

FIONA DAWSON'S SPEECH: FDF'S ONE YEAR ON EVENT

Thank you Iain.

Secretary of State, my Lords, ladies and gentlemen, last October FDF committed to an industry-wide target thrown down in the Food Industry Sustainability Strategy to reduce CO₂ emissions by 20% by 2010 against a 1990 baseline. However, to send a clear message nationally and to the international business community about the urgency of the problem, FDF committed to going further in the medium term by aspiring to achieve a 30% reduction in CO₂ emissions by 2020 compared to 1990. Our concern is that climate change is arguably the biggest single challenge facing the mankind. We only have one planet and, as a shared and precious resource, we must treat it with respect for future generations.

FDF's Five-fold Environmental Ambition 2008 Progress Report records the contribution that FDF members have made to tackling climate change. And our progress is very encouraging indeed. The latest figures available under FDF's voluntary Climate Change Agreement with Defra show that FDF members collectively achieved a 17% absolute reduction in CO₂ emissions in 2006 compared to 1990 at their production sites. This significant achievement amounts to an average saving of 58,000 tonnes of CO₂ per year, the equivalent of taking 22,000 cars off UK roads each year.

Investment by FDF members in energy efficiency improvements, as offered by Combined Heat and Power plants and new plant and equipment such as baking ovens, account for some of the progress that has been made. However, increasingly, improvements are arising from investments in renewable forms of energy such as that derived from biomass boilers and wind turbines. The case

studies in the report illustrate my point. Just look for a moment at the examples on the screen. They show a mixture of large and small companies investing in projects to save energy and reduce CO₂ emissions. They show reductions in CO₂ emissions ranging from 10% to 70%. Moreover, all of the emissions savings in these examples occur **after** 2006 and so will build on the success that I have reported up to that date. The Tate & Lyle and British Sugar case studies alone show a combined saving of 150,000 tonnes of CO₂ emissions per year going forward. Our leadership on this important issue will put us on the front foot as the drive towards a low carbon economy gathers pace, spearheaded by the Climate Change Bill and Climate Change Budgets.

Last October, FDF also nailed our colours to the mast regarding support for the guiding principles of the waste hierarchy. These put waste prevention first, followed by reuse, recycling, composting, energy recovery and lastly disposal. Our ambition, framed with this in mind, is to send **zero** food and packaging waste to landfill from 2015. We see it as particularly important given growing concerns that food waste in landfill gives rise to methane, which is 21 times more damaging to the environment than CO₂ emissions.

To make a start, FDF conducted jointly with Defra its first ever food and packaging waste survey of members' sites. The survey results have provided FDF with a 2006 baseline of 138,000 tonnes against which to measure progress towards our goal of zero food and packaging waste to landfill by 2015.

However, the results painted a much bigger and more exciting picture than the baseline itself. They revealed the good work that that FDF members are **already** doing to tackle waste. They showed that members actually **prevented** half a million tonnes of food waste in 2006 by ensuring that by-products from food production were used in animal feed for example. Furthermore, of the 835,000

tonnes of food and packaging waste that did arise at the 236 production sites surveyed, 82% was recycled or recovered in some way. Overall, therefore, only 17% was sent to landfill. But from FDF's perspective that is 17 percentage points too much. As such, we immediately set about working to reduce it in line with our 'zero by 2015' ambition.

FDF members have therefore fully engaged with WRAP in a series of waste prevention reviews as part of an initiative to help the food chain as a whole improve its environmental performance. Members have also forged new partnerships with FareShare, a charity that works with the food and drink industry and a nationwide network of community-based partnerships to redistribute surplus quality food to disadvantaged people.

FDF's **case studies** illustrate what members are doing by way of waste best practice. They show a variety of approaches ranging from working with FareShare, to switching materials or light-weighting them. And from training staff and raising staff awareness, to monitoring waste on a daily basis.

To help members build on current practice and make the most of waste they cannot prevent, FDF chaired a joint industry and Government Waste Infrastructure Working Group to improve access to anaerobic digestion and composting capacity. The Group was able to successfully pool information about existing and, where possible, planned anaerobic digestion and composting capacity. This has been captured by the National Industrial Symbiosis Programme in a single database which it will use to help match available capacity to food and drink industry needs.

Turning now to packaging reaching households, last October FDF also committed to encouraging members to sign up to the Courtauld Commitment which aims to deliver an absolute reduction in the level of such packaging by 2010 compared to

2006. Once again, I am pleased to say that FDF has made solid progress. Over the past year we have actually **doubled** the number of FDF members that have signed up to the Courtauld Commitment. This includes Associated British Foods, apetito, British Pepper and Spice and UIN Foods, food companies with a combined turnover of £1.5 billion, which we are newly announcing as signatories to the Courtauld Commitment today. FDF members now account for **over half** of all Courtauld signatories.

However, FDF would be the first to admit that signing the Commitment is not an end in itself. What matters more is that signatories contribute to reducing the level of packaging reaching households. The evidence shows that FDF members are pulling their weight. Just pause a moment to look at the **case studies** on the screen. The packaging reductions being achieved by FDF members under the Commitment are impressive. In the case of some multinationals, the positive benefits of working with WRAP are bringing about environment benefits elsewhere in Europe too! Coca-Cola Enterprises is a case in point. By working with WRAP it is now saving 15,000 tonnes of aluminum across Europe per year and a related 78,000 tonnes of CO₂ per year. The company is also saving glass and plastic.

I should also mention at this stage that to improve the advice available to consumers on what used packaging can and cannot be recycled, FDF has teamed up with WRAP and the British Retail Consortium who have been developing an on-pack labeling scheme with that aim in mind. Work on this is at an advanced stage. FDF and BRC plan to jointly launch this exciting new initiative shortly.

Last October FDF also promised to make a real difference to the environment by developing a Courtauld-type commitment with Envirowise to help reduce water stress. On 28 January 2008 we fulfilled our commitment by jointly launching with Envirowise what is in many respects a landmark sector agreement. Called the

Federation House Commitment, it sets out five steps to success for food and drink manufacturing companies wishing to work in a systematic way to improve water efficiency. The steps include developing water use baselines, developing site specific action plans and delivering and reporting against them.

237 food and drink manufacturing sites across the country are currently engaged in saving water under the Commitment. Encouragingly, over half of the sites that registered on day one have already put actions plans in place to deliver real savings against their baselines. Once again, FDF's **case studies** speak volumes, illustrating well what can be achieved through the adoption of best practice. Take Dairy Crest for example. Since signing the Federation House Commitment in January and following its five steps to success, the company's Severnside site has reduced water use by 6%, saving about 54 million litres. Take a look also at Britvic's case study. The company is saving 25 million litres of water each year on just one production line at its Leeds site by adapting its existing machinery with simple devices.

The overarching goal of the Federation House Commitment is for the industry **as a whole** to achieve a 20% absolute reduction in its water use outside of that embedded in products themselves. This target is significant. Achieving it would save about 140 million litres of water per day, the equivalent of saving 56 Olympic sized swimming pools of water each day. Achieving it would also save industry about £60 million in water bills per year. FDF and Envirowise are particularly keen to encourage more companies in the food and drink sector to sign up to the Federation House Commitment. We are, therefore, pleased announce that **11 FDF member companies**, with a combined turnover of almost £900 million, have newly signed up today and that their sites will soon be contributing to the ongoing programme of water saving activity.

Finally, last October FDF also committed to embed environmental standards in members' food transport practices, including contracts with road hauliers as they fall for renewal, to achieve 'fewer and friendlier' food transport miles. Once again FDF has made a solid start.

In July we launched our Checklist and Clause for Greener Food Transport. FDF's Checklist summarises transport environmental best practice and serves as a review aid for members to embed best practice in the day to day operation of their fleets. It covers key issues such as maximising vehicle loading, the ratio of trailers to tractors, empty running, driver training and vehicle maintenance. It also dovetails with work being led by IGD on transport collaboration.

FDF's Environmental Clause allows members to embed the principles of the Checklist at the heart of their relationships with third party road hauliers. It requires a contracting haulier to develop and publish a fewer and friendlier food transport miles manifesto and to provide qualitative annual reports to demonstrate progress.

We are pleased that 47 FDF member companies, with a combined turnover of £17 billion, have signed up to the Checklist and Clause. This includes **9 companies** which are being newly announced as signatories in our 2008 Progress Report today.

Best practice is at the heart of what FDF members are doing to achieve fewer and friendlier food transport miles. Let me share some examples with you. As you will see, rationalization of warehousing, reduced empty running, increased use of trailers and double-deckers and greater collaboration can go a long way towards cutting the number of road miles connected with food distribution. Take, for example, Premier Foods, the largest food and drink manufacturing company

in the UK. Through investment in double deck trailers the company saved 2.6 million road miles in 2008 compared to 2007 and reduced its tailpipe CO₂ emissions by 3,200 tonnes. Take United Biscuits as another example. It avoided 3.1 million road miles in 2008 compared to 2005 through measures such as backhauling, reduced empty running and increased vehicle fill.

So to conclude, last October FDF decided to be **bold**, bold about making a difference to the environment. We launched out Five-Fold Environmental Ambition, targeting priorities where, **collectively**, we could make the biggest difference to the environment.

Today, **one year-on**, we are publishing as promised our first annual report on our Five-fold Environmental Ambition. We are pleased that, working closely with our strategic partners, we have made solid progress across all its aspects. **In particular:**

- FDF members reduced on-site CO₂ emissions by an absolute 17% between 1990 and 2006, the equivalent of taking 22,000 cars of the road per year.
- We prevented half a million tonnes of food waste in 2006 and recovered or recycled 82% of the food and packaging waste that did arise.
- We established strategic partnerships with WRAP and FareShare to prevent, more than now, food and packaging waste going to landfill from food and drink production sites.
- We organised with Government and industry partners the development of a single database of waste treatment capacity which is being managed by the National Industrial Symbiosis Programme to help it match available waste treatment capacity to food and drink industry needs.

- We doubled the number of FDF participants in the Courtauld Commitment and now account for over half of all signatories working with WRAP to reduce the level of packaging reaching consumers.
- We jointly launched with Envirowise, the Federation House Commitment with an overarching aim of saving the equivalent of 56 Olympic sized swimming pools of water per day across the industry as a whole. The Commitment currently has 237 food and drink manufacturing sites contributing to that goal.
- We launched a Checklist and Clause for Greener Food Transport to spread transport best practice and thereby achieve fewer and friendlier food transport miles. 47 companies, with a combined UK turnover of £17 billion, are engaged in that aim, whether through their own fleets or third party hauliers.

This, my lords, ladies and gentlemen is the collective message of FDF members in our 2008 Progress Report published today. I hope you will collect a copy at the end of the event to learn in more detail what we have achieved in 2008 and, importantly, what more we plan to do over the year ahead to build on our solid start.

Thank you.