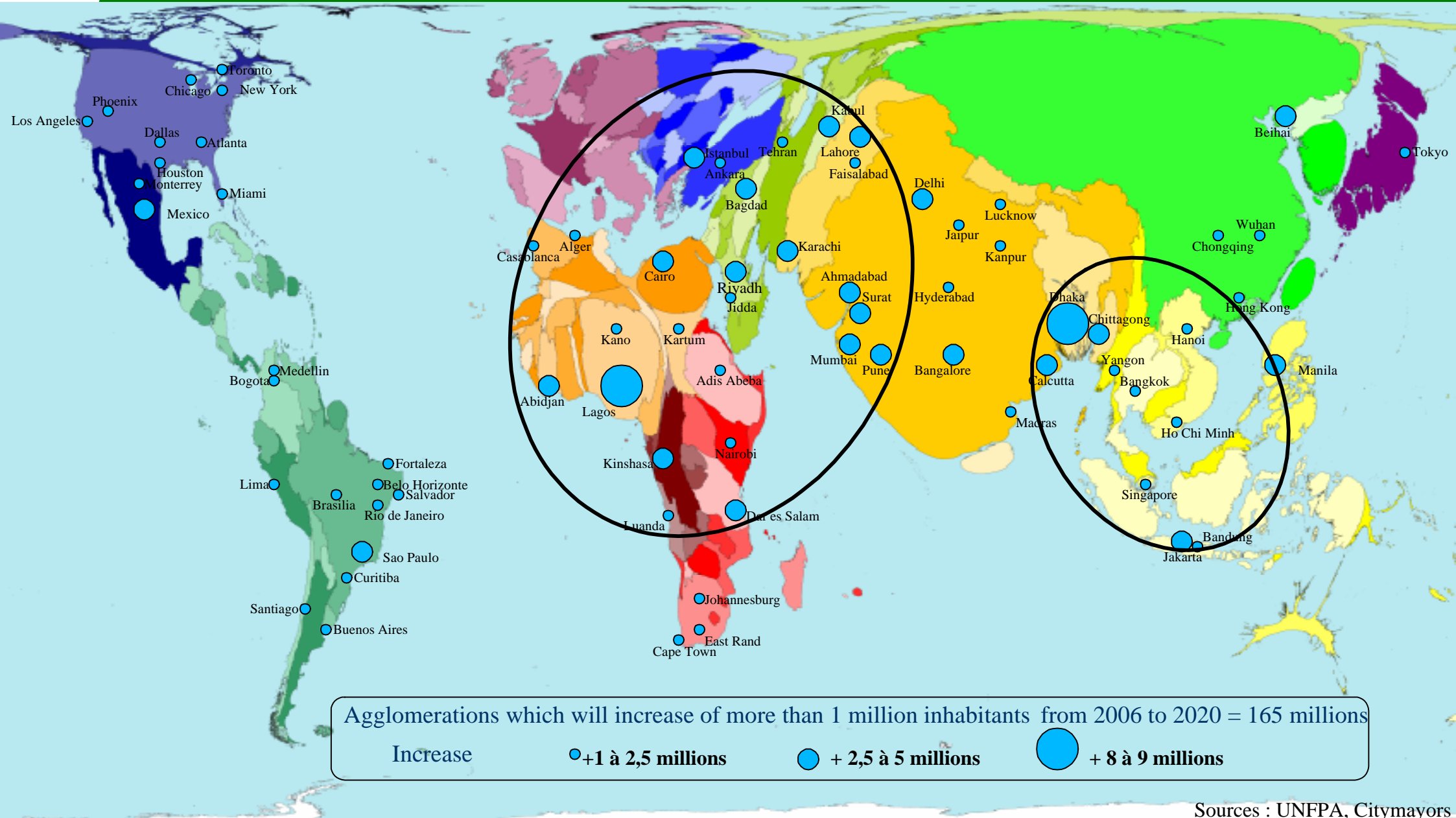
A prospective reflection must prepare the food companies to be adapted.



The urban demographic exposition, a planetary challenge

The urban population will reach nearly 5 billion in 2030

1,6 billion more than in 2008, including 92% in the Developing Countries



Sources : UNFPA, Citymayors

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Vis-a-vis the challenge of the urban explosion and food safety...



Kinshasa 2005

The urban centers will accommodate all the world increase in population.
Most of this increase will make up of poor people.
Half will be absorbed by the cities > 500.000 inhabitants

The peri-urban agricultural production will not be able to satisfy them.

So, it is necessary to mobilize all operators of the Food Supply Chain and its million professionals with their financial capacities and their competences as well technical as organisational (the results of Indian co-operatives, Lactalis in Ukraine or Laiterie du Berger in Senegal, like structuring and stimulating agents, are good examples) **like all the teams of research, including those of the Developing Countries.**



As a conclusion...

Taking into consideration

- the philosophical concept of durable development
- the UN Millenium Development Goals
- the major stakes with which we are already confronted...

**How to mobilize effectively
all energies and competences ?**

More informations on <http://www.ciia-c.com>