

In 2008, M&S Sets Challenging Targets Relating to:

- Mitigating climate change (carbon reduction) in-store and with suppliers
- Waste reduction (zero land-fill, etc.)
- Sustainable sourcing (e.g. MSC, FSC)
- Fair partner with suppliers
- Health and well-being of customers and their families (meal planning advice, etc.)





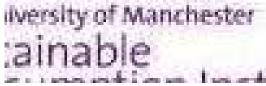


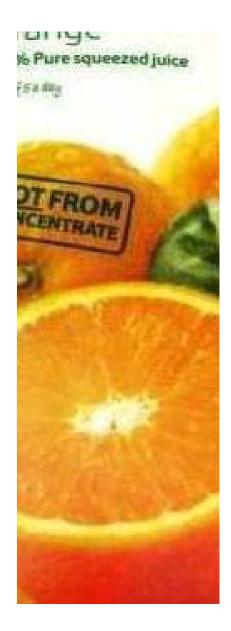
*For each inkjet cartridge that you recycle, you will receive 100 Green Clubcard Points

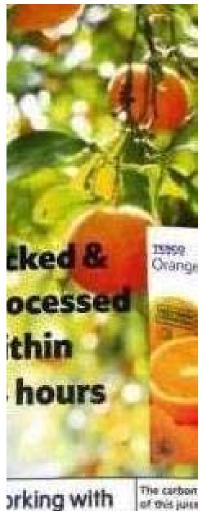




Sustainable Technology Fund







Carbon Trust

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CARBON the CRC league table







Business, Academia, Governments and NGO's seeking new directions for green strategies



Business Members Include:



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Wal*Mart Announces Global Sustainable Agriculture Goals, October, 2010 AL*MAR

- Support Farmers & Their Communities
 - selling \$1 billion in food from smaller-scale farmers
 - > training 1 million farmers/workers in sustainable farming practices
 - > increasing income of above by 10-15%
 - > in USA, doubling sale of locally-sourced produce
- Produce More Food with Fewer Resources + Less Waste
 - over next 5 years invest \$1 billion in its global fresh supply chain
 - > reduce food waste in stores worldwide by 10-15%
 - introduce Sustainable Produce Assessment for suppliers
- Sustainably Source Key Agriculture Products
 - all Wal*Mart brand palm oil sustainably sourced by 2015
 - expand existing beef sourcing practice in Brazil with zero tolerance on deforestation

Customer Hierarchy at Coles Supermarket...



Source: Coles Supermarket, Australia



Danone Grabs Award for "Eco-friendly" Idea of Using Bioplastic for its Products' Packaging





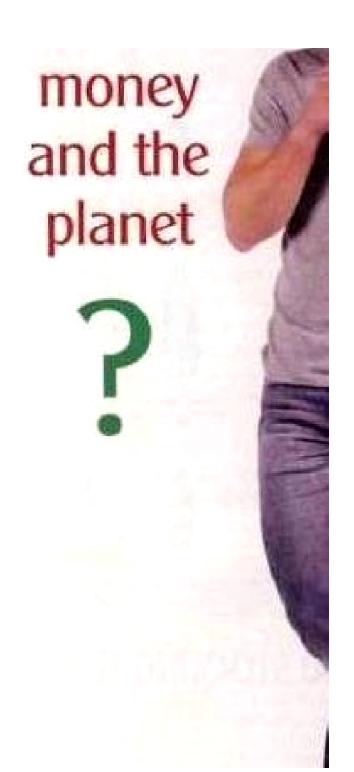


- Measurably conserve <u>seven key watersheds</u>;
- · Improve the efficiency of the Coca-Cola system's water use;
- Support more efficient water use in the Company's agricultural supply chain, with an initial focus on sugarcane (beginning in 2007), expanding to oranges and corn (beginning in 2010);
- · Decrease the Coca-Cola system's carbon dioxide emissions and energy use; and
- Inspire a global movement by uniting industries, conservation organizations and others in the conservation and protection of freshwater resources around the world











UK Dairy Industry: Environmental Road Map Targets

Medium-term actions – by 2012

- Nutrient management by 90% of producers
- 65% of dairy-managed farmland in Stewardship
- More than 20% of producers trialling technology to reduce cattle emissions
- 30% addition rates of recycled material in plastic milk bottles
- Major liquid milk processors to have an Environmental Management System
- Larger processing sites use low NOx burners on gas-fired boilers
- CO2 emissions from dairies to be 20% lower than in 1990
- Three operational anaerobic digesters running at processing sites
- 10% of non-transport energy from renewable sources or CHP
- No ex-factory waste to landfill, where environmentally advantageous
- Water use 50% lower than in 1999

UK Dairy Industry: Environmental Road Map Targets

Longer-term actions – by 2020

- Greenhouse gas (GHG) balance from dairy farms 20-30% lower than
 1990
- Dairy farms recycle or recover 70% of non-natural waste
- 40% of energy used on dairy farms is from renewable sources
- Small dairies aim to achieve the medium-term targets of the major processors
- 50% addition rates of recycled material in plastic milk bottles

Undertaking Sustainability Initiatives Because

- Complying with laws/regs.
- Strengthen image with key stakeholders
- Cost savings strategy
- Responding to external pressures
- Source of competitive advantage
- Positive impact on employees
- Senior management dedication to long-term development and sustainability issues
- Aligning values internally and with supply chain
- Opportunity for new revenues

Undertaking Sustainability Initiatives Because

- Risk management strategy
- Opportunity to collaborate with influential groups
- Addressing hunger and societal welfare
- Reducing impact on environment now and in future

Three principal drivers:

- compliance and anticipating regulation
- feel good for the organisation/do good for society
- profit-driven and innovation

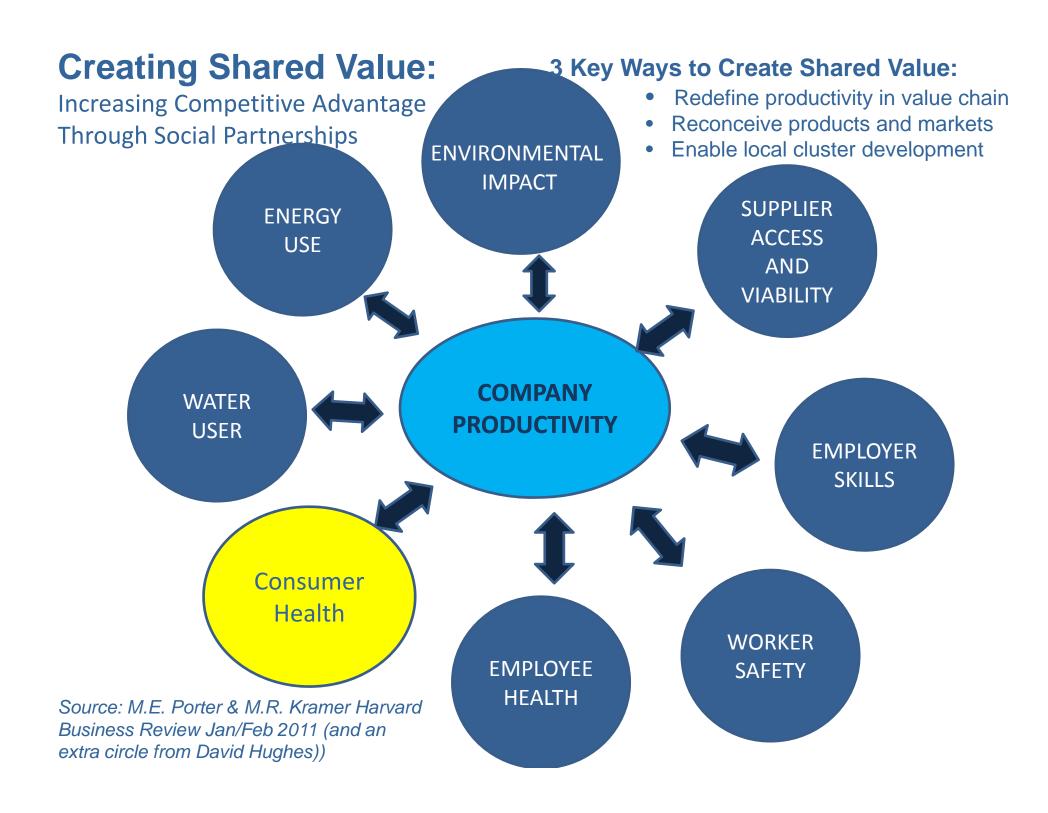
Which of the Three Drivers Looks Best to YOU?!

Michael Porter's "Big Idea" for Business

What's Good for American Business is Good for America (Coolidge?)

Turned on Its Head:

What's Good for America – its citizens' health, the environment, future generations, disadvantaged groups, etc., is Good for American Business



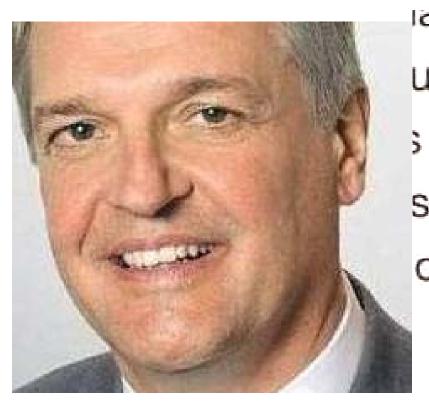
From Corporate Social Responsibility (CSR) to Creating Shared Value (CSV)

- Value: doing good
- Citizenship, philanthropy, sustainability
- Discretionary or in response to external pressure
- Separate from profit maximization
- Agenda is determined by external reporting and personal preferences
- Impact limited by corporate footprint and CSR budget

Example: Fair Trade purchasing

- Value: economic and societal benefits relative to cost
- Joint company and community value creation
- Integral to competing
- Integral to profit maximization
- Agenda is company specific and internally generated
- Realigns the entire company budget

Example: Transforming procurement to increase quality and yield



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Creating Shared Value and Sharing <u>Values</u> with Partners in the Supply Chain: What's in it for YOU?

- "Big Food" is "under the gun"! The bigger the brand, the bigger the risks for the brand owner
- brand owners will require supply chain partners who understand, share and live core values
- major suppliers of all inputs will carry the "brand integrity torch" for the brand owners
- branded supply chain partnerships will be closer, last longer, and higher value than commodity supply chains
- But, actually, it isn't rocket science, it just makes business and social common sense!

CONTACT POINTS:

e-mail

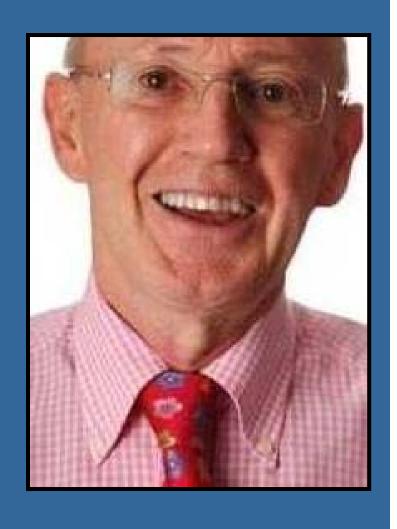
profdavidhughes@aol.com

telephone numbers

office +44(0)1600 715957

fax +44(0)1600 712544

mobile +44(0)7798 558276



Check my latest podcast at www.profdavidhughes.com

