

Management & implementation: Sainsbury's approach to managing palm oil in the supply chain

Sainsbury's uses questionnaires on palm oil to establish a chain of custody from raw materials suppliers to end product. Known internally as 'Trackers', these are used when commissioning a new product range and on annual assessments of existing products. Their purpose is to support suppliers in the development of certified supply chains and create product messages that consumers engage with. This, in turn, supports Sainsbury's strategy of 'Our Values Make us Different', helping the company to track progress towards commitments such as 'using only certified palm oil across [its] entire product range by the end of 2014'.

The Trackers are managed by a third party consultant working in conjunction with the Brand Sustainability team, Product Technologists and Buyers to ensure that the Tracker information is used widely within the business. The consultants undertake research into palm oil products producers and highlight any areas of concern. They record information such as certification status, percentage of product composed of palm oil, produce weight and supplier location. When collated, this data allows the estimation of Sainsbury's annual raw material footprint by certification status, country of origin and by volume or hectare equivalent. This information is used to assess progress against company commitments and to identify and prioritize areas for improvement. Detailed supplier action plans for achieving certification are developed alongside it.

Sainsbury's has used the Trackers to identify products that contain crude palm oil. The Basic fish finger range was the first to contain certified sustainable palm oil; this was then extended to the entire frozen fish range. Interestingly, Sainsbury's states that this move has been made at no additional cost to the consumer and sales 'have risen significantly' since food packs were branded with sustainable palm branding.

Source: Liz Crosbie, Managing Director, Strategic Environmental Consultants and Fiona Wheatley, Brand Integrity and Sustainability Research Manager, Sainsbury's

Management & implementation: Carrefour and WWF: partnering on sustainable sourcing issues

WWF is helping **M&S** to address environmental issues associated with sourcing cotton, fish, wood and palm oil. The partnership supports farmers in India to adopt more sustainable management practices in line with the principles set by the Better Cotton Initiative; it will see M&S become the first retailer to sign up to the WWF Seafood Charter and supply resources to see the establishment of a standard for aquaculture; and together with LEAF, the partnership is developing and testing metrics for agricultural performance. Additionally, the partnership is working to better understand M&S' water footprint and the global water hotspots to identify impacts and develop strategies. Finally, M&S and WWF are developing together the One Planet Food, assessing the feasibility of using a 'One Planet Living' model for managing tradeoffs in food production and consumption.

Source: <http://www.marksandspencer.com>

Management & implementation: Carrefour and WWF: partnering on sustainable sourcing issues

In France, **Carrefour** developed (with the support from WWF and the French Environmental Agency (ADEME)) a web-based self-assessment Sustainable Development tool for its own-brand private label food product suppliers. This tool enables Carrefour suppliers to assess their policy, management and performance in sustainability areas, especially in environmental management. Since 1998, Carrefour's partnership with WWF has also contributed to promote FSC certified wood from sustainably managed sources. Moreover, in 2007 Carrefour and WWF created a working group on responsible fishing to identify alternatives and thus establish seafood consumption patterns that are more respectful of marine ecosystems. The result is a sourcing policy that gives greater consideration to the state of fish resources and awareness-raising initiatives.

Source: <http://www.marksandspencer.com>

Management & implementation: Unilever's sustainable agriculture program:

Unilever's activity on sustainable agriculture occurs within a corporate policy framework that commits the company to 'minimise any adverse effects on soil fertility, water and air quality, and biodiversity from agricultural activities'.

The company has developed sustainable agriculture standards, which provide guidelines for farmers. These have been developed for the crops that Unilever sources in the greatest volume, in consultation with an external advisory panel. The documents outline sustainable best management practice for each crop, against 11 sustainability indicators, which include: soil fertility/ health; soil loss; nutrients; pest management; biodiversity; value chain; energy; water; social/ human capital; local economy and animal welfare. By 2005, good practice guidelines were published for peas, spinach, palm oil and tomatoes, and requirements were incorporated into contracts with growers. These guidelines have been adopted/ adapted by companies in a number of other sectors.

In implementing these standards, the company has produced biodiversity action plans for two sites and a farmer-focused tool to assist farmers in addressing sustainability indicators, including biodiversity. The company conducts workshops with suppliers and has developed commodity specific training which includes biodiversity and ecosystem services.

In addition to managing risk, Unilever is piloting ways of realizing competitive advantage. Its Brand Imprint tool which takes a 360 degree look at product impact from environmental, social and economic perspectives and actions are developed accordingly.

Source: <http://www.unilever.com> (March 2009)