

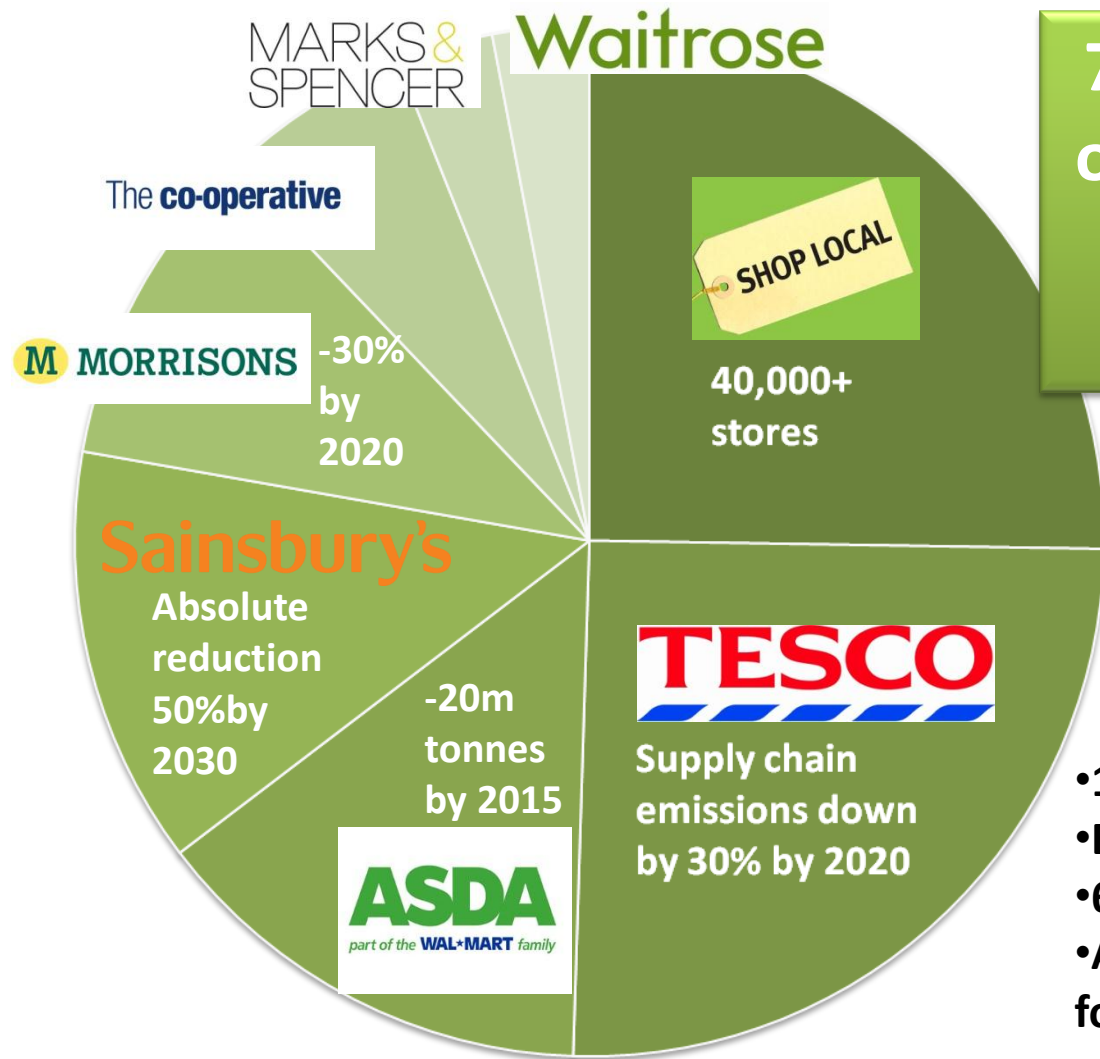
“Save money, save resources,
saving emissions”

Retailers view & market drivers for change



Farm Carbon Cutting Toolkit





7+1 all working on supply-chain carbon-footprinting



- 1,250+ UK stores
- EU's biggest beef buyer
- 60%+ UK ingredients
- Actively carbon footprinting – UK first



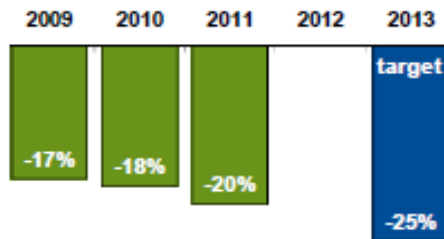
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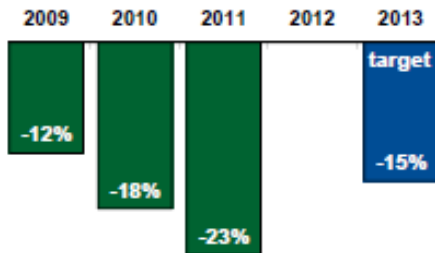


A Better Retailing Climate: Towards Sustainable Retail

Reducing impacts from buildings by 25% by 2013



Reduce emissions from transport by 15% by 2013



50% of the UK retail market is certified



- Same for refrigeration, waste, water, packaging...
- Targets in place for customer impacts
- Retail = 3.5% of UK emissions - Supply chain = 30%
- 93% of multinationals monitoring their own carbon



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Supporting Government to meet its objectives

Each of the UK Governments have set themselves ambitious environmental objectives.

Targets have been set to reduce UK carbon emissions by 34 per cent by 2020 and 80 per cent by 2050³⁷.

Recycling targets have been set in each of the UK nations, from 45 per cent by 2020 (Northern Ireland) and 50 per cent by 2020 (England), to 75 per cent by 2025 (Scotland and Wales).

Retailers are a key delivery partner for the UK's Governments if their environmental objectives are to be met. For UK carbon emissions, the direct impact of the retail sector comprises around 3.5 per cent, the impact of the retail supply chain is over 30 per cent, and direct emissions from homes are 28 per cent³⁸.

Is this BRC asking for legal targets on carbon in the supply chain....??

Farming is self regulating
Justin King (CEO Sainsbury's)...
"the refuge of scoundrels"



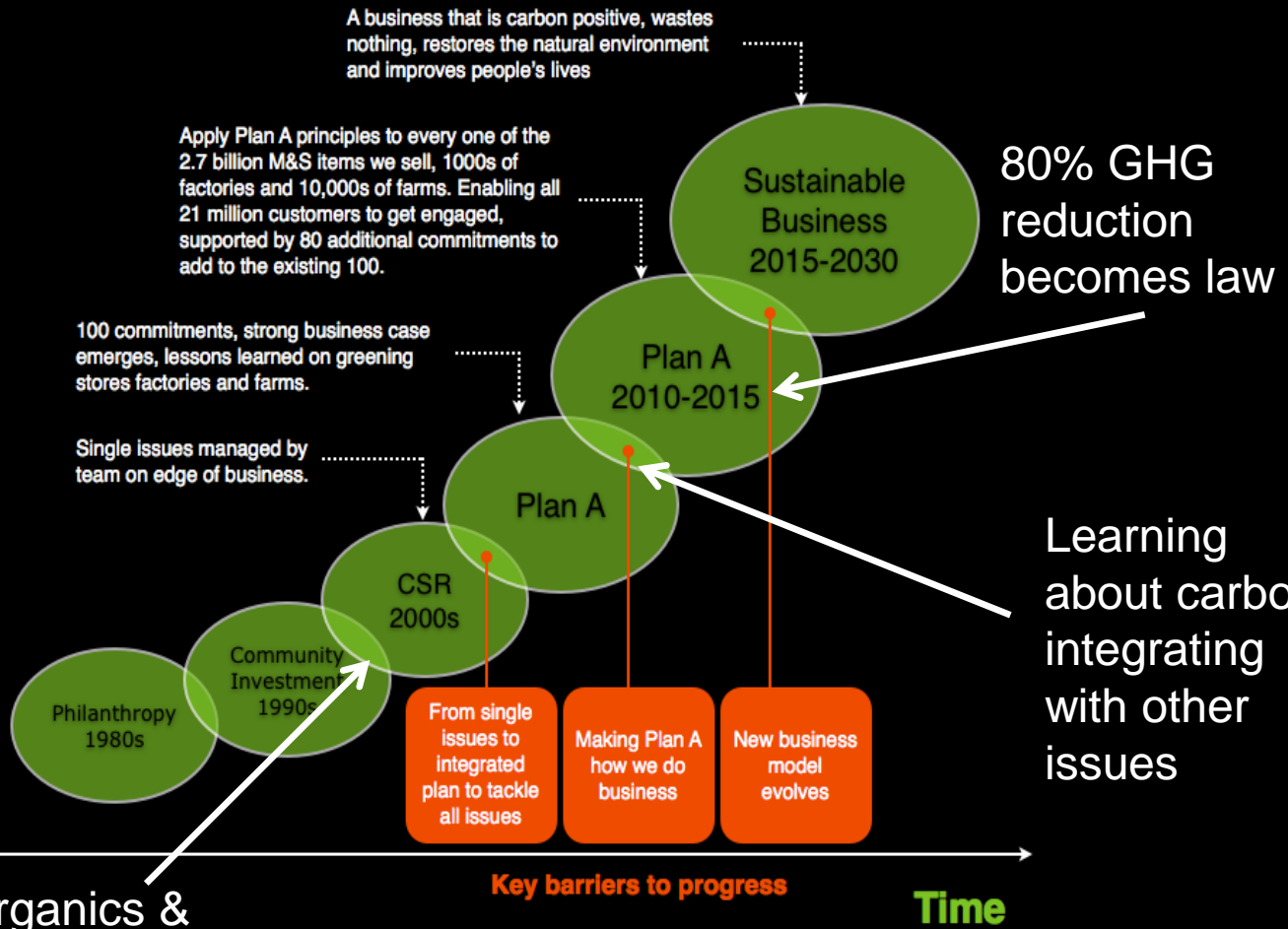
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Business Sustainability

On farm conservation

Organics & accreditation



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MARKS & SPENCER

- Plan A – point 11 of 20 – “Help our suppliers cut their carbon footprint”
- 2012 target: 10,000 farms supplying fresh meat, dairy, produce & flowers engaged in “Sustainable Agriculture” 2012 target
- By 2015 this will extend to farmers supplying ingredients
- My interpretation of what they are saying-
 - We’ve not really pushed farmers on carbon - yet
 - We’ve been hands holding - that’s going to change
 - Consumers & shareholders will expect real carbon numbers
 - Carbon footprinting has been confusing/complicated – that is changing



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.....still committed to reducing.....to cut carbon emissions in products it sells by 30% by 2020
.....due to publish guidelines & best practice on dairy – followed up with workshops
.....75% of milk impacts are on farm....
.....will I believe extend well beyond dairy



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-aiming to remove 20 million metric tons of CO₂ out of their global supply chain by 2015
-Developing sustainable beef programme with clear targets by end 2015
- ...working with suppliers in 20+ product categories to identify GHG reduction opportunities



Sainsbury's

- “20 by 20 sustainability plan” absolute CO₂ cut = 50% by 2030
-By 2020, will have worked with suppliers to reduce carbon emissions of our own brand products by 50%
- Carbon Academy to train 20,000 suppliers, contractors & colleagues by 2020
- Environmental Scorecard & Development Groups so successful Extending across all primary agriculture
-Carbon footprintingbeef, poultry , lamb & dairy
-Beef Group has shown a three-fold difference in the lowest and highest average CO₂



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i'm lovin' it™

- One of Europe's largest beef buyers using only British and Irish beef
- Sourcing over 60% of its key ingredients from the UK
- Measures the GHG emissions beef farms across UK and Ireland
- It will measure each farm's emissions, using "the world's most sophisticated on farm GHG calculator" – model accredited by The Carbon Trust



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Market drivers for change

1. Take action or government recommendations may be become law
2. Expect supply chain carbon reduction targets
3. 2020 - 20%
4. 2030 - 30%
5. 2050 - 50%



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Thanks



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