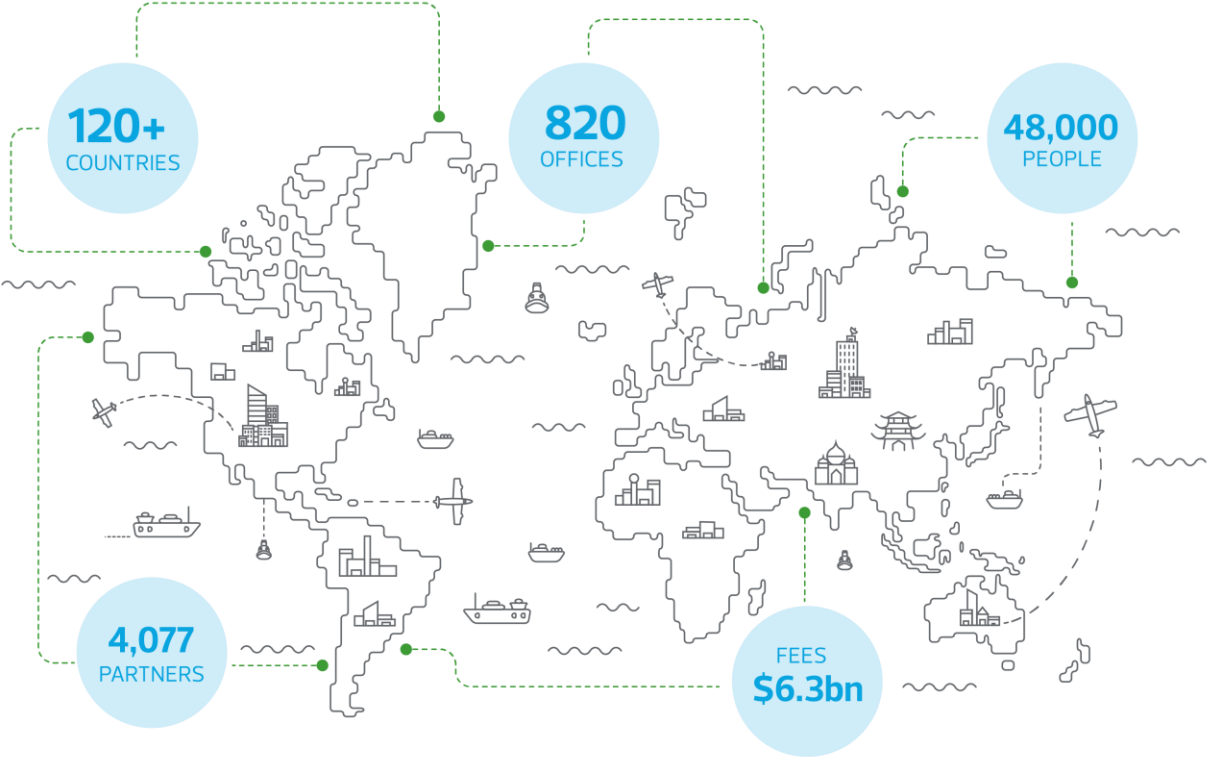




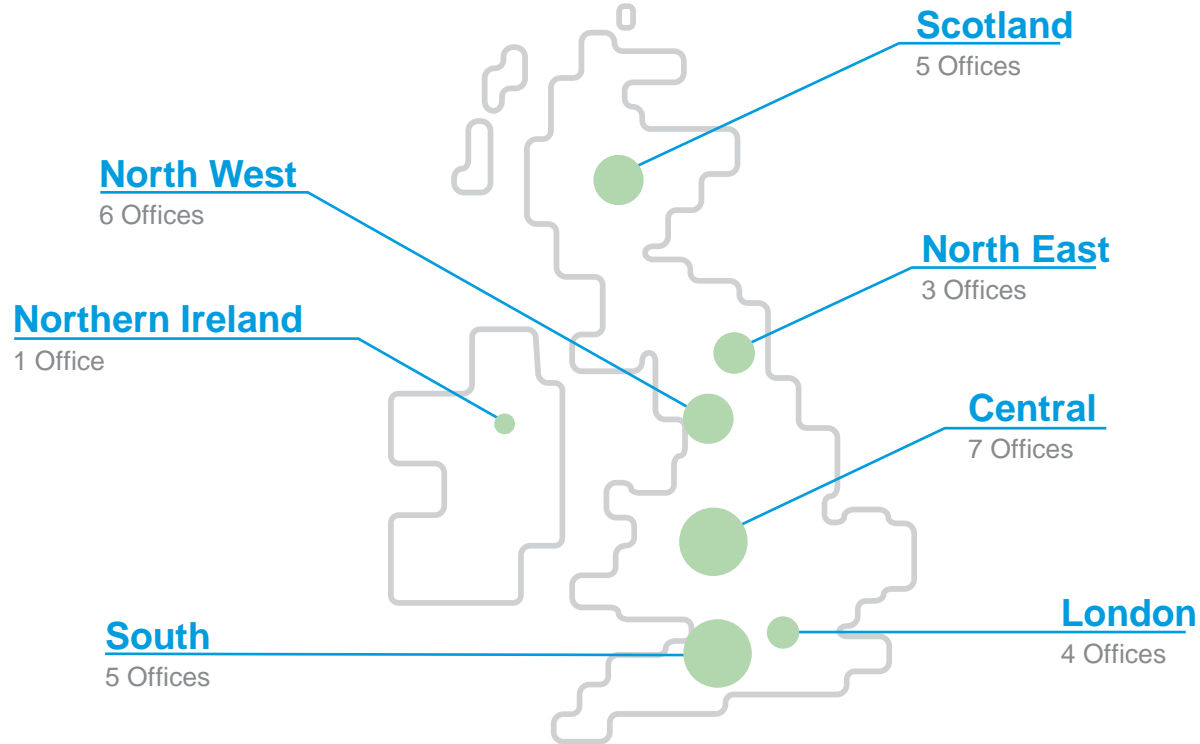
SUSTAINABILITY AND THE FOOD AND DRINK SECTOR

15 November 2022

Our global footprint



Where are we in the UK?



What are we seeing across our client base?

- inflationary pressures



- interest rate increases



- energy worries



- labour shortages



“Our clients are improving access to data to inform decision making, performing detailed cash flow exercises for short, medium and long term periods and undertaking multiple scenario planning exercises.”

What sustainability initiatives are we seeing across our client base?

- plastics and packaging



- logistics



- ingredients and product formulation



- waste



- energy



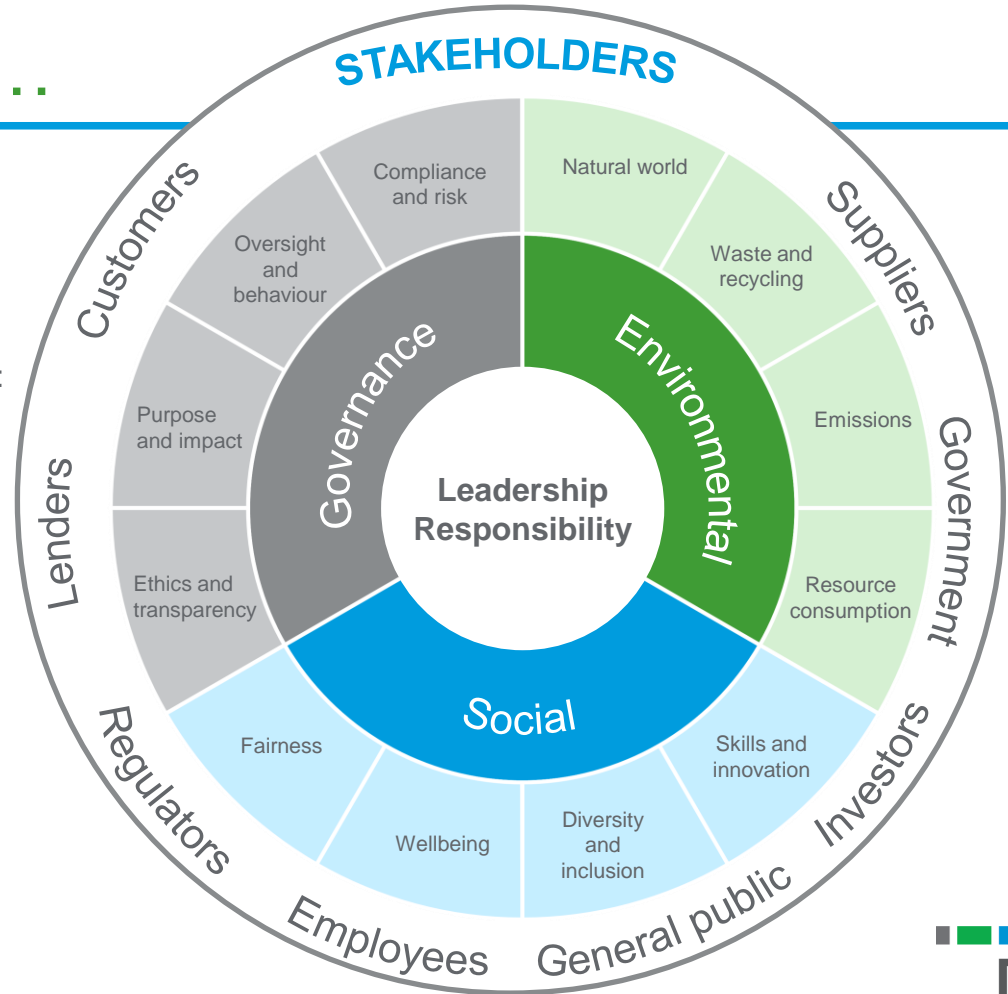
Explaining Sustainability ESG...

A complex agenda of often interlinking risks and opportunities.

Key challenge for leadership being the balance of:

- Risk
- Reward
- Reputation

There will be winners and losers both at the industrial and organisation level.



KEY ESG AREAS FOR THE NEXT 12 – 36 Months

- Access to finance
- Increasing and emerging regulation, often at pace
- Supply & value chain pressure/exposure
- Consumer decision making & preferences
- Increased reporting, disclosures and dissemination
- Rising and sustained media interests
- Customer/product responsibility
- Staff Attraction

Opportunity from ESG strategy

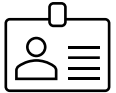
Sustainability to drive short term value



Target **new markets** and **new customers**



Enhance existing **customer relations**



Attract **talent**



Creates operational and **cost efficiencies**

Opportunity from ESG strategy

Sustainability to drive long term value



Creates **shared value** for both organisation and stakeholders



Drives innovation and **employee engagement**



Addresses **investor and consumer** expectations



Understands the **wider stakeholder concerns** for ESG including stakeholder value mapping

KEY APECTS OF AN ESG STRATEGY

- Stakeholder engagement/understanding
- Materiality
- Supply prerogative
- Defined business case/ROI and aligned vision
- ESG plan - including resource and communications
- Monitoring, measurement and KPI
- Employee engagement and training requirements
- Reporting requirements



GOWLING WLG

GREEN CLAIMS (& GREENWASH) IN FOOD & BEVERAGE ADVERTISING

DAN SMITH, HEAD OF FOOD & BEVERAGE SECTOR

ENVIRONMENTAL CLAIMS

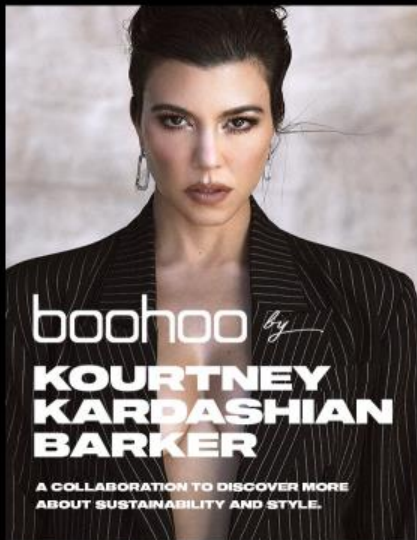
- Green Claims Code introduced in September 2021
- *“CMA to carry out a full review of misleading green claims early next year [i.e. 2022] and stands ready to take action against offending firms”*
- 29 July 2022 – CMA launches investigation into 3 fashion brands *“to scrutinise their green claims”*

ENVIRONMENTAL CLAIMS

Issues which the CMA is investigating in the fashion sector

- Broad/vague language – ‘Responsible edit’, ‘Ready for the Future’
- Low bar for inclusion in the collections e.g. 20% recycled content
- Missing information e.g. what (non-recycled) fabric is made from
- Lack of clarity on whether accreditation applies to particular products or business more widely

YOU'RE OFFICIALLY IN THE KNOW



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ENVIRONMENTAL CLAIMS

Green Claims Code – a reminder of the key principles

Claims must:

- be truthful and accurate
- be clear and unambiguous
- not omit or hide material information
- only make fair and meaningful comparisons
- consider the full lifecycle of the product
- be substantiated

GREEN CLAIMS CODE – ONE YEAR ON

The number 1 issue (in my experience)

“Broader, more general or absolute claims are much more likely to be inaccurate and to mislead. Terms like ‘green’, ‘sustainable’ or ‘eco-friendly,’ especially if used without explanation, are likely to be seen as suggesting that a product, service, process, brand or business as a whole has a positive environmental impact, or at least no adverse impact. Unless a business can prove that, it risks falling short of its legal obligations.”

ENVIRONMENTAL CLAIMS

Green Claims Code - examples of problematic claims under the guidance

- Giving an exaggerated impression (based on words, logos, imagery etc.)
- Cherry-picking the positive environmental aspects & ignoring the negatives
- Claiming to be “carbon neutral” but not clarifying reduction vs offsetting
- Not comparing like with like, not making the basis for comparison fair/clear
- Focussing on minor points unlikely to be significant in terms of a product’s overall impact across its lifecycle
- Making unsubstantiated claims e.g. the ‘most sustainable’
- Talking about future goals where the business does not have a clear and verifiable strategy to deliver them

ENVIRONMENTAL CLAIMS

ASA

- Climate Change & the Environment (CCE) project
 - Proactive review of environmental claims in priority areas
 - Ensuring standards are fit for the future
 - Updating guidance
- Enquiries (including animal-based foods)
- Research into consumer understanding – carbon neutral/net zero claims

ASA UPDATE – ENVIRONMENTAL CLAIMS

- Alpro
- Pepsi Lipton
- Innocent
- Oatly
- Tesco, Sainsbury's

ALPRO



PEPSI LIPTON





OATLY



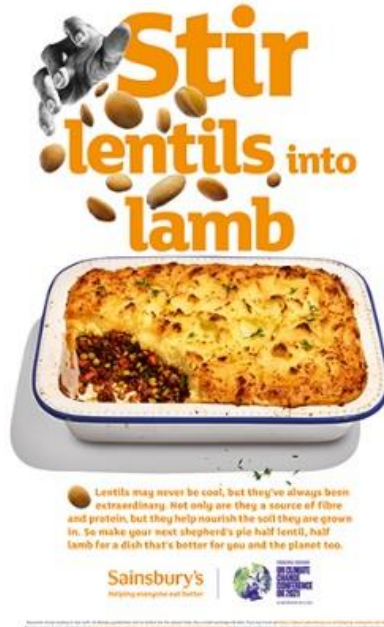
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TESCO
Every little helps

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Sainsbury's
helping everyone eat better

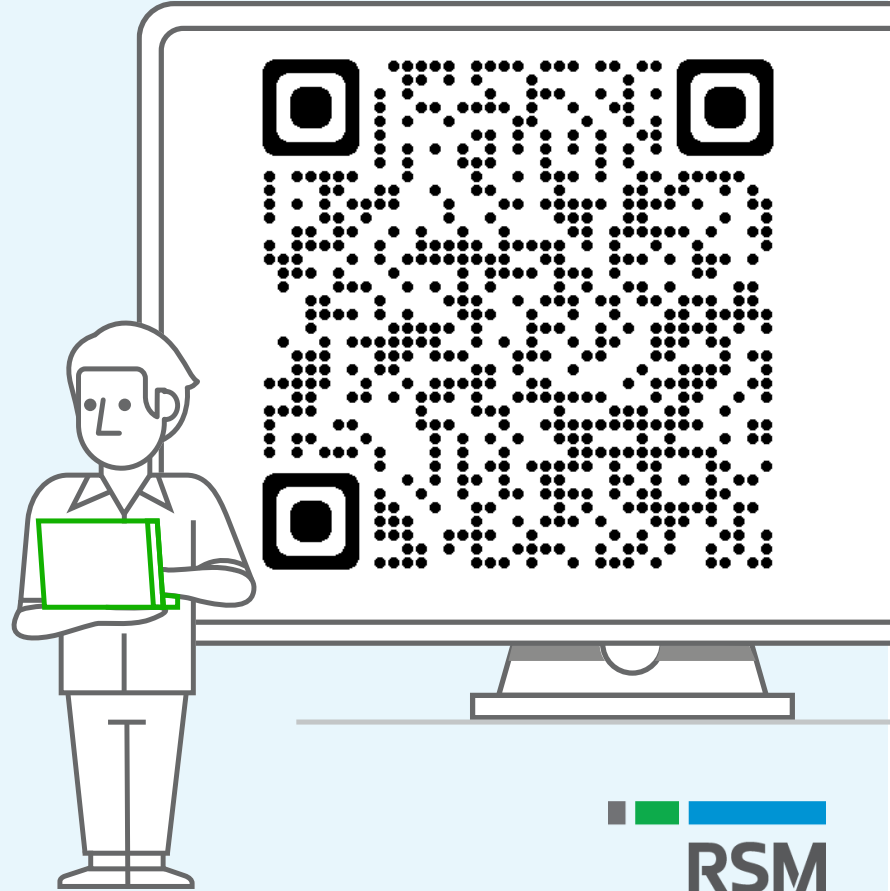


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Thank you
for your time
and attention

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If you have any queries about the content of this presentation, do not hesitate to get in touch.