

FIONA'S SPEECH FOR LAUNCH OF FDF'S FEA

My lords, ladies and gentlemen – may I add to Iain's introductory remarks my own warm welcome to you all.

Today the FDF is being **bold** - bold about making a real difference to the environment.

This is not to imply that the food and drink industry has been sitting on its hands before now. Indeed, quite the contrary. Many companies within the food and drink manufacturing sector have long been embracing concerns about the environment. Moreover, they have translated understanding into real action with tangible outcomes. Individually, and in a largely uncoordinated fashion I would say, the sector has regularly produced glowing examples of best practice. And gradually those individual examples have added up - in some cases to reveal surprisingly significant overall improvements in the sector's environmental performance.

Take carbon dioxide emissions, for example. Government figures show that the food and drink manufacturing sector as a whole achieved a 12% absolute reduction in CO₂ emissions between 1990 and 1999, before the Climate Change Programme was even introduced. This increased to an absolute reduction of 15% by 2005, which is significant by any standards.

So as I have said, today the Food and Drink Federation is being **bold** about making a real difference to the environment. But before I say more about how, let me say a little about why.

FDF acknowledges the scientific expert opinion at the UN Intergovernmental Panel on Climate Change that the Earth is locked into a pattern of rising temperature and sea levels that is almost certainly the result of human activities. All the indicators show that **climate change** is arguably the biggest single challenge facing mankind and the planet.

FDF accepts that the main cause of climate change is the release of greenhouse gases, such as CO₂, into the atmosphere. From our manufacturing sector's perspective, these primarily arise from the burning of fossil fuels, upon which we depend for generating energy and raising steam. However, it is also worth mentioning that they arise from the disposal of food waste to landfill, which can give rise to methane emissions which are 21 times more potent than carbon dioxide.

FDF agrees that the continued disposal of packaging and food waste in landfill sites is a big challenge for our society and undermines its green credentials. We fully support the guiding principles in the Government's **waste** hierarchy of putting waste prevention first, followed by reuse, recycling/ composting, energy

recovery and lastly disposal. We see greater effort by everyone to improve waste prevention as essential. And where waste cannot be avoided, we view recovery, including recycling, as equally essential to turn potential 'waste' as far as possible into a resource.

Water is another precious resource. FDF acknowledges the expert opinion that it is increasingly vulnerable to the impacts of climate change and increasing demand. We accept that this can give rise to stress on water supplies in certain parts of the country and that the impact can also adversely affect local wildlife habitats and water quality. Industry, water suppliers and consumers alike all have a role to play in water conservation and efficiency.

FDF supports the drive - no pun intended - for 'fewer and friendlier' food transport miles. We agree with the research findings published by Defra in 2005 and also in 2007. These show the impacts of UK food transport, by the food chain as whole, to overwhelmingly be road congestion, damage to infrastructure, and road accidents. We also agree with the Government's conclusions that remedial action should focus on the domestic elements of such impacts, 87% of which arise in the UK.

So, you might ask, how then is FDF going to be **bold** about making a real difference to the environment having been convinced of the environmental imperatives?

Well, most importantly, FDF, on behalf of its members, is today making a **firm and public collective commitment**. We are committing to making a significant

contribution to improving the environment by targeting priorities where we can make the biggest difference. No other trade body in the food sector has taken this step.

FDF's collective approach is a significant departure from the individualistic and largely uncoordinated manner that I described earlier which has been typical of the sector's environmental performance to date. This is a **bold initiative** for a food trade body with regards environmental commitments. It is an indication of the leadership which FDF wishes to show on this important agenda.

That leadership extends to our five-fold environmental ambition. Working collectively, these are:

- i. to show leadership nationally and internationally by achieving a 20% absolute reduction in CO₂ emissions by 2010 compared to 1990 and aspiring to a 30% reduction by 2020;
- ii. to send zero food and packaging waste to landfill from 2015;
- iii. to make a significant contribution to WRAP's work to achieve an absolute reduction in the level of packaging reaching households by 2010 compared to 2005. And provide more advice to consumers on how best to recycle or otherwise recover used packaging;
- iv. to achieve significant reductions in water use and contribute to an industry-wide absolute target to reduce water use by 20% by 2020 compared to 2007;

- v. to embed environmental standards in our transport practices, including our contracts with hauliers as they fall for renewal, to achieve fewer and friendlier food transport miles. And contribute to an absolute target for the food chain to reduce its environmental and social impacts by 20% by 2012 compared to 2002.

Furthermore, FDF is committing to measure and report annually on the collective progress that we make against each of our ambitions. We want to know what our environmental contribution is to the wider collective - be it the wider food manufacturing sector, the rest of the UK food chain beyond the farm gate or, indeed, beyond. And we wish to be transparent by publishing the results.

I would now like to turn to how we intend to deliver our five-fold environmental ambition. We are placing **widespread** adoption of best practice at the heart of this, along with close **partnership** working with Government and best practice bodies.

FDF will therefore **work closely** with the Carbon Trust and other partners to develop carbon management best practice for our members. We will also work closely with the British Standards Institute and others on the development of a single methodology to measure the total carbon emissions associated with the supply chains for food and non-food products. This methodology will help industry identify CO₂ hotspots where further reductions in emissions can be

made. FDF will also develop a range of targeted energy efficiency projects in partnership with best practice organisations.

The two carbon dioxide reduction case studies included in our launch pack show with incredible clarity what is possible in this important area. They are good examples of how members are improving their energy efficiency through investment in greener technologies.

Tate & Lyle, through investment in a new biomass boiler at its Thames Cane Sugar Refinery site expects 70% of the site's annual energy needs to be met from renewable sources by 2009. This, in turn, should result in a 70% reduction in the CO₂ emissions associated with the site's activities – that would amount to a saving of about **120,000 tonnes** of carbon dioxide each year.

McCain Foods, who provided the other carbon case study, expects **60%** of its annual electrical needs at its Whittlesey plant to come from renewable energy from winter 2007 - an outcome made possible by its investment in three new wind turbines, among the tallest on-shore in the UK.

The case studies in your pack on food and packaging waste prevention and recovery are equally convincing.

United Biscuits has successfully reduced the weight of packaging reaching households by 6,800 tonnes per year compared to 2003 by adopting a reduce, recycle, reuse philosophy in line with the waste hierarchy. Over 80% of all

packaging used by the company is now recyclable. And over 90% of the cardboard it uses is recycled board.

Alara Wholefoods has made a 70% reduction in the level its packaging reaching households, by launching its new organic muesli range in a paper bag instead of a bag-in-a-box. This SME has prevented about 7.2 tonnes of packaging reaching consumers and saved about £9,000 in packaging costs thus achieving a win-win.

Using the services provided by FareShare enabled Nestle UK to reduce its landfilling of surplus food by about **95%** between 2005 and 2006, not to mention its disposal costs. It also resulted in charitable good in the shape of food for the needy and income for FareShare.

Our final case study in this area shows that working with a large scale thermal treatment operator, such as Inetec, is yielding clear, all-round benefits for Greencore. Not only can it now contemplate that from January 2009 it can achieve **zero** food and packaging waste going to landfill, but its waste-turned-resource will also generate renewable energy to power homes.

FDF will therefore **work closely** with WRAP to identify and disseminate food and packaging waste prevention best practice and to significantly increase the number of food and drink manufacturers who have signed up to the Courtauld Commitment to help it achieve absolute reductions in the amount of packaging waste reaching households. We will aim to raise consumer awareness about best practice for used packaging.

FDF will also **work closely** with partners such as FareShare to help prevent waste and to avoid the need for unnecessary waste disposal. In addition, we will work with the National Industrial Symbiosis Programme to maximise our levels of waste recovery using the waste treatment infrastructure that is currently available.

However, we should not underestimate the scale of our ambition to send zero food and packaging waste to landfill given the current state of UK waste recovery infrastructure. FDF will therefore be **pressing** Defra, the Environment Agency and WRAP to encourage development of new capacity in line with the priorities set out in the Government's Waste Strategy. This includes the infrastructure necessary to encourage cost-effective collection and recovery of used packaging, including biodegradable and compostable packaging. No doubt the Secretary of State will touch on these important issues when he speaks shortly.

On the issue of water use, our best practice case studies in your pack show with striking clarity what is possible with a little ingenuity and determination regarding water resource efficiency. Walkers, through a combination of engineering solutions and changed operator behaviour, has been able to save around 700 million litres of water per year at its Leicestershire sites. Similarly, engineering solutions at Cadbury Trebor Bassett's site in North Wales have yielded savings of about 17 million litres of water each year.

We need to roll out such success.

FDF will therefore **work closely** with Envirowise, the Government's expert body in this field, to encourage the widespread adoption of water best practice. We will take this forward in a structured way. We will develop and launch an FDF/ Envirowise Commitment on water efficiency best practice. Our approach will be similar in nature to the existing Courtauld Commitment on packaging waste. We plan to jointly publish the commitment in the New Year – so watch this space.

Finally, our case studies on achieving 'fewer and friendlier' food transport miles make for interesting reading in what has been a largely misunderstood part of the food and drink industry in terms of environmental impacts and priorities. My own company, Mars UK, has been able to avoid 606,000 food transport miles per year by maximizing vehicle loads, minimising journey distances, strategic placing of warehouses, and adopting modal shift from road to rail.

Similarly, Danone Waters UK is achieving 'fewer and friendlier' food transport miles with 83% of its mileage between factories and warehouses now done by rail. And 52% of its mileage between warehouses and customers.

To embed environmental standards into our food transport practices in a more systematic way, FDF will develop a check list of environmental criteria for use by our members. Where we use third party road hauliers, we will aim to embed our criteria in the contractual arrangements. We have developed a standard draft clause for that purpose which would require contractors to publish a fewer and friendlier miles manifesto and report annually on their environmental performance. FDF will also work closely with IGD's Efficient Consumer Response

programme to achieve greater transport collaboration and improved distribution across the food chain, which is central to the achievement of food transport best practice.

So to close, today FDF is being **bold** - bold about making a real difference to the environment. We are **committing** to making a significant collective contribution to improving the environment by targeting priorities where we can make the biggest difference. FDF's collective approach is a significant departure from the individualistic and largely uncoordinated manner typical of the sector's environmental performance to date. This is a **bold initiative** for a food industry trade body with regards environmental commitments. No other trade body in the sector has taken this step. It is an indication of the leadership which FDF wishes to show on this important agenda, reinforced by our five-fold environmental ambition.

So to recap:

- i. We will show leadership nationally and internationally on CO₂ emissions;
- ii. We will endeavor to send zero food and packaging waste to landfill from 2015;
- iii. We will aim to make a significant contribution to reducing the level of packaging reaching households and provide more advice to consumers on how best to recycle or otherwise recover used packaging;

iv. We will seek to achieve significant reductions in water use;

v. And we will work to achieve fewer and friendlier food transport miles.

Collectively, this is FDF's Five-fold Environmental Ambition and working **closely** with our partners we aim to achieve it.

Thank you.