

Sustainable Sourcing Guide

IMD Roundtable
March 20, 2013

Sustainable Sourcing

The Context

Oxfam: Behind the Brands

What do Twinings, Toblerone and Tropicana have in common? The same as Coca Cola, Cheerios and Cadbury's, Ovaltine and Oreos, Pringles and Pop tarts. They're all made by the 'Big 10' food companies, who between them make over \$1 billion a day.

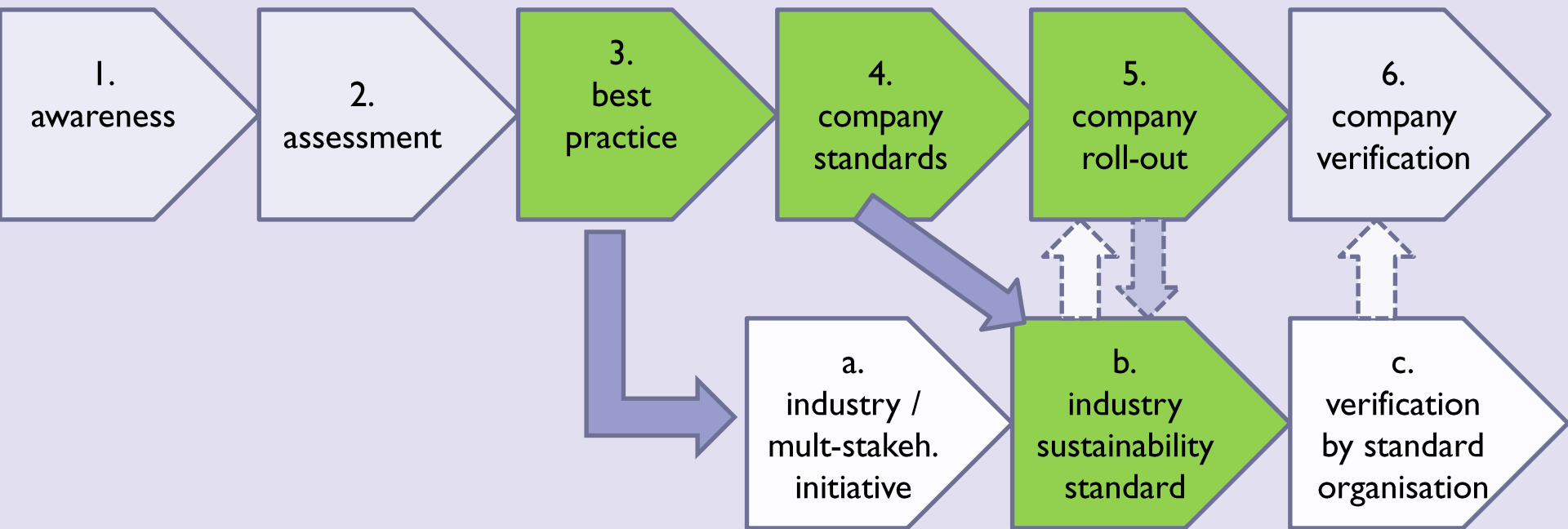
Here at Oxfam we've spent a good part of the past 18 months looking at how the world's biggest food firms - household names like Nestle, Coca Cola, Pepsi and Kellogg - do business. While some are doing better than others, overall, the results are bad news. But the good news is that no brand is so big it can ignore its customers - and that's where you come in.



Sustainable Sourcing

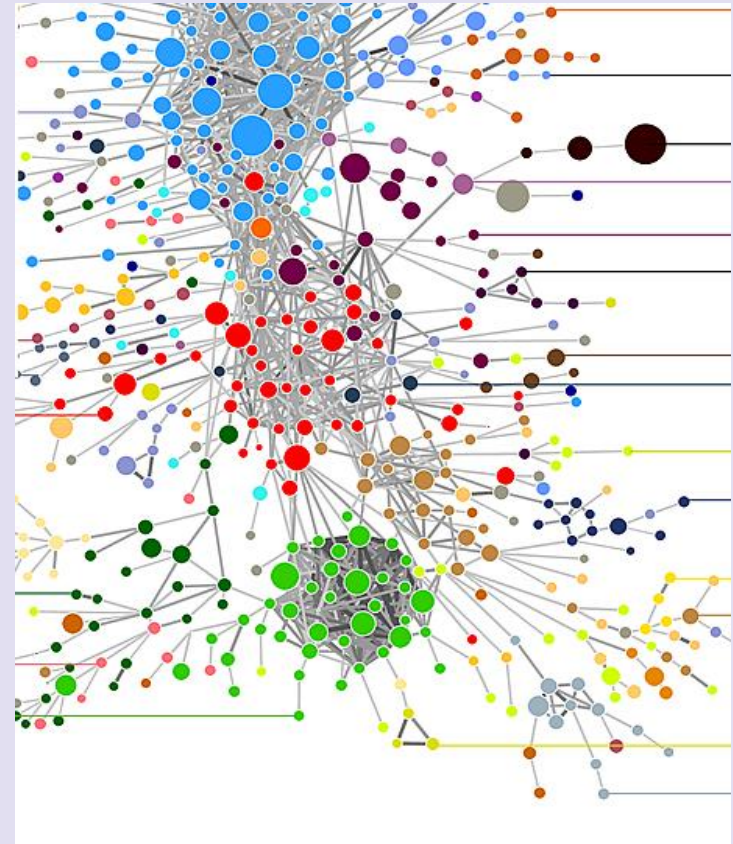
The Guide

Many companies are now entering the implementation phase



Many questions, many different answers

- There is a huge variety in 'sustainable sourcing' situations:
 - companies have different strategies, emphasise different sustainability aspects
 - companies are in different stages of implementing their sustainable sourcing strategy
 - companies have different positions in supply chains
 - different options in different supply chains: direct sourcing, through suppliers or on commodity markets.
 - different inputs – different sustainability issues
 - supply chains are different for different inputs
 - etc.
- But there are a number of questions every company could ask
 - on sustainability criteria
 - on certification
 - on supporting farmers
 - on reorganising supply chains
 - on internal organisation and company culture
- That is what the Sustainable Sourcing Guide tries to do.



Chapters in the Guide

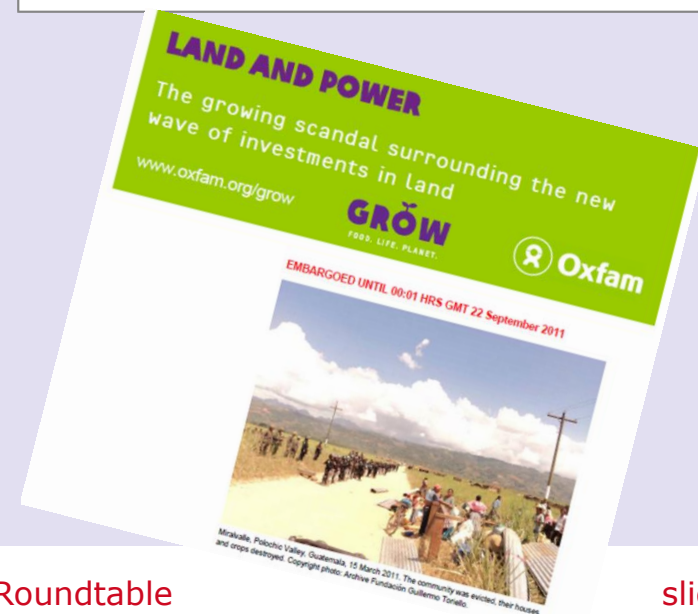
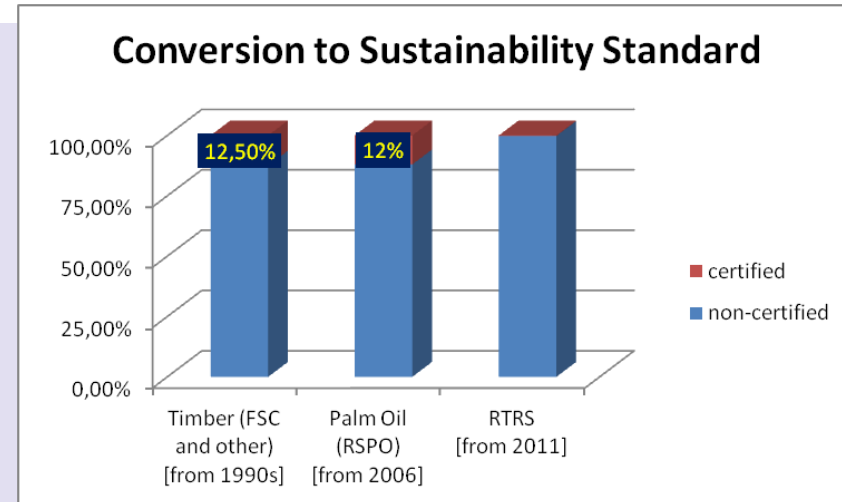


Sustainable Agriculture

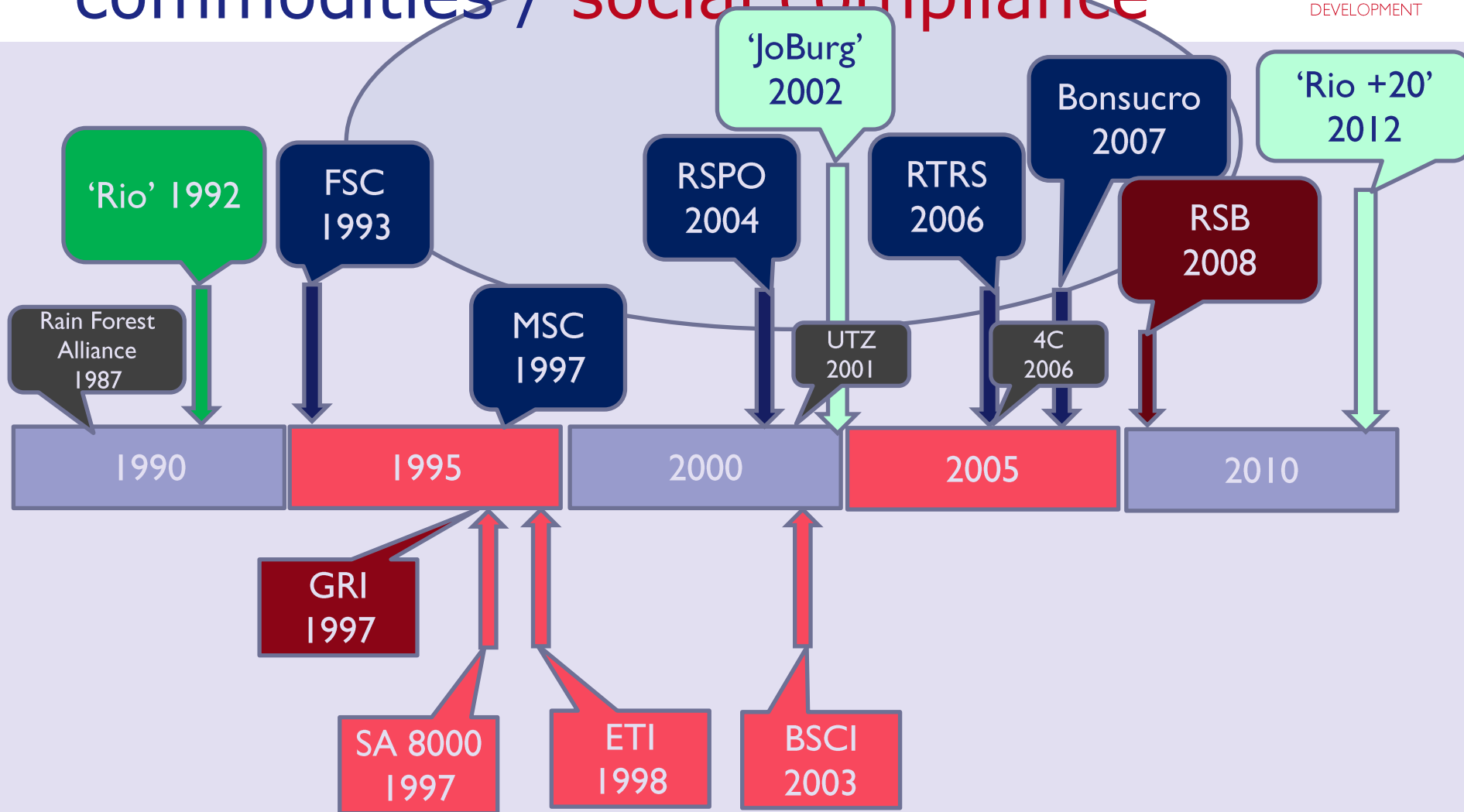
Beyond the Guide

Issues on the Agenda

- The limits of certification / alternative models for certification / impact measurement.
- The need for more effective pre-competitive cooperation.
- The limits of private sector / NGO driven standards: bringing the government back in.
- Effectively dealing with human rights issues in agriculture ('land grabs', food security etc.)
- From crops and supply chains to the landscape level (biodiversity, land rights issues, etc.).



Initiatives for sustainable commodities / social compliance



Tomorrow will be different

We need to develop new models for sustainable agriculture;

The role of private (food) companies and their sustainable sourcing will change accordingly;

The role of governments and NGOs will change;

New modes of cooperation, new management models will develop;

So will be the 'Sustainable Sourcing Guide'.



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SUSTAINABLE
BUSINESS
DEVELOPMENT