



Pre-Conference Workshop - Responsible Sourcing

**Associated
British Foods
plc**



Responsible Sourcing: What and Why?

Peter Cottiss

ABF Global Category Leader:
Food Chemicals & Ingredients

Peter.cottiss@abfoods.com

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<http://www.twining.co.uk/about-twinings/corporate-social-responsibility/working-with-save-the-children-in-china-and-myanmar>

Responsible Sourcing

To cover today

- Overview of ABF
- The Big Picture: A Brief History ...
- So...What motivates businesses?
- What Next?
- Appendix: CSR in ABF

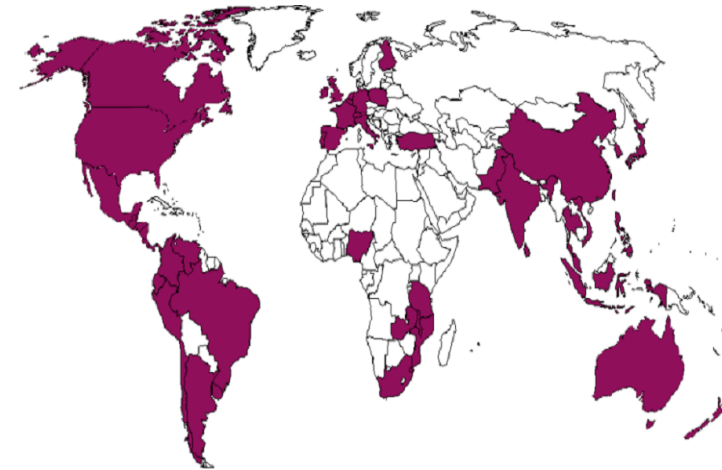


ABF: A Global presence



Associated British Foods is a diversified international food, ingredients and retail group with sales of £13bn in over 100 countries , employing 113,000 people in 47 nations.

- Listed on the London Stock Exchange, the controlling interest is held by the Weston family
- Devolved organisation with a small central team
- Delivering quality products and services that are central to people's lives.



ABF: Group at a glance



Grocery

Hot beverages, sugar and sweeteners, meat, vegetable oils, bread, baked goods and cereals, herbs and spices, and world foods



Sugar

A leading multinational in the expanding international markets for sugar and sugar-derived co-products, with operations in the UK, Spain, Southern Africa and China



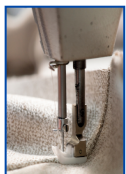
Agriculture

Supplies products and services to farmers, feed and food manufacturers, processors and retailers, employing over 2,000 people, with distribution across 65 countries



Ingredients

Yeast and bakery ingredients supplying plant and artisanal bakers, food service and wholesales channels, as well as high-value ingredients for food and non-food applications, operating worldwide



Retail

Primark, a major retail group offering customers quality, up-to-the-minute fashion at value-for-money prices, with over 275 stores in Europe, opening 2015 in USA

Group revenue 2013/14: £12.9bn

Adjusted operating profit: £1.16bn*

* before amortisation of non-operating intangibles, and profits less losses on disposal of non-current assets



Some Leading Global Brands



ABF: Group Business Model & Strategy



- Portfolio of businesses:
 - large operations achieving good revenue & profit growth
 - Mature cash generators
 - Smaller enterprises with exciting growth potential
- Aiming for strong and sustainable organic growth with timely acquisitions of complementary businesses

- Value Together – at the heart of the way we operate
- Businesses collaborating as part of a larger organisation
- ...Whilst retaining clear individual identities and accountability
- With a small corporate centre providing support

Providing our business leaders with the freedom and decision-making authority to pursue opportunities with entrepreneurial flair.

ABF Approach to Corporate Responsibility

Chief Executive's introduction



George Weston

Chief Executive

Associated British Foods is both diversified and decentralised. We are successful because we trust the people who run our businesses. Close to their markets, they use their knowledge, skills and judgement to serve their customers and so our businesses thrive.

“...I believe that our principal value to society lies in what we do every day: providing people with access to good quality, affordable food and clothing.

We have a modern and efficient supply chain and are constantly improving...reducing waste and making more from less.

Of course, we must do this for generation after generation so our actions will be sustainable”

- At ABF, the Centre engages enthusiastically, but doesn't dictate
 - We choose not to impose a single CR approach across the many varied businesses
 - But, to ensure the same high standards, we have core ethical business policies which are regularly reviewed and strictly enforced
-



Responsible Sourcing: The Bigger Picture

The Big Picture: A Historical Context

“Responsible”, or “Sustainable” Sourcing cannot stand alone: it must be seen as part of a wider business strategy, and indeed, within the context of global economic and social developments

- 1950s - 70s: Emerging concepts of Corporate Social Stewardship
 - Protest Movements, primary environmental concerns: Rachel Carson “Silent Spring”; Paul & Anne Ehrlich “the Population Bomb” etc
- 1970s-80s: International & Corporate Social Responsiveness
 - 1972 UN Conference on the Human Environment ...but continued deterioration : ozone depletion, water pollution, global warming, destruction of natural assets seen by many as an automatic by product of growth and affluence
 - 1983-87 World Commission on Environment and Development : The Brundtland Report “Our Common Future”
 - Brought together, and extended, concepts of Environment and Development, and provided the first definition of “Sustainable Development”

Sustainable Development: From Brundtland to Rio

Gro Harlem Brundtland



Prime Minister of Norway

Introduced the idea of **intergenerational equity**, and coined the phrase **Sustainable Development** as :

“Meeting the **needs of the present** without compromising the ability of **future generations** to meet their own needs.”

Paved the way for subsequent international co-operation

Brundtland Report Key Concepts:

- the concept of "**needs**" , in particular the essential needs of the world's poorest people, to which should be given overriding priority;
- the idea of **limitations** caused by the state of technology and social organization on the environment's ability to meet both present and future needs

■ 1990s-2000s: Towards Global Citizenship: 20 years on... 1992 Rio “Earth Summit” outputs:

■ Rio Declaration on Environment & Development

■ Agenda 21: Blueprint for Action

■ Three seminal instruments for governance:

— Framework Convention on Climate Change (UNFCCC)

— UN Convention on Bio Diversity

— Statement on Forest principles

20 Years Beyond Rio

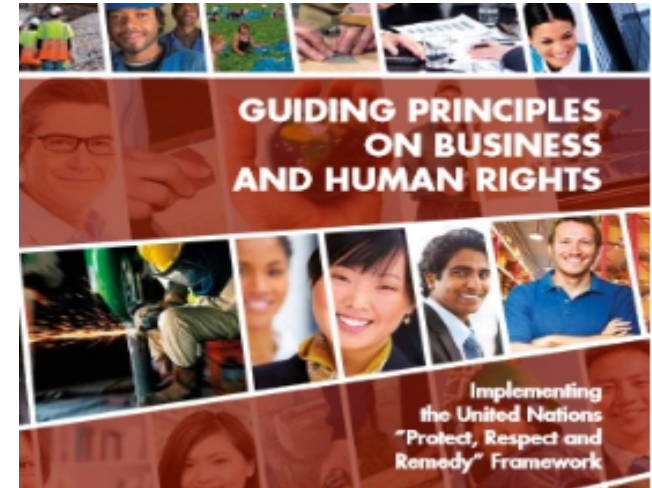
Since 1992, despite slower progress than anticipated , Sustainable Development has transitioned from being an interesting yet at times contested ideal, to a concept that enjoys widespread endorsement .

- Despite confusion and compromise, progress has been made via:
 - International Labour Organisation Declaration 1998:
 - Member states committed to respect and promote freedom of association and elimination of forced labour, child labour and employment discrimination
 - Millennium Development Goals:
 - Poverty, HIV/Aids, Primary education, Gender disparity, Maternal mortality, Safe drinking water, Global partnership (trade & debt), Environmental sustainability.
 - UN Global Compact: launched in 2000 to support delivery of MDG and 10 key principles across 4 key headings:
 - Human Rights, Labour Standards, Environment, & Anti-Corruption
 - Leadership platform to support businesses make a difference



Integrating Human Rights

UN Special Representative John Ruggie proposed a framework: the UN Guiding Principles on Business & Human rights to the UN in 2008, endorsed in 2011.



These, along with the ten UN Global Compact principles have been developed to form what today is recognizable as a corporate social responsibility framework

Based on the Report to the Human Rights Council by John Ruggie, 2011

Summary: So what is Corporate Social Responsibility?

A.k.a. Corporate Citizenship, Strategic Sustainability, Ethical Business, Triple Bottom Line etc

...



Achieving Commercial Success in ways that honour ethical values and respect people, communities and the natural environment

WBCSD: The continuing commitment by business to behave ethically and contribute to sustainable economic development while improving the quality of life of the workforce and families as well as of the local community and society

(Kotler & Lee 2005)
“A commitment to improve community well-being through discretionary practices and contributions of corporate resources

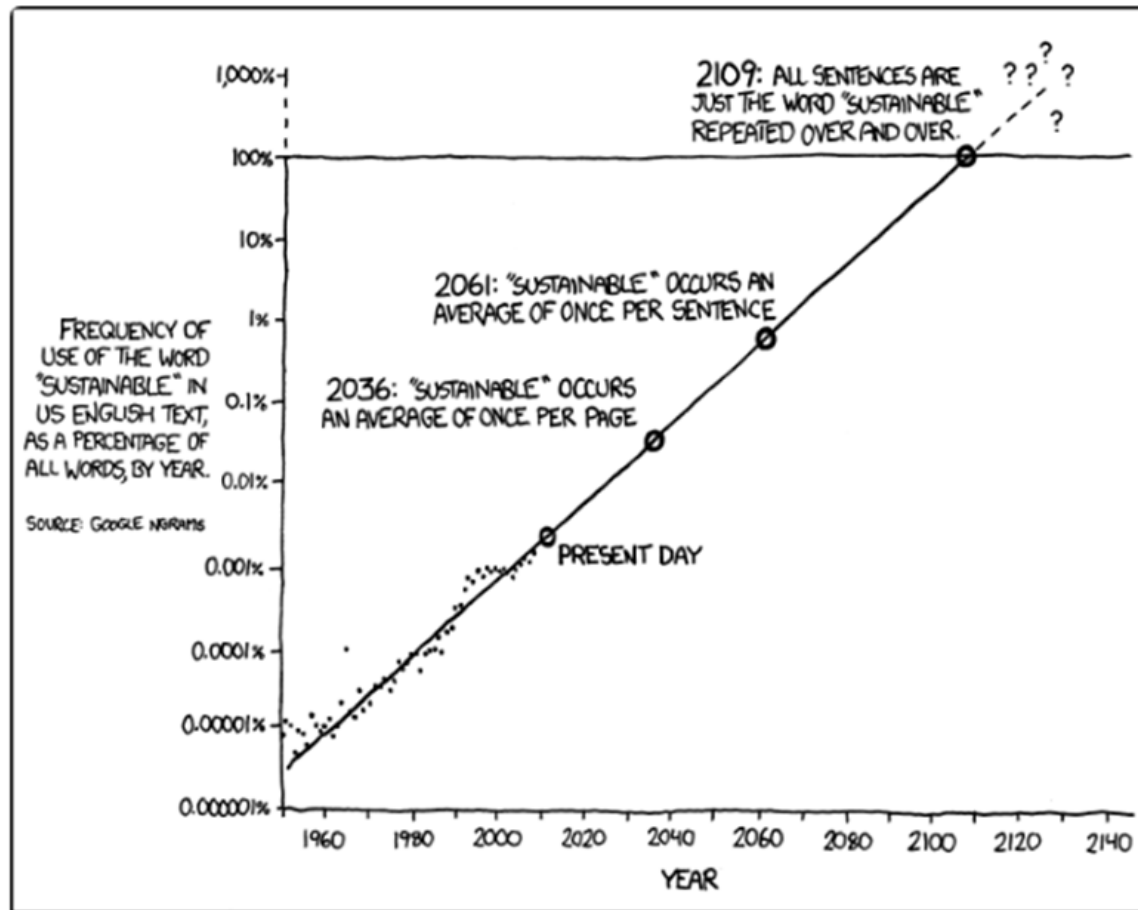
...about how companies manage the business process to produce an overall positive impact on society

(P & A Ehrlich): Minimising Impact
I = Population x Affluence x Technology

(OR: Ray Anderson, Interface Carpets (TED):
 $I = P \times a / T \times H$: minimise impact by improving happiness and / or use of beneficial technologies)

Just a fad??

Is "sustainable" going the way of "eco" and "green"?



The Rise of CSV

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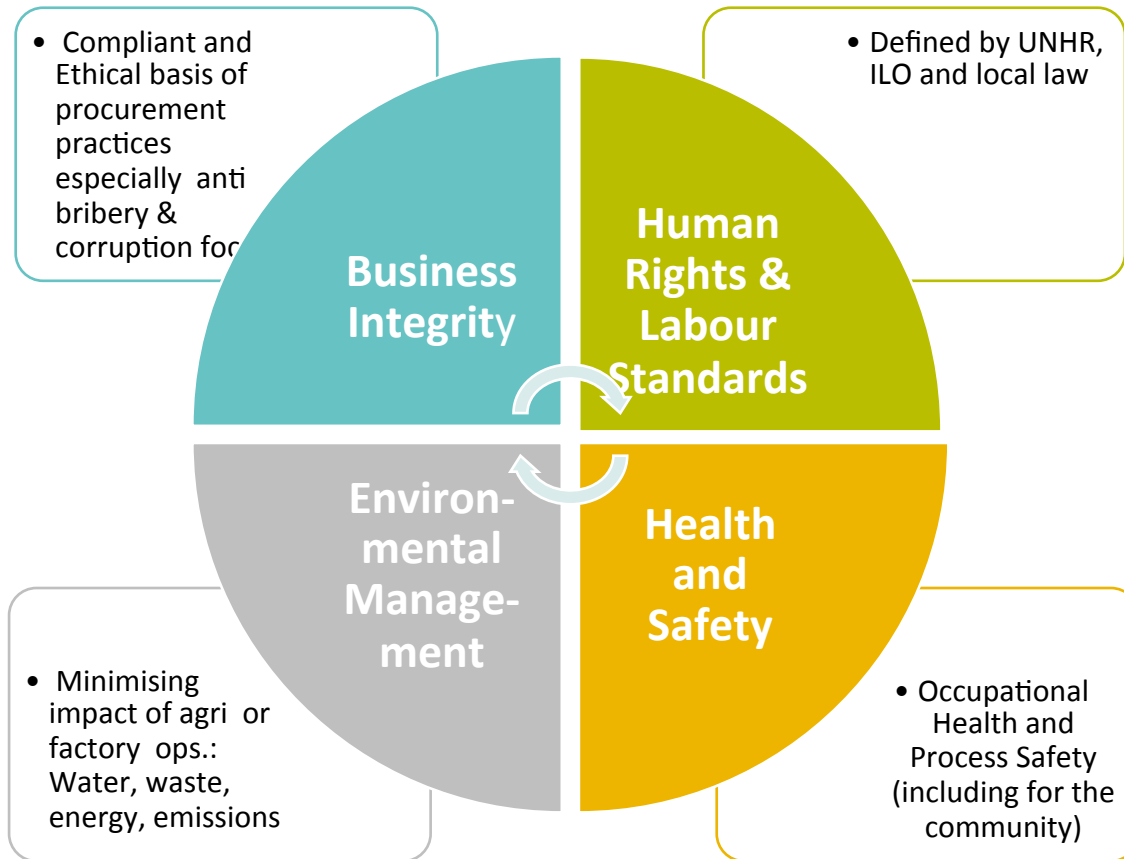
"Creating Shared Value"



Responsible Sourcing:
Closer to Home

Principles of responsible sourcing

Again, many variants, but at its core:



Within the context of economic sustainability for supply chain participants

Some other key elements:

Labour



- **Ethics**



Environment



- **Health & Safety**



- **Product Integrity**



- **Animal Welfare**



Responsible Sourcing: Some Major Business Approaches

Meeting our commitments

We've made 38 commitments to support our long-term goal of Creating Shared Value. Find out how we're doing.

● ○ ○ ○ ○

NUTRITION

RURAL DEVELOPMENT

WATER

Our people are learning more about the contribution Nestlé foods and beverages can make at every stage of life.

Rural development and responsible sourcing are at the heart of our business.

Everyone is facing a global water crisis. Responsible water stewardship is critical to the future of our business.

ENVIRONMENT

HUMAN RIGHTS

OUR PEOPLE

We ensure that the principle of environmental sustainability is embedded into our activities, brands and products.

We recognise and act on our responsibility to respect human rights in Nestlé's operations and supply chains.

We put people at the centre of everything we do, keeping them safe, healthy and engaged is a top priority.



THE NESCAFÉ PLAN

Responsible farming

- 170,000 Farmers:
 - ✓ Direct Procurement
 - ✓ 180,000T
 - ✓ 4C compliant
 - ✓ 90,000T of SAN
 - ✓ African countries
- 220 Mln Plantlets by 2020
 - ✓ Better yield & quality
 - ✓ Disease resistance
 - ✓ Promote bio-diversity

and

Responsible production and supply

- Soluble:
 - ✓ ~20% ene
 - ✓ ~30% wa
- Systems
- NP
- Develop impact

Responsible consumption

Beyond the cup
THE NESCAFÉ PLAN

Responsible Sourcing Guidelines

Palm Oil

Pulp & Paper

Cocoa

Soy

Sugar

Dairy

Coffee

Seafood

Meat

Vanilla

Hazelnuts

Shea

Nestlé

OUR TARGETS IN BRIEF

We will grow our business in a way which helps improve people's health and well-being, reduces environmental impact and enhances livelihoods.

IMPROVING HEALTH AND WELL-BEING

By 2020 we will help more than a billion people take action to improve their health and well-being.

HEALTH AND HYGIENE

By 2020 we will help more than a billion people to improve their hygiene habits and we will bring safe drinking water to 500 million people. This will help reduce the incidence of life-threatening diseases like diarrhoea.

NUTRITION

We will continually work to improve the taste and nutritional quality of all our products. By 2020 we will double the proportion of our portfolio that meets the highest nutritional standards, based on globally recognised dietary guidelines. This will help hundreds of millions of people to achieve a healthier diet.



REDUCING ENVIRONMENTAL IMPACT

By 2020 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.*

GREENHOUSE GASES

Halve the greenhouse gas impact of our products across the lifecycle by 2020.*

WATER

Halve the water associated with the consumer use of our products by 2020.**

WASTE

Halve the waste associated with the disposal of our products by 2020.*



SUSTAINABLE SOURCING

By 2020 we will source 100% of our agricultural raw materials sustainably.

BETTER LIVELIHOODS

By 2020 we will link more than 500,000 smallholder farmers and small-scale distributors into our supply chain.



Unilever



PEPSICO

6

Future strategy

Our path to zero

The need for decisive action from society to maintain our environmental sustainability is greater than ever.

Successful businesses in the 21st Century will be those that mitigate their environmental impacts, exchange knowledge and ideas with others and have the expertise to adapt to a changing world. This is the aim of our path to zero.

Fossil fuel free



Operations will be fossil fuel free by 2023

Caring about water



Taking our largest manufacturing sites off the water grid by 2018

Collaborative leadership



Catalysing change in supply chain, industry and policy

Products with purpose



Product packaging will be renewable, recyclable or compostable by 2018
Send zero waste to landfill throughout our supply chain by 2018

Passionate about growing



50% reduction in carbon and water use of our key crops by 2015

Our approach

In our first environment report in 2008 we set out the long-term transformational targets that we believe we will need to achieve to ensure that PUK is fit for purpose in the 21st century and beyond. This report shows our progress so far and our plans for the future.

But the process will not end in 2015, by which time we aim to have reduced by 50% the carbon and water impacts of our key crops, or 2018, when we want all of our major manufacturing sites to be off the water grid, and be sending no waste to landfill in our supply chain, or even 2023 when we have pledged to be fossil fuel free.

The targets we have set ourselves are key staging posts in what we call our path to zero – achieving zero environmental impacts on and of our business. Our journey is guided by the following principles: being fossil

fuel free, caring about water, being passionate about growing, having products with purpose and displaying collaborative leadership. Collectively these priorities require us to tackle the big impacts in our operations, our supply chain and through our products, and they commit us to sharing our knowledge and expertise to be a catalyst for change where it is needed in our industry, in our supply chain, with Government and with anyone else who will join us.

There will be other issues to address alongside those we have already identified, and of course more work to do when we achieve our aims. We will continue to apply our internal knowledge and expertise, and consult widely with expert stakeholders to ensure we are travelling on the right path at the right speed.

Target 50% reduction in water and energy use pre-farm gate

Introducing our 4 Key Commitments:

Nutrition
& Health



Manufacturing
& Operations



Cereal
Supply Chain



International
Supply Chains





We will have a 'Net Positive' impact on the British Countryside

We will continue to work with our cereal farmers to add back more than we take out from the British countryside. Improving the environmental quality and commercial sustainability of the farms that supply our grain to increase their long term efficiency and farmland biodiversity; while reducing negative impacts such as greenhouse gas emissions. By 2021 we will have made substantial progress towards having an overall 'net positive' impact on the British countryside.

By 2016 we will:

- Continue to support good farm management principles and the Princes Countryside Fund.
- Work with our farmers and independent experts from Harper Adams University to create a 'Net Positive' framework for arable cereal production. This will set out best practice and KPIs for the following:
 - Farmland Biodiversity
 - Yield & Manufacturing efficiency of crop
 - Input or agrochemical usage
 - Water
 - Greenhouse Gas emissions
 - Soil Quality
 - Rural economy
- We will establish a Governance structure for grain procurement & J&R farm management protocols.

Responsible Sourcing: Some Major Business Approaches

TWININGS[®] OF LONDON **ovaltine**

OUR VIEW ON SOCIAL RESPONSIBILITY

At Twinings Ovaltine, we take pride in doing things 'properly'. This goes for the creation and continuous improvement of products, which meet the daily needs and wishes of our valued consumers, the quality of the materials we source, the processes in our factories, and the way we treat our colleagues.

We also accept responsibility to try to improve the way things are beyond our factory and office walls, and to influence and assist our suppliers, and sometimes their suppliers, to 'do things properly' as well, to the benefit of those organisations and the communities in which they are based.

These efforts involve a Code of Conduct, inspections, training, work with NGOs and company-funded development projects, and pretty much span the globe. For sure, it takes quite a lot of time and quite a lot of money.

Working in this way is not difficult, however, because everyone knows instinctively that it is the right way to operate. Indeed we are fortunate to have the opportunity to improve the way things are in the world around us as we go about our business.

Bob Tanner

Bob Tanner
CEO
Twinings Ovaltine

HELPED
500.000
CHILDREN
IN CHINA
WITH SAVE
THE CHILDREN

ONLY
2 LOST TIME
INCIDENTS
IN OUR FACTORIES
IN 2013 / 14

HELPED TO REDUCE
WATERBORNE DISEASE

BY 66% IN
3 COMMUNITIES
IN DARJEELING

94% OF OUR PRIORITY SUPPLIERS (TEA
GARDENS, INGREDIENTS, PACKAGING
AND CO-PACKERS) INSPECTED

46% OF MANAGERS
ARE WOMEN AT
TWININGS OVALTINE

100% OF OUR TEAS COMES FROM
TEA GARDENS
THAT ARE PART OF THE
ETP PROGRAMME

70% OF ALL
OUR
WASTE IS
RECYCLED

IMPROVED THE
HEALTH AND
NUTRITION OF

WE BUY
100% OF UTZ CERTIFIED
COCOA FOR EUROPE

50.000
FARMERS IN
KENYA ARE
EQUIPPED
TO ADAPT TO
CLIMATE CHANGE

7.000
GIRLS IN ASSAM
TEA GARDENS

100% OF OUR PALM OIL
IS SUSTAINABLY
SOURCED

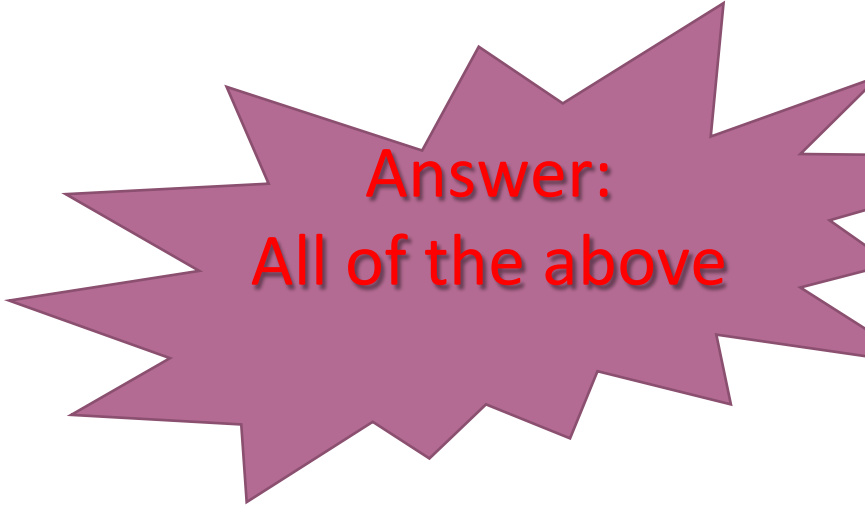


Responsible Sourcing:
Why ??

Do We Need To Ask?

Why do we need to address Responsible Sourcing?

- Because our Customers ask us to?
- Because our Consumers want us to?
- Because our business investors expects us to?
- Or
 - Just because we know we should – it's the right thing to do?



**Answer:
All of the above**

Why?



Why?



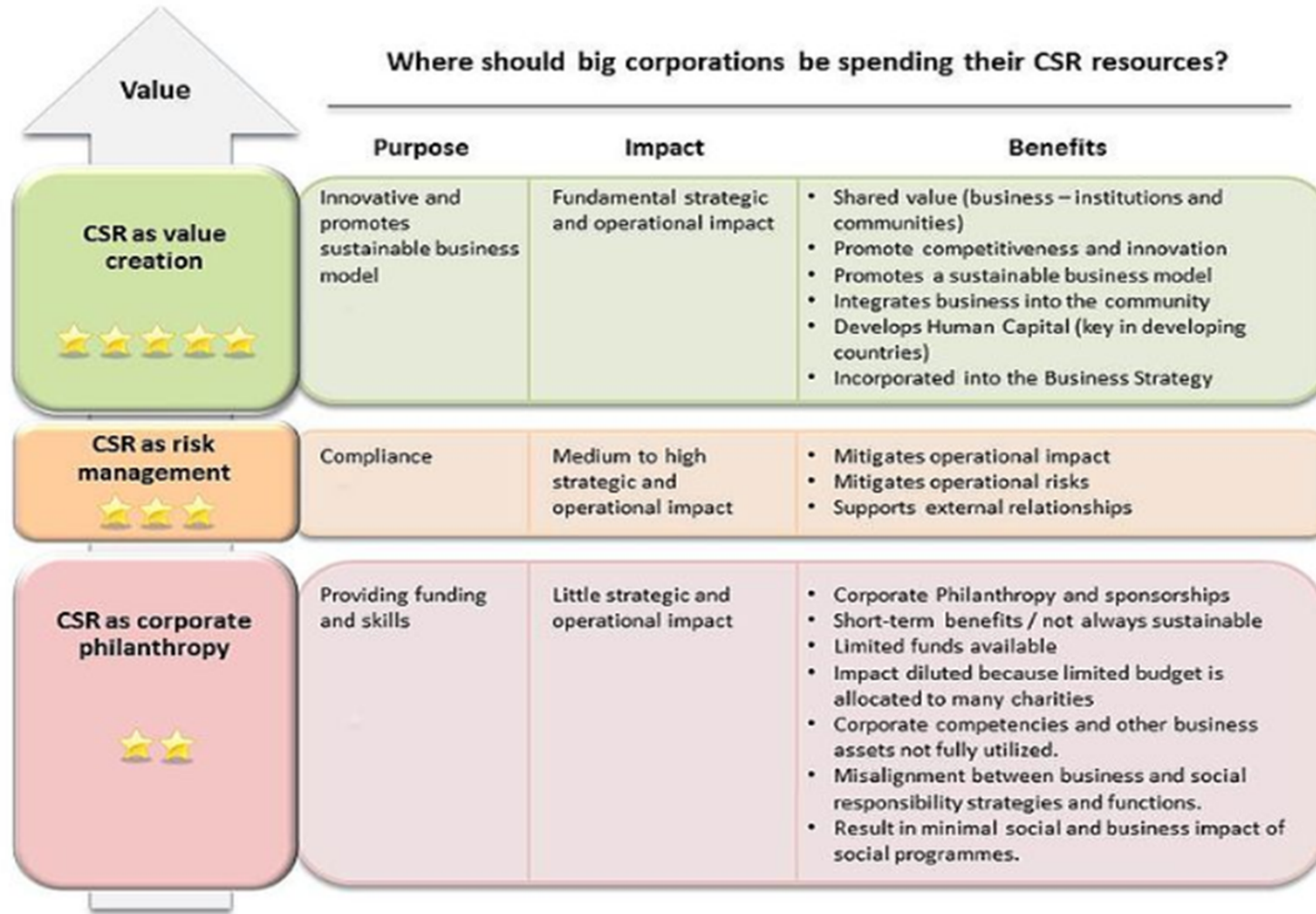
Why?



Would you want to work for or buy from companies which...



Reasons for Responsible Sourcing Activities



Value Creation

Executive summary

Investor calls for transparency and the rise of social media have thrust the impact businesses have on the economy, the environment and society more firmly into the public spotlight. Drawing on more than 2,500 interviews with business leaders in 34 economies through our International Business Report (IBR), insight from the leading children's charity UNICEF and Grant Thornton leaders, this report looks at what companies are doing to make their operations more sustainable and why, and considers the role integrated reporting can play in improving transparency and decision making.

Drivers

- Businesses report increases in major drivers to move towards more environmentally and socially sustainable business practices
- Cost management emerges as the key driver, followed by customer demand and because it's the 'right thing to do'
- How a business is perceived to be operating is also important, especially in China

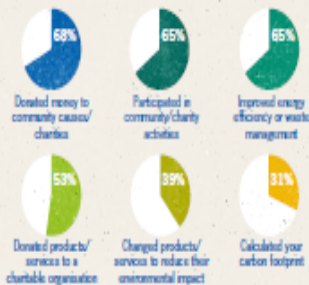
Key drivers

Cost management	67%
Customer demand	64%
Right thing to do	62%
Brand building	59%
Staff recruitment/retention	58%
Tax relief	42%

Initiatives

- Vast majority of businesses are involved with local charities, either through donating time, money or products/services
- Businesses are working to reduce their environmental impact, with increasing numbers calculating the carbon footprint of their operations

Key initiatives

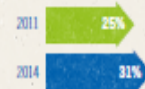


Reporting

- Sustainability reporting has increased since 2011
- More than half of businesses now view integrated reporting as best practice

Integrated reporting

Current report on sustainability



Agree integrated reporting is best practice



Corporate social responsibility: beyond financials 2



“Capitalism is under siege ...
The purpose of a business must be redefined
around creating shared value (CSV)...
How to reinvent capitalism—and
unleash a wave of innovation and growth”

Michael Porter and Daniel Kramer, HBR, Jan-Feb 2011

- Strengthening brand position
- Enhanced corporate image
- Increased ability to attract motivate & retain employees
- Increased appeal to investors & analysts
- Ability to meet/exceed transparency in reporting requirements

Global Investment Trends

Morgan Stanley
Institute for Sustainable Investing

INSTITUTE FOR SUSTAINABLE INVESTING

FEBRUARY 2015

Sustainable Signals:

The Individual Investor Perspective

Individual investors have a positive, but conflicted, view of sustainable investing

- 71% of individual investors are interested in sustainable investing
- 54% believe choosing between sustainability and financial gains is a trade-off

Millennial investors are on the leading edge of adoption and females are substantially more likely than males to factor sustainability into their investment decision process

- Millennial investors are nearly 2x more likely to invest in companies or funds that target specific social or environmental outcomes.

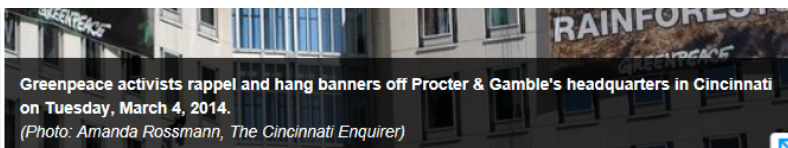
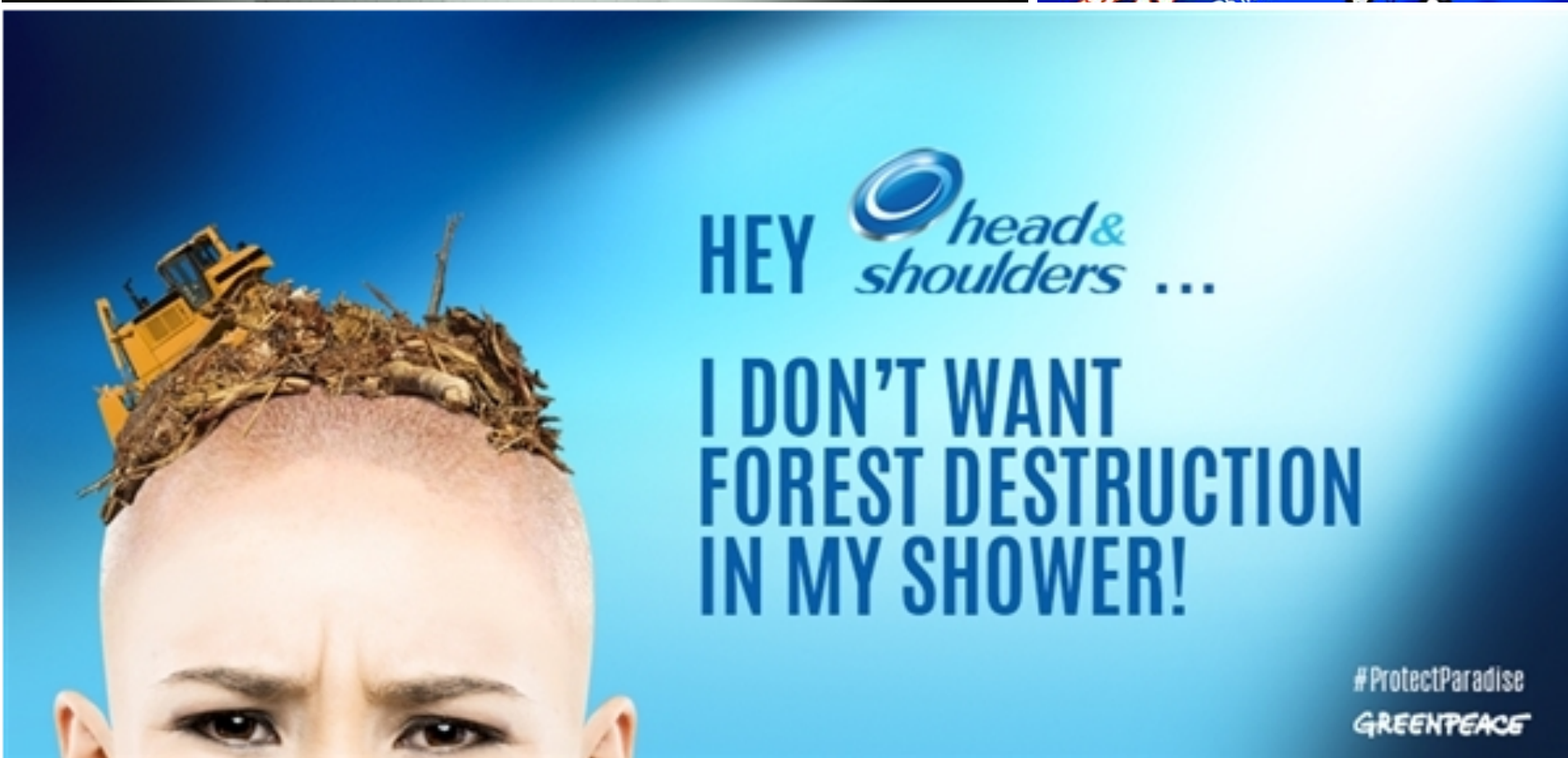
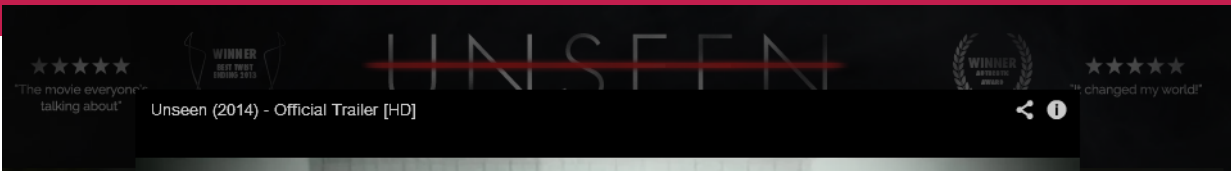
Demand for sustainable investing is expected to increase

- 65% of investors expect sustainable investing to rise in next 5 years

Audrey Choi, managing director and CEO of the Institute for Sustainable Investing at Morgan Stanley, commented, *“The trajectory for sustainable investing continues to point upward. What used to be a bifurcated decision – one between investing to make money and giving to do good – is increasingly becoming a blended conversation as investors look to harness the power of the capital markets as a force for positive impact.”*

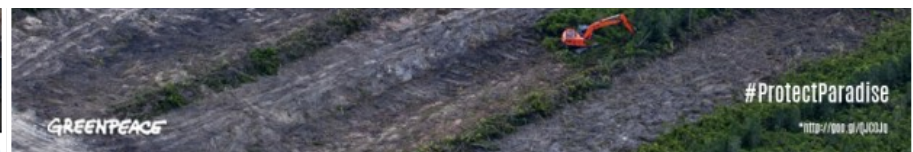
- 91% (of UK customers) say the way a company behaves towards its customers and communities is influential when making a purchase.
- 74% want to know more about the behavior of a company before buying.
- 60% say a company's environmental record, sourcing and employment policies affect their purchasing

Role of NGOs



Greenpeace activists rappel and hang banners off Procter & Gamble's headquarters in Cincinnati on Tuesday, March 4, 2014.

(Photo: Amanda Rossmann, The Cincinnati Enquirer)



Role of the NGOs & Social Media

Greenpeace International
23 January

"Which fashion company would you like to see 'Detox' next?"

Ecouterre, an influential eco-fashion blog, launched a poll on which should be the next fashion company to Detox! Among the options are Calvin Klein, G-Star and Gap. Check for yourself, vote and share this picture to increase the pressure!
<http://goo.gl/LUTh3>



CASHING IN ON CASHEWS

How EU supermarkets drive exploitation of cashew workers in India



TRAIDCRAFT

THE GLOBAL SLAVERY INDEX 2014

BEHIND THE BRANDS

Food justice and the 'Big 10' food and beverage companies

GRÖW
FOOD. LIFE. PLANET.

OXFAM



Kwame's story - the biofuels land grab in Senegal

8 April 2011



Kwame is a father of six from a village in Senegal. He used to have a six-hectare plot of land where he grew millet, groundnuts and beans. A European biofuel company came to his village and promised everyone that if they gave up their

TRAFFICKED: II

An Updated Summary of Human Rights Abuses in the Seafood Industry

FISHWISE | 2014 March



THERE'S SOMETHING ROTTEN IN THE U.S. TOMATO INDUSTRY

CR ratings and league tables

Magazine rankings

Newsweek Green Rankings –

Global 100 Most Sustainable Corporations

Fortune Most Admired Companies

Ethisphere's World's Most Ethical Companies

Corporate Responsibility's 100 Best Corporate Citizens

Interbrand 'Best Global Green Brands'.

Investor rankings

- FTSE4GOOD
- Dow Jones Sustainability Index
- Carbon Disclosure Project
- Goldman Sachs Sustain
- Bloomberg ESG Disclosure Scores
- Trucost Environmental Impact Assessment
- Water Disclosure Project
- OEKOM Rating
- ASSET4 (Thomson Reuters)
- Vigeo
- Sustainalytics
- Forest Footprint Disclosure
- Justmeans Top 1000



Consumer guides

- Climate Counts
- GoodGuide
- Greenpeace 'Guide to Greener Electronics', 'Cool IT', 'Supermarkets and tuna' rankings
- WWF Palm Oil Scorecard
- Oxfam's Behind the Brands

Why Focus on Sustainable Sourcing...Last, but by no means least...

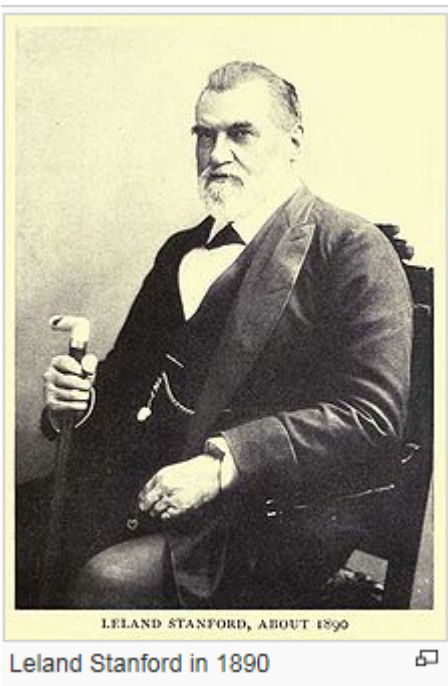
Philanthropy: For the love of humanity

Altruism: Practice or principle of concern for welfare of others

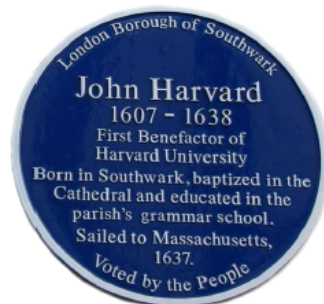
"I believe that every right implies a responsibility; every opportunity, an obligation; every possession a duty" (John D Rockefeller, first president of the Rockefeller Foundation.)

"If you want to fully enjoy life – give"

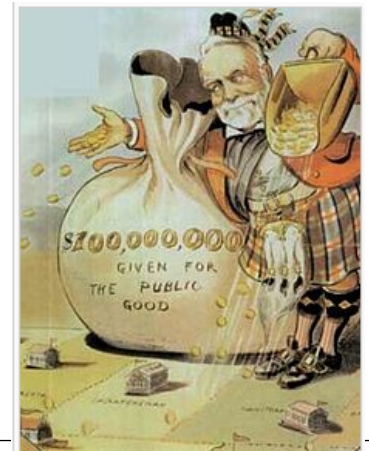
Michael Bloomberg, former mayor of New York City



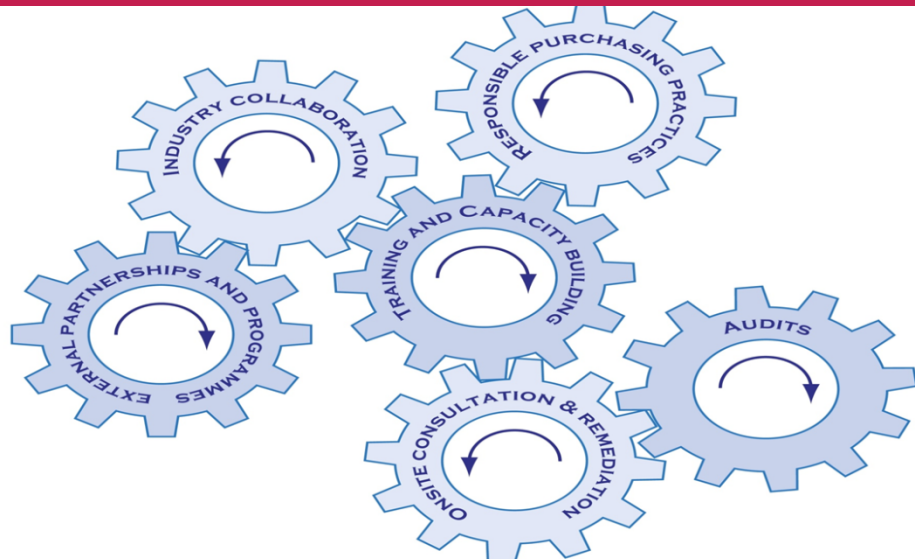
NOTABLE GIVING PLEDGE SIGNATORIES	
Michael Bloomberg – US businessman; former mayor of New York City	George P Mitchell – businessman who first experimented with shale gas extraction
Sir Richard and Joan Branson – Entrepreneur and investor; founder of the Virgin Group	Elon Musk – entrepreneur and founder of Tesla and PayPal
Warren Buffett – business magnate; chairman and CEO of Berkshire Hathaway	David Rockefeller – banker, oldest living member of the Rockefeller family, philanthropy pioneers
Bill and Melinda Gates – co-founder of Microsoft and founders of Bill & Melinda Gates Foundation	David Sainsbury – former chairman of Sainsbury's; now a member of the House of Lords
Vinod and Neeru Khosla – venture capitalist and clean technology investor	Vincent Tan – Malaysian businessman; owner of Cardiff City Football Club
George Lucas – filmmaker behind Star Wars	Mark Zuckerberg – founder and CEO of Facebook



Volunteers assist Hurricane victims at the Houston Astrodome, following Hurricane Katrina.



Andrew Carnegie's philanthropy. Puck magazine cartoon by Louis Dalrymple, 1903



What's Next?

Responsible Sourcing

A big topic best treated as a journey...starts with the first step

■ What's coming next

■ International business reporting requirements

■ Further Legislation: e.g. UK Modern Slavery Bill (March 26th 2015)

—companies will be obliged to report what they are doing in their domestic AND international supply chains to ensure an absence of slavery

■ Further focus from NGOs, Investors, Customers, Employees...

■ More collaboration within the industry

—Round Tables to agree common approach & standards

—Sedex, AIM-Progress and other initiatives to reduce duplication of assessment & auditing

Responsible Sourcing: Doing The Right Things

What we haven't covered:

- Practicalities of developing value adding sustainability programs
- Specifics/similarities/differences of ETI Base Code, ISO 26000 or other standards
- 1001 Case Studies
- The dangers of “Green-Wash”

But hopefully what we have covered

- has provided some insights into the background and fundamentals of “Responsible Sourcing”
 - confirmed that this is not about simply putting together a few worthy activities....its a way of life for a sustainable future
-

Finally...ABF Approach to Corporate Responsibility

“Ethical behaviour cannot be imposed. It has to be owned.”



RESPONSIBLE STEWARDSHIP OF OUR ENVIRONMENT

“We have an obligation to our wider environment which we must protect as a common resource for future generations.”



BEING RESPONSIBLE FOR OUR PEOPLE

“We have an obligation to people who work for our suppliers, particularly where other sources of protection for them are absent or only marginally effective.”



BEING A RESPONSIBLE NEIGHBOUR

“Our management teams in each location decide what we must do to be welcome wherever we are and to contribute to the local community wherever we operate.”



RESPONSIBLE FOR PROMOTING GOOD HEALTH

“We must use science to inform us of the effect of a particular food type on the human body. We will label our products properly and market them appropriately to customers.”

George Weston

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- ABF has published a 2014 update to add to the full CR Report published in November 2013. The next publication will be in November 2015. These are available online at abf.co.uk/responsibility



Thank You

Peter Cottiss, ABF

Appendix

Other Examples

ABF Approach to Corporate Responsibility

*“We have an obligation to our wider **environment** which we must protect as a common resource for future generations.”*

*“We have an obligation to **people** who work for our suppliers, particularly where other sources of protection for them are absent or only marginally effective.”*

*“Our management teams in each location decide what we must do to be welcomed wherever we are and to contribute to the local **community** wherever we operate.”*

*“We must use science to inform us of the effect of a particular food type on the human body. We will label our **products** properly and market them appropriately to customers.”*

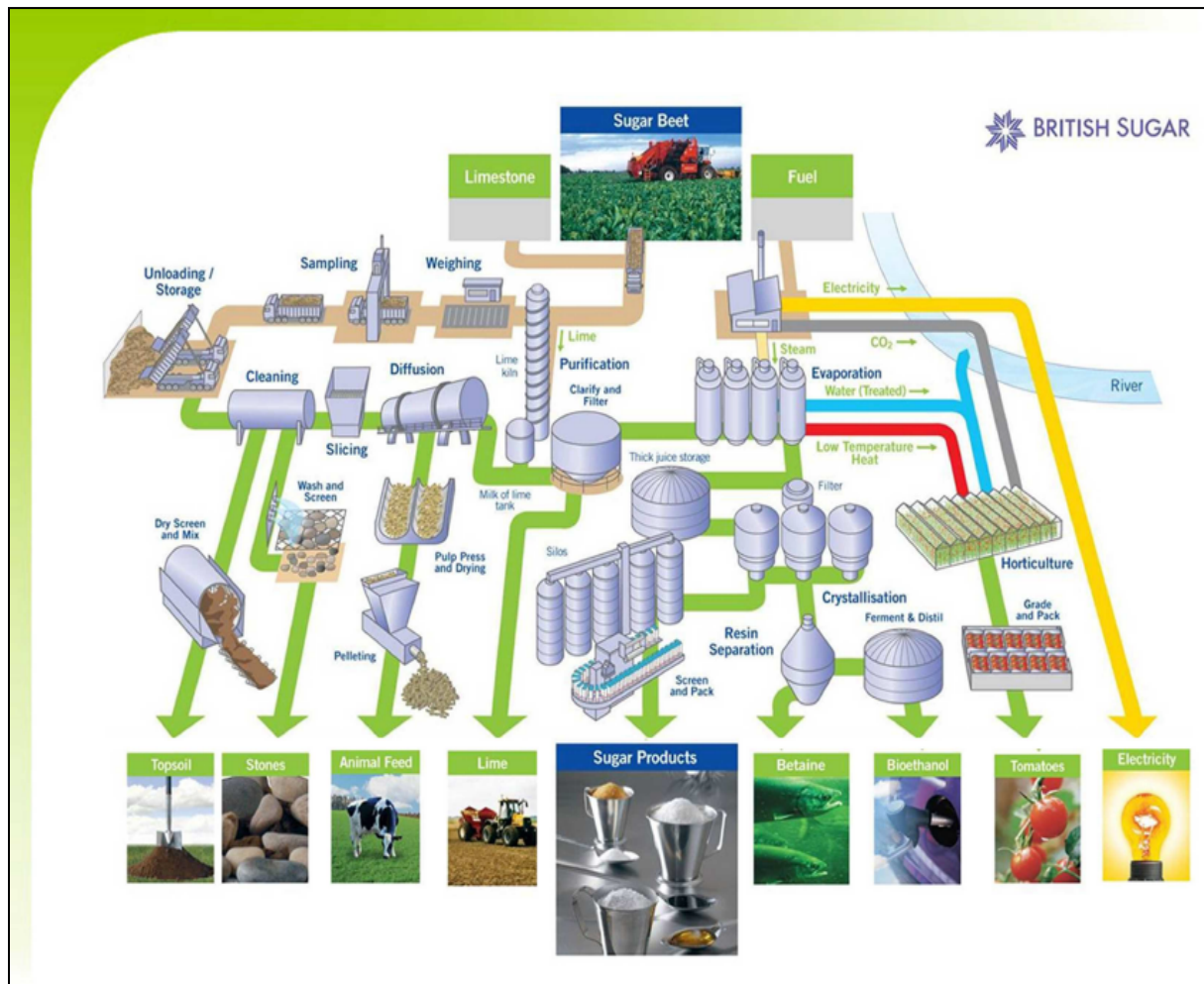
George Weston

2014 highlights include

- 54% of energy obtained from renewable sources
- 40% reduction in sulphur dioxide emissions since 2013
- Illovo source 93% of energy consumed from renewable sources
- 16% reduction in reportable injuries in 2014
- £54m donations made by the Garfield Weston Foundation in the last year
- Twinings and Save the Children partnership has helped improve the lives of over 500,000 children in China
- Illovo business makes an estimated £1bn contribution to African economies
- 942,000 tonnes of waste diverted from landfill through reuse or recycling

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- ABF has published a 2014 update to add to the full CR Report published in November 2013. The next publication will be in November 2015. These are available online at abf.co.uk/responsibility

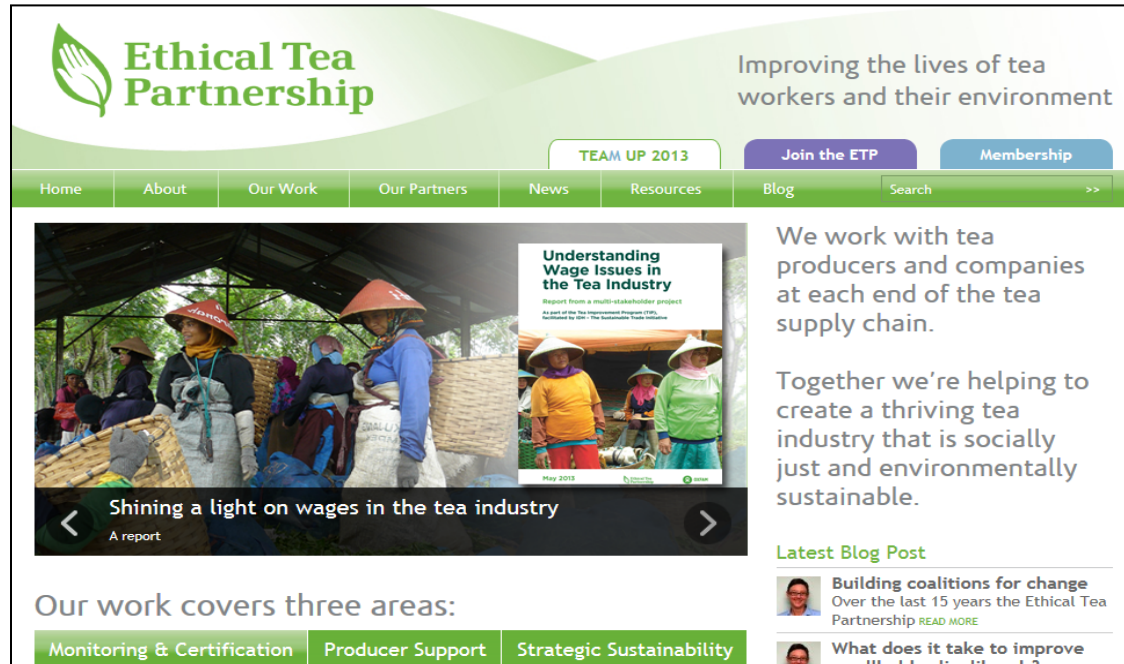
British Sugar



- Business focus on optimising sugar beet processing
- Topsoil to sports stadia
- “Limex” to farmers
- Animal feed from beet waste
- Bioethanol & electricity generation
- Net water export
- Use waste heat & CO₂ to grow 10% of UK’s tomatoes

Twinnings Collaboration: Examples

- We work with producers to ensure that people working on tea estates are treated fairly.
- To do this, our buyers are trained on ethical trade issues and we work with the Ethical Tea Partnership (ETP) to improve tea workers' welfare and the environment in which they live.
- Given the size and scale of the tea sector, we believe that the best way to improve conditions is at an industry level and that is why we are a founder and active member of the ETP.



<http://www.twinnings.co.uk/about-twinnings/corporate-social-responsibility/working-with-save-the-children-in-china-and-myanmar>

Working with Unicef in Assam <https://www.youtube.com/watch?v=QkJKiQf-z-k>

Ovaltine and International Cocoa Initiative

On 1st January 2013, Twinings Ovo joined the International Cocoa Initiative (ICI).

- Established in 2002, the ICI is a unique partnership between civil society and the chocolate industry, working together with the authorities in cocoa-producing countries to improve the lives of cocoa farmers and their families. As a new Contributing Partner of the Foundation, Twinings Ovo will contribute to ICI's core programme of work by:
 - improving children's access to quality education,
 - creating a protective environment for children
 - improving access to basic services, such as health care, water or sanitation in remote communities
 - enhancing the sustainability of livelihoods in cocoa-growing communities, by promoting enhanced agronomic techniques to increase farmers' cocoa yields, as well as supporting livelihood diversification and vocational training

Ovaltine and our ethically sourced Cocoa



OVALTINE AND UTZ

We all want to know that our favourite drink has been produced with respect to people and the environment. That's why we buy UTZ certified cocoa for our Ovaltine products.

Primark: Ethical Sourcing

<http://www.primark.com/en/our-ethics>

PRIMARK

facebook UK

WHAT'S NEW

PRIMANIA

OUR STORES

OUR ETHICS

Our Ethics

We provide answers to your most frequently asked questions and explain how we ensure sustainability is at the heart of what we do.

Rana Plaza long-term compensation

Primark has paid \$14 million in aid and compensation to support the victims of the Rana Plaza building, which collapsed in April 2013, tragically killing over a thousand workers. The building had several factories, one of which produced Primark garments.

We started paying long-term compensation a year ago to victims and their families, and these payments are almost finished. When they are done, we will continue to support those who need our help.

READ MORE

Women's health

Since 2011 we have partnered with BSR, local partners and our suppliers on the HERproject (Health Enables Returns) to provide healthcare and health education to women working in the factories that make our products.



READ MORE

Structural Surveys

Following the collapse of Rana Plaza in 2013, Primark began inspecting the structure of every factory in Bangladesh where its clothes are being made. These surveys are now done and we will continue to inspect factory buildings on a regular basis.

READ MORE



2,058 factories inspected

Delivering store waste to our recycling centre



We check every factory

We don't own the factories that make our products and in fact over 98% of the factories that make Primark's clothes make for other retailers too.

To make sure these factories meet our standards, we check every single one thoroughly.

Eco-friendly bags

At Primark, our distinctive brown paper bags are environmentally friendly.

We take all the waste cardboard and paper from our stores, and we recycle it at our own recycling plant in Thrapstone to make our bags.

We estimate that in a year we recycle 14,000 tonnes of cardboard into paper carrier bags for our customers to use.

Our famous green bags!



We recycle all our cardboard



Worker empowerment

Our programme in India has helped thousands of workers and their communities by providing education and support on vital issues including workplace rights, health and hygiene, and the importance of children's education.

Read about our recent visit to our cotton growing programme in India



Green stores

We're taking steps to reduce our impact on the environment. Our stores and operations use Build Management systems to monitor energy consumption, lighting, and temperature levels.

The Ten Principles: UN Global Compact

The UN Global Compact asks companies to embrace, support and enact within their sphere of influence a set of core values in the following areas:

HUMAN RIGHTS

Principle 1: Support & respect internationally proclaimed human rights and

Principle 2: ensure they are not complicit in abuses

LABOUR

Principle 3: uphold the freedom of association and effective recognition of the right to collective bargaining

Principle 4: elimination of all forms of forced and compulsory labour; and

Principle 5: the effective abolition of child labour

Principle 6: elimination of discrimination in respect of employment and occupation

ENVIRONMENT

Principle 7: Support a precautionary approach to environmental challenge

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the diffusion of environmentally friendly technologies

ANTI-CORRUPTION

Principle 10 : Business should work against corruption in all its forms including extortion and bribery