

# World Summit on Sustainable Development 2002

Contribution by the UK food and drink manufacturing industry



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*‘Meeting the needs of consumers today and in the future while minimising the use of non-renewable resources and impact on the environment’*

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## **FOREWORD BY MINISTER FOR FOOD AND FARMING**

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**Sustainable development is about ensuring a better quality of life for everyone, now and for future generations to come. This lies at the heart of the Government's approach set out in our sustainable development strategy *A better quality of life*. In our view, it means meeting a number of objectives at the same time, in the UK and the world as a whole: social progress which recognises the needs of everyone; effective protection of the environment and prudent use of natural resources; and maintenance of high and stable levels of economic growth and employment. This is an ambitious but necessary agenda which the UK is pushing at all levels. The World Summit on Sustainable Development in Johannesburg in August will provide a further opportunity to make progress at a global level.**

Clearly national action is critical and Governments must play their full part in the achievement of these objectives. In the UK, we have set in train an ambitious programme to reduce by 2010 emissions of greenhouse gases by 23% over 1990 levels; and to stimulate development and investment in renewable energy, low carbon technologies and other innovative mechanisms. We have, for example, also launched the world's first economy-wide emissions trading scheme, developed in partnership with businesses and other key stakeholders. Saving carbon also saves businesses money. However, achieving sustainable development cannot be left to Government action alone. As wealth creators, users of vast amounts of natural resources and with significant potential to impact upon social progress, industry too has a significant role to play as well as civil society.

It is particularly pleasing, therefore, to see our UK food manufacturing industry actively engaging in the debate, setting out in this document current thinking about how it might contribute to the sustainability objectives. As one of the largest manufacturing employers in the UK, working closely with a small industry (farming) which nonetheless contributes a huge amount to the economic cohesion of rural areas, there are real issues around competitiveness, growth and prosperity which have to be balanced with the contribution the industry makes to environmental performance.

This document provides a useful contribution to the Government's thinking about a sustainability strategy for the food industry. The key performance indicators that the industry is setting for itself are a big step in the right direction. I would encourage all food manufacturers to adopt them as a means of measuring progress. I would also encourage the industry to look for ways of reporting progress, whether in company reports or by other means.

A handwritten signature in black ink, appearing to read 'J Whitty'.

***Lord Whitty of Camberwell, Parliamentary Under-Secretary of State,  
Department for Environment, Food and Rural Affairs***

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# 1.0: EXECUTIVE SUMMARY, BACKGROUND, INTRODUCTION TO THE FOOD AND DRINK FEDERATION AND STAKEHOLDER CONSULTATION

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## 1.1: Executive Summary

The Food and Drink Federation (FDF) represents the interests of the UK food and drink manufacturing industry. FDF represents all types of companies, from large international food and drink manufacturers through to smaller companies manufacturing new organic products. FDF addresses every aspect of food and drink manufacturing, from sourcing raw materials to processing, packaging, labelling and distribution.

**The food and drink manufacturing industry plays a leading role in the UK economy.** Over the last decade it has been the largest manufacturing sector with sales currently of £65.7 bn; in 2001 UK food and drink exports totalled nearly £8.5 bn of which almost 40% went to non-EU countries. **The industry employs some 0.5 million people directly, 3.4 million when taking into account the whole food chain and ancillary industries.**

**The industry exists to provide safe, wholesome and high quality products that consumers want and at the price they are prepared to pay.** The influence of demographic trends leading to smaller household sizes and that of the consumer in creating demand for sustainable products and, in turn, progress towards sustainable food production and consumption should therefore not be underestimated.

The industry has long been committed to **minimising the impact of its activities on the environment; to using natural resources wisely** to ensure their future availability; **to pursuing social progress** (whether this be through management of food safety, implementation of quality systems, communication programmes or investment in local communities) and **to playing a leading role in the UK economy** in respect of employment and wealth creation. Given its direct impact upon public health it is worth noting that the food and drink industry is heavily regulated.

This report reviews progress by the UK food and drink industry in tackling sustainable development issues since Rio 1992, set against the Government's four sustainable development objectives. It is intended to serve as a basis for further discussion with a wide range of stakeholders and opinion formers at this year's UN World Summit and beyond. As the food and drink industry lies at the heart of sustainability, in supplying the world's population with food, FDF is committed to making an active contribution to the current debate.

We have been working to develop guidance for member companies and a series of Key Performance Indicators (KPIs) for sustainable development that are relevant for the manufacture of food and drink. A major part of this revised report is the inclusion (in Part 3) of FDF Sustainable Development Guiding Principles and KPIs together with practical guidance on measures that industry can take to improve performance. While some companies already have their own initiatives, **we hope that the widespread adoption of these KPIs by manufacturing companies and other parties in the food supply chain will enable the sector to measure and report on progress made towards sustainable development.**

In compiling this report we have contacted a very wide range of key stakeholders on the basis of the earlier interim report to improve our understanding of what sustainable

development means in practice to the broader community. **We recognise that sustainable development must be considered in an holistic sense by all parts of the food supply/use/disposal chain - farmers, manufacturers, retailers, consumers and waste disposal companies.**

In recent years a number of food scares (eg BSE, Salmonella, E Coli 0157, foot and mouth disease) have sensitised consumers in the UK and Europe to the key issue of food safety. Increased consumer awareness and concern has led to calls for greater transparency of information, more traceability, more labelling, “purer” food and considerable consumer resistance to new technologies such as Genetic Modification (GM). **Maintaining and enhancing public trust and confidence in the safety, quality and wholesomeness of the food supply is key to achieving a sustainable food production system.** The final part of this report addresses some of the future challenges facing the industry.

*The report's conclusions are:*

1. The food and drink industry lies at the very heart of sustainability as food production sustains the world's population.
2. On a global scale there must be an increase in production, if there is to be a real improvement in the quality of life for vast numbers of the world population. However, it is important that this is achieved through improved resource efficiency rather than by increased global consumption of natural resources.
3. Companies within the food and drink sector are committed to minimising the environmental impact of their activities and working towards the objective of long term sustainability.
4. The industry is already taking initiatives which go significantly beyond legal requirements (eg environmental reporting, environmental management systems, sharing good practice, voluntary codes and agreements, community investment).
5. FDF has improved its understanding of what sustainable development means in practice for the food and drink manufacturing sector, particularly in terms of the UK Government's four defining objectives; and has worked to raise awareness of the issues amongst its membership. FDF is actively participating in the current debate, at a UK, European and international level.
6. FDF has developed a framework of Key Performance Indicators (KPIs), guidelines and overarching principles to aid companies' progress towards sustainable development, including its measurement.
7. FDF considers it important that sustainable development policy is taken forward holistically based on the social, environmental and economic dimensions: these are inextricably linked and cannot be addressed in isolation.
8. Any strategy must include all parts of the food supply/use/disposal chain – farmers, manufacturers, retailers, consumers and waste disposal companies.
9. Maintaining and enhancing public trust and confidence in the safety, wholesomeness and quality of the food supply is vital and underlines the importance of measures put in place by the industry to meet this objective.
10. The range and nature of products provided by the food and drink industry is a reflection of the changes in demographics towards smaller households and what consumers want to buy.

11. Consumers can, through their purchasing decisions, make a significant contribution to achieving sustainable food production.
12. Raising consumer awareness of the issues involved, to enable them to make informed choices, must be a key part of any overall strategy.
13. Urgent reform of the Common Agricultural Policy (CAP) is needed to enable the EU to meet the challenges of enlargement and to support the WTO Doha Development Agenda.
14. FDF recognises that Climate Change is one of the key sustainable development challenges. The industry is already addressing the need to minimise the consumption of energy used in manufacturing and distribution operations; companies are also considering increasing the proportion of energy sourced from renewable sources or good quality CHP schemes.
15. The very low energy efficiency of domestic appliances and cookers compared with industrial-scale equipment means that any increase in the amount of processing and cooking done by domestic consumers could increase the UK's total consumption of energy and thus contribute to more climate change.

## **1.2: Background**

Sustainable development is one of the key challenges facing society in the 21st century and, in supplying the world's population with "the staff of life", the food and drink industry lies at the heart of sustainability. In January 2002 and following initial discussion with a range of other stakeholders, FDF published its interim report for the UK Food and Drink Sector. The interim report was intended as a basis for further discussion with a very wide range of stakeholders in the run up to the United Nations World Summit on Sustainable Development being held in Johannesburg, South Africa, 26 August to 4 September 2002. This second report takes into account the comments FDF has received as a result of this broader stakeholder debate.

FDF is committed to making an active contribution to this important issue. Companies within the UK food and drink sector are committed to minimising the environmental impact of their activities and working towards the objective of long-term sustainability.

FDF has been seeking to increase its understanding of what sustainable development means in practice for the food and drink manufacturing sector, particularly in terms of the UK Government's four defining objectives; and to raise awareness of the issues amongst its membership. This report reviews progress by the UK food and drink industry in tackling sustainable development issues, since Rio 1992, set against those objectives:

- social progress which recognises the needs of everyone
- effective protection of the environment
- prudent use of natural resources and
- maintenance of high and stable levels of economic growth and employment.

This second report also includes the results of FDF's work to develop a set of Key Performance Indicators (KPIs) on sustainable development for companies to measure and report on their performance, supported by practical guidelines; we have also developed and agreed with our membership a set of sustainable development guiding principles.

In compiling this report we have taken account also of the internationally recognised Bruntland Commission definition of sustainable development, which we have interpreted for the food and drink industry as *'meeting the needs of consumers today and in the future while minimising the use of non-renewable resources and impact on the environment'*. **We believe that sustainable development should be seen as a continuous improvement process that uses innovative ways to increase eco-efficiency towards the goal of a sustainable food production and consumption system, which both maintains and enhances consumer trust.**

This report identifies some of the remaining challenges and future goals, including: consumer expectations, endocrine disruption, GMOs, sustainable agriculture, transport and reform of the CAP.

The report also presents a detailed review along with examples of how the food and drink industry is addressing the Government's four key sustainable development objectives covering:

- improvements in public health
- food quality, food diversity and nutrition
- communication initiatives by the industry and
- stakeholder engagement.

An important element of the report is the discussion of environmental regulations and policies, including how the industry is pursuing initiatives that go beyond legal requirements; it also reviews how the industry is tackling the important issue of climate change, management systems, including environmental management systems, control of accidental releases and how environmental considerations are taken into account in the food supply chain.

Also set out is the composition and structure of the food and drink manufacturing industry, the contribution it makes to the UK economy and its diversity and how FDF members work to ensure the optimum use of natural resources, including recycling and recovery where appropriate, in sourcing raw materials, in manufacturing and in packaging.

This second report is being published immediately prior to the 2002 World Summit to inform the debate of what sustainable development means for the UK food and drink manufacturing industry and as evidence of the sector's commitment to assessing and reporting on progress within a process that will extend well beyond Johannesburg. We welcome the opportunity to discuss our views with other stakeholders, both during and after the World Summit, and would encourage comments on the report's contents.

## **1.3: Introduction to the Food and Drink Federation**

FDF represents the interests of the UK food and drink manufacturing industry and addresses every aspect of food and drink manufacturing, from sourcing raw materials to processing, packaging, labelling and distribution. Our membership comprises a diverse range of trade associations representing all types of companies from large international food and drink manufacturers with long established brand names through to small companies manufacturing new organic products. We promote the industry's views and work to improve understanding of its operational requirements in responding to Government, EU and international consultations and through liaison with other parties.

### **FDF's work supports the following aims:**

- safeguarding the industry's commercial interests and maximising its competitiveness
- improving the environment in which the industry operates, be it legislative, economic, social or political
- working with Government, consumers, the EU, international bodies and other interested parties to improve confidence in the food chain and
- enhancing the industry's reputation as a responsible provider of safe and wholesome food and drink, which plays a vital role in the UK's economic and social fabric.

## **1.4: Stakeholder Consultation**

As discussed in Section 1.2, FDF consulted a very wide range of stakeholders representative of many different sections of society on the interim report. Most of the feedback received has been very positive. Both DEFRA and the United Nations Environment Programme (UNEP) commented on the positive contribution that the interim report makes to the preparations for the World Summit on Sustainable Development. DEFRA emphasised the importance of developing the report into a framework for concerted action under the aegis of a sustainability strategy and which should include targets to be monitored, upgraded and regularly reviewed. This has been addressed by the inclusion in this second report of sustainable development principles, KPIs and Practical Guidelines (see Part 3.0). FDF also accepted an invitation to join a DEFRA Consultative Group to help take forward the Government's Communications Strategy for the World Summit.

The Sustainable Development Commission (SDC), which advises the Prime Minister on such matters, commented that it was delighted to see the way in which FDF has picked up so many of the challenges. The SDC further suggested that FDF contribute its work into the DTI and DEFRA Pioneers Group, a best practice forum of around 20 sectoral organisations, working to accelerate the development and implementation of sectoral sustainable development strategies. FDF has since become a member of this Group.

ENDS Journal published an article on the interim report in its March 2002 issue, highlighting the need for more data to be included on the industry's performance and for targets to be set. The inclusion of KPIs in this second report addresses the issue of targets. FDF considers it most appropriate that companies be given direction on relevant parameters, but retain the ability to set their own targets; data have been reviewed and supplemented where available.

Sustain (the alliance for better food and farming) welcomed the efforts by FDF to look at sustainability issues, commenting positively on the coverage given to topics such as packaging minimisation and reduction, energy and water use. Equally, however, Sustain asked to see more evidence of support by the food industry for sustainable food supplies including organics; reduced pesticide and fertiliser use and avoidance of genetic

modification along with reductions in waste, transport and energy and changes in advertising and labelling. FDF has sought to address these issues in this second report.

The list of stakeholders whom FDF consulted on the interim report includes our partners in the food supply chain, UK Government, consumer organisations, NGOs, trade unions, local Government, MPs, regulators such as the Environment Agency and the Food Standards Agency (FSA), the European Commission and the media. The full list is as follows:

*BBC Radio*  
*Biffa*  
*British Retail Consortium*  
*CIAA (including national federation members)*  
*Confederation of British Industry*  
*Consumers Association*  
*Cooperative Group (CWS)*  
*Countryside Commission*  
*DEFRA*  
*DTI*  
*ENDS Journal*  
*Environment Agency*  
*ENVIROS*  
*European Commission DG Environment*  
*Forum for the Future*  
*Friends of the Earth*  
*Farming and Countryside Education*  
*Food Standards Agency*  
*Greenpeace*  
*The Grocer*  
*Industry Council for Packaging and Environment*  
*John Lewis Partnership*  
*Local Government Association*  
*Institute of Food Research*  
*Institute of Grocery Distribution*  
*Marks & Spencer*  
*National Consumer Council*  
*National Consumer Federation*  
*National Farmers Union*  
*Prime Minister's Delivery Unit*  
*Sainsbury's*  
*Sustainable Development Commission*  
*Soil Association*  
*Sustain*  
*The Scotsman*  
*Trades Union Congress*  
*United Nations Environment Programme*  
*United Nations Environment and Development-UK Committee (UNED UK)*  
*World Wildlife Fund*  
*Margaret Beckett, Secretary of State, Environment Food and Rural Affairs*  
*Michael Meacher, Environment Minister*  
*Lord Whitty, Parliamentary Under Secretary*  
*David Curry, Chair, Environment Food and Rural Affairs Select Committee*  
*Peter Ainsworth, Shadow Secretary of State for Environment Food and Rural Affairs*

*Jonathan Sayeed, Opposition Spokesman for the Environment*  
*David Taylor, Environment Food and Rural Affairs Select Committee*  
*Paddy Tipping, Environment Food and Rural Affairs Select Committee*  
*House of Commons Environmental Audit Committee*  
*Martin Livermore, Independent Consultant*

In addition, the interim report has been posted on the following websites:

[www.agrifood-forum.net/wssd.htm](http://www.agrifood-forum.net/wssd.htm) (UNEP agrifood site)

[www.uneptie.org/wssd](http://www.uneptie.org/wssd) (UNEP WSSD site)

[www.fdf.org.uk](http://www.fdf.org.uk) (FDF site)<sup>a</sup>

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<sup>a</sup> A dedicated email address was set up in conjunction with the FDF site for stakeholders to send in comments: [sustaindev@fdf.org.uk](mailto:sustaindev@fdf.org.uk)

## 2.0: THE FOUR KEY SUSTAINABLE DEVELOPMENT OBJECTIVES

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This part of the report reviews how the food and drink industry is addressing the four sustainable development objectives identified by the Government for the purposes of defining the UK strategy, namely:

- social progress which recognises the needs of everyone
- effective protection of the environment
- prudent use of natural resources and
- maintenance of high and stable levels of economic growth and employment.

### 2.1: Social Progress which Recognises the Needs of Everyone

The food and drink industry's job is to provide safe, wholesome and high quality, products that consumers want and at a price they are prepared to pay. Changes in demographics, leading to smaller household sizes, lifestyles, working patterns and increased wealth over the last decade have led to different needs, increased social expectations and changes in taste. We have had to respond to these demands, not only in terms of the range and nature of products on offer, but also in terms of maintaining and enhancing consumer confidence in the areas of health and nutrition. However, the effect of these trends and the influence that consumers have on the activities of all parts of the food chain through their purchasing choices and thereby on progress towards sustainable food production should not be underestimated. For example a study commissioned by INCPEN<sup>b</sup> has shown that a person living alone has roughly double the environmental impact of a person living in a large household, taking into account products purchased, use of packaging and energy.

#### 2.1.1: Improvements in Public Health, Food Quality, Food Diversity and Nutrition (Diet and Health)

##### 2.1.1.1: Public Health

Food safety is, and must remain, a priority for all businesses at any stage in the food supply chain. The industry represented by FDF, is committed to:

- providing consumers with a wide choice of safe, high quality, wholesome and enjoyable food and drink products
- working with all other parts of the food chain to ensure food safety and consumer confidence and
- complying fully with existing food and drink legislation and relevant codes of practice.

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<sup>b</sup>Towards Greener Households – Products, Packaging and Energy, INCPEN, (2001)  
(<http://www.incpen.org/pdf/greenhouse.pdf>)

The food and drink industry has put emphasis on five key points to ensure day-to-day food safety:

**Improving food safety systems:** FDF fully supports the European Commission initiative to consolidate and simplify EU food hygiene legislation, in particular by emphasising a whole chain approach to reinforce, integrate and enhance food safety standards throughout the food supply chain. FDF welcomes the emphasis on implementation of HACCP (Hazard Analysis and Critical Control Points) principles based on those developed by Codex. This will enable the application and enforcement of legislative requirements proportionate to the food safety risk posed by the operation. FDF considers that all food businesses regardless of scale, geographical location or point in the chain – from primary production to sale to the final consumer - must be included within the scope of Community food hygiene legislation and, in turn, be subject to the requirement to operate to HACCP principles.

**Traceability:** FDF supports the need for appropriate traceability to support the provision of safe food. Any move to full traceability will need to consider the practicality and costs of obtaining and storing a large amount of detailed information, noting that most large scale processing is a mixture of batch and continuous processing. In practice, companies already have stringent measures in place to ensure ingredients meet specifications and thereby to ensure safe, quality products and to facilitate recall. Traceability systems, developed as a tool to deal with product liability, have been significantly improved over time. All foodstuffs intended for sale for human consumption (unless specifically exempted) are required, under the Food (Lot Marking) Regulations 1996, to be identified by a lot mark in order to facilitate the tracing and identification of products. Traceability is also a fundamental requirement of all Quality Management Systems. ISO 9000 certification requires documented procedures aimed at product identification, from purchase of the raw materials and throughout the entire production process and shipment.

**Issues management:** Procedures are being further improved, both at company and at Association level, to enhance further consumer confidence in the safety, quality and wholesomeness of food and drink products, based on lessons learned from the BSE and foot and mouth disease crises.

**Risk identification:** The industry participates actively in the identification of new, and the evaluation and tracking of existing, risks to food safety. The industry has a key role in providing data and the necessary platform for discussion and evaluation of data.

**Communication:** The industry recognises that communication is an important factor in maintaining and enhancing consumer confidence in the safety, quality and wholesomeness of foods. Several initiatives are undertaken to improve communication and thereby the understanding of the general public (see section 2.1.2). FDF will actively support efforts to increase the level, quality and value of information to the general public, in particular by using the opportunities offered by interactive technologies.

Regarding the Council/European Parliament Regulation 178/2002 on General Principles of Food Law and establishment of a European Food Safety Authority:

- FDF welcomes and supports the provision of a comprehensive, single basis for EU food law by creating a general framework with common underlying principles and a definition of essential terminology
- FDF also agrees with the need to strengthen and streamline the Community's mechanisms for independent scientific and technical advice on food chain issues and welcomes this principal objective of the EFSA. There is, however, much organisational detail to be clarified as the authority is brought into being.

### 2.1.1.2: Food Quality

#### ▶ **BRC/FDF Technical Standard for the supply of identity preserved non-genetically modified food ingredients and product**

The British Retail Consortium (BRC) and FDF have jointly developed a Standard, based upon current best practice, for the sourcing of identity-preserved (IP), non-GM (conventional) soya and maize. The objective is to facilitate the sourcing of IP conventional ingredients, with an acceptable degree of confidence, by whatever means is appropriate to individual companies. It has been widely welcomed, including by the FSA and the Local Authorities Coordinators of Regulatory Services (LACORS).

The scope of the Standard has been limited to the supply of IP conventional soya and maize ingredients. The principles established are, however, applicable to the development of IP systems for other commodities. Animal feedingstuffs are not explicitly incorporated within the scope of the Standard, although its principles are equally applicable to crops incorporated into non-GM animal feeds.

The requirements in the Standard are at two levels:

- **Standard Compliance Level**, with which companies must comply
- **Recommendations on Best Practice**, to which companies should aspire.

These requirements are supported by a “**Documentation**” column, indicating the essential information that would support the requirements of the Standard and be essential to ensure the integrity of the IP system. A final section sets out recommendations on sampling and analysis.

#### *Benefits of the Standard*

These include:

- a single standard, covering the whole supply chain from seed to consumer
- confidence for industry and the consumer
- a reduction in inspection levels, hence costs, resulting from wide acceptance
- making it possible for smaller companies, with limited resources, to source and supply non-GM materials and
- the facilitation of international trade in non-GM materials.

#### ▶ **BS EN ISO 9000**

BS EN ISO 9000 is a specification for a quality system directed at the quality management processes of an organisation. It provides a framework consisting of a range of processes, such as management review, training-needs analysis, and customer needs evaluation, as well as requirements for continuous improvement and monitoring of the system. Its application does not of itself indicate the specific quality of products but gives assurance that products will be made consistently to whatever specification is set for them. As such it is a valuable tool for promotion of mutual confidence within the supply chain and has been widely taken up within the food and drink manufacturing industry.

FDF played an active part in the development by BSI of food and drink guidance notes for the application of BS EN ISO 9001: 1994 for Quality Management Systems (QMSs) in the Food and Drink Industry.

The introduction of a defence of due diligence, in the 1990 Food Safety Act, provided motivation for companies to have their QMS certified to this Standard to demonstrate

their responsible approach. This has had the added benefit of improving control of food safety and quality for the direct benefit of the consumer.

### ► **BRC Technical Standard for Companies Supplying Retailer Branded Food Products**

FDF worked closely with the BRC in developing this Technical Standard with additional input from a number of audit organisations. By providing a common basis for the inspection of companies supplying retailer branded food products, the Standard is designed to assist retailers in their fulfilment of legal obligations and protection of the consumer.

It has encompassed the fundamental principles of the retailers' current standards and is intended to be used by third party inspection bodies. It is not intended to replace any legislative requirement, where legislation requires a higher standard for a specific industry sector.

The Standard requires:

- the adoption of HACCP (Hazard Analysis and Critical Control Points)
- a documented quality management system
- control of factory environment standards, product process and personnel.

#### *Benefits of the Standard*

There are a number of benefits arising from the introduction of the BRC Technical Standard:

- it provides a single standard and associated protocol, allowing inspection to be carried out by Inspection Bodies accredited against a European standard
- it entails single verification commissioned by the supplier, in line with an agreed inspection frequency, which allows suppliers to report upon status to those customers recognising the Standard
- it is comprehensive, covering all areas of product safety and legality
- it addresses part of the due diligence requirements of both the supplier and the retailer
- it includes, within the associated inspection protocol, a requirement for surveillance and confirmation of corrective actions on non conformance.

#### **2.1.1.3: Food Diversity**

In FDF's view, the UK consumer has never before been offered such a vast array of safe, wholesome and convenient food and drink products, at competitive prices.

#### **2.1.1.4: Nutrition (Diet and Health)**

##### **A wide variety of factors affect people's eating patterns and dietary preferences.**

The relationship is complex and it is important that each factor (e.g. genetic, cultural, religious, personal, socio-economic, environmental and physiological) is viewed in the context of the numerous influences within an individual's eating environment. In seeking to provide an optimal and sustainable environment for growth and health, it is important to make sure that people get enough to eat to support health and physical activity, and that they consume a wide variety of foods. It is a balanced diet that is important. In terms of nutrition, what matters is the balance of nutrients in the total diet as a whole over time, not the nutrient content of individual foods. There are no 'good' or 'bad' foods.

To facilitate choice and to meet individual taste preferences and dietary requirements, the UK food and drink manufacturing industry provides a wide variety of food and drinks products, including those with lower total fat levels and/or reduced saturated fat content, reduced sodium and/or sugars levels as compared with standard versions. **FDF members are fully committed to providing products which meet consumer demand on healthy eating where there is technological scope to do this and where food safety, taste and functionality are not compromised.** However, it should not be forgotten that in order to meet the objective of providing healthy, nutritious food to all, such food has to remain affordable; moves to production methods such as consumption at the nearest point of production, might risk compromising this objective.

**FDF has a pro-active programme - the foodfitness programme - to communicate with consumers the benefits of a healthy and nutritious diet and one of its key messages is that consumers should aim to eat 5 fruit and veg a day (see 2.1.2)**

What constitutes a healthy diet will clearly vary for different populations. Furthermore the dietary needs and nutrient requirements of individuals within these populations will differ according to individual circumstances such as genetic predisposition, sex, age, physical activity levels, dietary preferences and medical condition; food production also needs to take account of personal preferences and trends.

- in developing countries, nutritional concerns may include: stunting (inadequate intakes of energy / nutrients to meet the needs for growth and development); anaemia (lack of iron in the diet, poor absorption of iron from food, or significant blood loss); and vitamin and mineral deficiencies (Vitamin A deficiency, for example, affects as many as 256m children in more than 75 countries and is the world's most preventable cause of blindness)
- in developed countries, concerns may largely relate to ensuring a balanced, varied diet for optimal growth and activity; eating disorders such as anorexia and bulimia; and the problem of obesity due to lack of activity and sedentary lifestyles.

Theoretically, it should be possible to reduce or eliminate risk of deficiency or over-consumption if everyone consumed a balanced varied diet. General populations, however, have little knowledge of the levels of micronutrients their diet provides or which foods provide a significant source of which micronutrients, or how much they should be consuming. **Foods with added nutrients** provide an ideal vehicle for improving the nutritional status of populations, particularly in the light of changing lifestyles and dietary patterns. Several nutrients have been added to food and drink products around the world, as public health measures and as cost-effective ways of ensuring the nutritional quality of the food supply. Examples in the UK include the statutory addition of **calcium, thiamin, niacin, and iron** to all types of flour<sup>c</sup>, other than wholemeal, the statutory addition of **vitamins A and D** to margarine, and the voluntary addition of vitamins and minerals to breakfast cereals, vitamin C to dehydrated potato products and A and D to dried skimmed milk.

**Obesity** is an important avoidable risk factor for a number of life-threatening diseases (high blood pressure, coronary heart disease, some cancers and diabetes). Like many public health problems, the causes of obesity are complex and multi-factorial, but ultimately result from a positive energy balance: that is an excess of energy intake compared with energy expenditure. Scientists believe that the **low levels of physical activity** now prevalent in many countries, play an important role in the development of obesity by greatly reducing energy needs<sup>d</sup>; and are concerned at the sedentary lifestyles of many children. Research suggests that having a physically active lifestyle in childhood

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<sup>c</sup> As specified in the Bread and Flour Regulations 1995 (SI 1995 No. 3202).

<sup>d</sup> Prentice and Jebb (1995). Obesity in Britain: gluttony or sloth? British Medical Journal 311, 437-9

and adolescence increases the likelihood of having an active adulthood, when significant health benefits can be gained<sup>e</sup>.

**Labelling is the usual means of providing consumer information** on products and its principal purpose is to enable consumers to select products according to their needs; to store and prepare products correctly; and to promote the proper handling and use of foodstuffs. **The UK food and drink manufacturing industry is committed to providing accurate, factual, nutrition information on pack** in line with the current legislation (Nutrition Labelling Directive 90/496/EEC) to assist consumers in making informed purchasing decisions. The existing format has been in use for over 10 years and, despite nutrition labelling being voluntary, it is widely provided by UK manufacturers. It is estimated that over 80% of UK-produced, pre-packed, manufactured foods now routinely provides nutrition labelling, either Group 1<sup>f</sup> or Group 2<sup>g</sup>. However, the primary purpose of the food label is to inform the consumer, not to educate. The information provided on pack must therefore be supported by other materials, to assist consumer understanding. This is important, as lack of understanding on the part of consumers may lead to increased confusion and even more food scares. There is a need, however, to avoid overloading consumers with information.

**Consumer education** is of key importance in order to facilitate informed choice; to create the demand leading to the consumption of a balanced diet; and to increase awareness of the importance of daily moderate physical activity in the prevention of obesity and associated ill health. A strong curriculum in food and food technology can equip children with the basic skills necessary to exercise informed choice and to achieve a varied diet over time from the wide range of available foods and drinks.

The UK food and drink manufacturing industry plays its part by:

- supporting the inclusion of food across a broad range of UK National Curriculum subjects
- developing curricular-appropriate educational resources in response to requests from schools
- getting involved in Education Business Partnerships
- providing information to the consumer, both on-pack (through labelling) and through customer care lines, websites and leaflets and
- developing and maintaining food industry consumer information programmes: **foodfitness**, **foodlink** and **foodfuture** that respectively
  - (1) encourage a healthy balanced, varied diet and active lifestyle (<http://www.foodfitness.org.uk>)
  - (2) promote food safety messages (<http://www.foodlink.org.uk>) and
  - (3) provide balanced information about the issues surrounding genetic modification and food (<http://www.foodfuture.org.uk>). [See 2.1.2 below]
- advertising products in a socially responsible way, particularly where children are concerned.

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<sup>e</sup> HEA (1997). Young People and Physical Activity – Promoting Better Practice. London.

<sup>f</sup> Group 1 = energy, protein, carbohydrates and fat

<sup>g</sup> Group 2 = energy, protein, carbohydrates, sugars, fat, saturated fats, fibre and sodium

## 2.1.2: Communication, Education and Information

The industry represented by FDF is committed to labelling goods clearly and informatively so that people know what they are buying and how best to store and prepare what they buy.

FDF supports the principle that consumers should have access to accurate information about the foods they purchase and should not be misled. The EU Labelling Directive sets out a sound and consistent basis for food labelling, although some of its more recent revisions have presented considerable technical difficulties of compliance and enforcement.

Consumers require information on many of the key issues of the food debate in order to maintain and enhance confidence in the safety, quality and wholesomeness of the food supply. Given the large amount of information already required on food labels, alternative means of communicating further information, especially to specific interest groups, must be considered. Public information programmes can play a positive role in providing sources of balanced information in order to help consumers form judgements and strategies. Likewise, the influence that consumers can bring to bear in terms of stimulating demand for sustainable products and practices through their buying patterns is potentially very significant.

FDF fulfils its responsibility to consumers of all ages by providing science-based information programmes on key food related issues to help them make more informed choices. The programmes are built around partnerships with key stakeholders including Government, regulators, health professionals, teachers, scientists, consumer organisations and the media.

### Foodfitness

The industry has invested substantial resources in the development of a healthy lifestyle consumer information programme promoting healthy eating and an active lifestyle. The **foodfitness** programme, launched in 1996, encourages participants to join the activators promoting the complementary benefits of healthy eating and moderate physical activity in an innovative and fun way with the aid of cartoon families- the Activators and the Dolittles. Their aim is to engage the public and show that a healthy lifestyle need not be dull, demanding, extreme or expensive.

The five key messages of **foodfitness** encourage moderate daily activity with simple positive steps to a healthier diet:

- **be active in your daily life**
- **take pleasure in active leisure**
- **aim for 5 fruit and veg a day**
- **base meals on starchy foods**
- **check out more lower fat choices.**

**Foodfitness** materials have been distributed to primary and secondary schools. Teachers are using the resources to support their own school activities to promote healthy lifestyle.

The industry is aware of the importance of promoting the consumption of all types of fruits and vegetables (whether raw, frozen, dried, canned or juiced) every day as part of a healthy, balanced and varied diet. Fruits and vegetables are an important source of major antioxidant nutrients that offer protection against the common chronic diseases of adulthood<sup>h,i</sup>. However consumption in the UK remains lower than in other European countries<sup>j,k</sup>. A key message of the food**fitness** programme encourages participants to “Aim for 5 fruit and veg a day”. [See insert below giving an overview on the FDF’s food**fitness** programme].

Website address: [www.foodfitness.org.uk](http://www.foodfitness.org.uk)

### An overview of FDF’s food**fitness** programme

<p><b>Join the Activators look better, feel better and get more out of life</b></p> <p>The programme has been developed by the Food and Drink Federation, on behalf of the food and drink manufacturing industry, to promote increased physical activity combined with enjoyable healthy eating.</p>	 <p><b>foodfitness</b></p>	<p><b>Carbohydrate has less than half the calories of fat</b></p> <p>Make starchy foods (bread, potatoes, cereals, rice and pasta) the basis of your main meals. For example, have a bigger helping of pasta and less sauce. Increasing the proportion of carbohydrate in our diet can actually help control weight. Snacks are also a useful source of carbohydrates and other nutrients, especially as you become more active. Remember to check out food labels to keep track of the fat content.</p>
<p><b>70% of adults are not active enough to benefit their health</b></p> <p>Inactivity doubles your risk of heart disease. Walking is one of the easiest ways of being more active and regular brisk walking lowers the risk of heart disease. Regular, moderate activity such as dancing, gardening or swimming is much better for you than occasional bouts of strenuous activity. For maximum health benefits, aim to build up to 30 minutes of moderate activity five times a week.</p>	<p><b>Aim for 5 fruit and veg a day</b></p> <p>Fruit and vegetables are an excellent source of the vitamins, minerals and fibre we need to help maintain a healthy body and fight diseases. Yet most of us don’t eat enough of them. Five portions a day may sound a lot but a glass of orange juice, an apple, a small can of tomatoes or baked beans each count as one portion.</p>	<p><b>Most people need to cut their fat intake by more than 10%</b></p> <p>Eating too much fat can easily lead to weight gain. But, some fat in the diet is essential for health. Cutting down on fat doesn’t have to mean totally changing your diet. Most people can do it by making small changes to everyday meals. Children under five should not follow a low fat diet.</p>

<sup>h</sup> Gillman, M.W. “Enjoy your fruits and vegetables”, *BMJ*, Vol 313, 1996, pp765-766

<sup>i</sup> Gillman, M.W. *et al.* “Protective effects of fruits and vegetables on development of stroke in men”. *JAMA*, Vol 273, 1995, pp1113-1117

<sup>j</sup> Rayner, M.(1998). “Vegetables and fruit are good for us so why don’t we eat more?” *Brit J Nutr*, Vol 80, 1998, pp119-120.

<sup>k</sup> Walker, A.R.P. “Vegetable and fruit consumption: Some past, present and future practices”, *J Roy Soc Health*, No 115, 1995, pp.211-216.

## **Foodlink**

FDF's **foodlink** programme was established in 1992 following a number of food scares in the UK over microbiological safety – most notably Salmonella and Listeria. The annual **foodlink** National Food Safety Week was launched in 1993 and marked its Tenth Anniversary in 2002.

**Foodlink** is organised by FDF in association with the FSA, the three professional organisations representing environmental health and trading standards officers (Chartered Institute of Environmental Health, Royal Environmental Health Institute of Scotland and LACORS), three Government departments (food, education and health) and organisations representing the other sectors of the food chain (the National Farmers Union and the British Hospitality Association).

The **foodlink** programme provides a focus for communicating messages on the importance of food hygiene to everyone preparing food. To support this an extensive range of food safety materials are available all year round to support food safety awareness activities and classroom work (leaflets, posters, fridge magnets, fridge thermometers, balloons etc) and a website provides a further source of free downloadable materials, food safety information and tips on organizing activities for National Food Safety Week.

National Food Safety Week 2002 (10-16 June) achieved widespread and extensive print press coverage and good coverage in both national and regional broadcast media with over 50 radio and TV interviews highlighting the initiative and the key food safety messages.

The key messages of the campaign are simple but vital and cover all aspects of keeping food safe – safe storage, temperature control (both cooking and chilling), avoiding cross-contamination, kitchen cleanliness and hand washing.

Other **foodlink** activities include an annual food safety poster competition for schools and (launched in 2002) the **foodlink** Food Safety Communication Awards open to environmental health departments to nominate their National Food Safety Week activities or other food safety awareness raising initiatives.

Website address: [www.foodlink.org.uk](http://www.foodlink.org.uk)

## **Foodfuture**

FDF's **foodfuture** programme, established in 1995, aims to improve public understanding of issues surrounding genetic modification and food. **Foodfuture** provides balanced, science-based information addressing both the potential benefits and concerns. A series of publications have been developed in consultation with scientists and organisations with a range of perspectives in the GM debate. The **foodfuture** teachers' pack, launched to all secondary schools in September 2000, led to orders for 60,000 **foodfuture** booklets from teachers.

The programme involves a wide range of activities including the series of **foodfuture** Question Time debates which provided opportunities for members of the public, including school children, to quiz a panel of experts representing the entire spectrum of opinion in the GM debate.

Website address: [www.foodfuture.org.uk](http://www.foodfuture.org.uk)

### **2.1.3: Stakeholder Engagement Including Relations with Local Communities, Employees and Suppliers, Investors, NGOs, etc**

FDF members seek to conduct their business operations in ways which respect the needs of local communities and which do not adversely affect the quality of people's lives. Community investment is seen as a core imperative for a sustainable business. Jobs and opportunities are created not only in the UK but in many hundreds of countries around the world. Many companies also help improve the local environment in which they operate, including assisting schools, charitable organisations and hospitals.

FDF's Environmental Guiding Principles, adopted in 1996, state that FDF members are committed to:

- encouraging dialogue between industry, government, public interest groups<sup>1</sup> and others to promote the development of sound policy on environment based on sound scientific principles
- working with suppliers and other business partners in the food supply chain to maintain high environmental standards and encouraging dissemination of best environmental practice
- encouraging a culture of environmental awareness amongst employees through appropriate communications, training and other relevant initiatives.

FDF member companies work to ensure that relationships with suppliers are ethically as well as commercially based as underpinned by the FDF Declaration of Ethical Trading Values [[http://www.fdf.org.uk/fdfethical\\_values.html](http://www.fdf.org.uk/fdfethical_values.html)]. In particular, FDF members endorse current existing International Labour Organisation (ILO) Conventions and Recommendations and comply with local legislation relating to ethical trading and human rights. Furthermore, FDF supports the development of voluntary codes of conduct such as the Ethical Trading Initiative's Base Code. FDF members share a mutual interest with farmers and growers in encouraging a continuous supply of good quality ingredients to meet the demand of their customers and consumers. Many FDF members therefore work in partnership with growers overseas, offering appropriate technical advice, training and contributing to relevant research projects to improve the quality, efficiency and productivity of agricultural production. This we believe is a sustainable way of improving the incomes and standards of farmers overseas in the longer term.

Several FDF member companies are listed in the FTSE4Good UK50 index for socially responsible investment ([http://www.ftse4good.com/frm\\_home.asp](http://www.ftse4good.com/frm_home.asp)), the Dow Jones STOXX Sustainability Index ([http://www.sustainability-index.com/djsi\\_stoxx/djsi\\_stoxx.html](http://www.sustainability-index.com/djsi_stoxx/djsi_stoxx.html)) and the Business in the Environment (BiE) Index ([http://www.business-in-environment.org.uk/s\\_b\\_engagement.html](http://www.business-in-environment.org.uk/s_b_engagement.html)).

As employers, FDF member companies are committed to:

- raising the standard of the industry's occupational health and safety performance through the FDF/HSE Common Strategy
- improving employees' training and development using initiatives such as Investors in People and through support for the work of the Food and Drink Sector Skills Council.

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<sup>1</sup> NGOs, trade unions, consumer organisations etc

## 2.2: Effective Protection of the Environment

This section discusses environmental regulation and policies, including how the industry is pursuing initiatives that go beyond legal requirements. It then reviews management systems, including environmental management systems, control of accidental releases, and how environmental considerations are taken into account in the food supply chain.

### 2.2.1: Environmental Regulation and Policies

#### ► Regulation

The general principles of good regulation require that legislation be:

- necessary
- based upon achieving safety/clear communication/free movement of goods/fair trade
- technically sound
- clear and unambiguous
- applicable to large and small companies and
- subject to uniform EU implementation and to equivalent EU enforcement.

'Better Regulation' does not necessarily mean more regulation: often what is needed is more effective and uniform enforcement across the food chain and within Europe. Differing levels of regulation and enforcement adversely affect the competitiveness of our industry.

The food and drink industry is heavily regulated – not surprising given its direct impact upon public health. Given the breadth, and detail, of this body of food law, FDF does not have major concerns about the approach taken by the UK Government in implementing EU provisions. More important is the regulatory system and the drafting of legislation. The system should ensure adequate consultation, thus maximising the practical applicability of legislation. Drafting of legislation should be clear and unambiguous, facilitating consistent compliance and enforcement based upon a common understanding.

#### ► Policies

FDF members have long been committed to minimising the environmental impact of their activities on the environment and to continually improving performance by integrating environmental considerations throughout all business activities and the supply chain and by complying with all legal obligations and consents. This commitment to environmental responsibility is embodied within the FDF Environmental Guiding Principles, endorsed by the FDF Council and commended to all FDF members:

#### *FDF Environmental Guiding Principles*

1. To comply with all relevant environmental legislation and to take voluntary initiatives to improve environmental performance.
2. To encourage dialogue between industry, government, public interest groups and others to promote the development of sound policy on the environment based on sound scientific principles.
3. To work with suppliers and other business partners in the food supply chain to maintain high environmental standards and to encourage the dissemination of best environmental practice.

4. To integrate environmental considerations, where practicable, into all aspects of the business, specifically:
  - a) to design, operate and maintain processes and plant to:
    - use all resources efficiently (materials, water, energy etc.) whilst ensuring that unavoidable wastes are recovered, reused or disposed of in an economically sustainable and environmentally responsible manner
    - minimise the potential impact on the environment from site emissions including noise, air and water.
  - b) to use and develop packaging and distribution systems for which the packaging/product combination will make fewer demands on non-renewable and renewable natural resources. Product quality, safety and packaging functionality must not be compromised.
  - c) to ensure that any labelling or any other promotional literature relating to the environmental impact of a product and/or its packaging is accurate, truthful and not misleading and is capable of substantiation by detailed scientific evidence.
  - d) to minimise the use of substances, which may cause potential harm to the environment and ensure that they are used and disposed of safely.
  - e) to encourage a culture of environmental awareness amongst employees through appropriate communications, training and other relevant initiatives.
  - f) to ensure that all facilities are safe, hygienic and well maintained.
  - g) to establish and maintain appropriate procedures and management systems to implement these principles.

The UK Government has challenged all business sectors and their respective trade bodies to promote its new strategy for Sustainable Development by considering either a voluntary agreement or a sectoral sustainability strategy. In response, FDF has initiated an environmental survey of all its members to collect data on the relevant headline environmental indicators identified in the strategy. This will not only give an overview of the environmental performance of the food and drink industry as it stands at the moment but, by repeating the survey annually, it is intended to demonstrate the industry's commitment to year on year improvement in environmental performance, as well as identifying and disseminating good practice.

FDF has incorporated the learnings from its annual environmental survey into the development of Key Performance Indicators corresponding to each of the government's four defining objectives for sustainable development. In turn, FDF has shared the experience of this exercise with the DTI and DEFRA Pioneers Group, a best practice forum of around twenty sectoral organisations, working to accelerate the development and implementation of sectoral sustainable development strategies, and of which FDF is now a member.

In general, FDF considers that the food and drink industry has a relatively low environmental impact compared to other manufacturing sectors. Emissions from the food and drink industry are relatively benign and local, mostly readily biodegradable organic matter. However, to achieve an objective of zero pollutants would not only be prohibitively expensive for all stakeholders, including consumers, but would appear to ignore the beneficial contribution that, for example, the minimal and appropriate use of agrochemicals can make to achieving disease and pest control, thereby reducing food wastage. For example a crop of organic potatoes has a wastage rate of 40 – 50% when packed for retail sale; conventionally grown potatoes have a vastly lower wastage rate.

In addition to a high level of regulatory compliance, the industry has also taken many voluntary initiatives to minimise the environmental impact of its activities. The food and drink industry is already responding to environmental issues in ways which go beyond traditional command and control regulations and more towards devising appropriate innovations to meet and go beyond legal requirements. For example, many companies

are focussing on putting in place proactive management systems as well as carrying out natural resource conservation and waste minimisation techniques. Environment officers have been appointed; policies on the environment have been published and environmental audits of sites conducted. For example, results from the first year of the FDF Environmental Survey 2000 show that 73% of participating companies have a corporate environmental policy. Particular attention has been devoted to packaging and the environment. Training has also been reinforced.

FDF member companies are responding to increasing pressure to report on their environmental performance by publishing environmental reports. There is a growing expectation that quantitative data on performance should be included in such reports.

The UK Government has a stated goal that 'every business with more than 250 employees should have an environmental policy with targets and report on its performance to stakeholders'. FDF members are very positive about environmental reporting. To encourage the publication of reports by FDF member companies, FDF has developed guidelines on environmental reporting for the food and drink industry.

FDF supports the Government's drive to encourage companies to make information more widely available, particularly as an environmental report will:

- provide a means to inform consumers and other stakeholders about a company's commitment to the environment, its performance and activities
- fulfil customer requirements
- assist in identifying company efficiencies and cost savings and in reducing future environmental liabilities. It will also encourage continuous improvement in environmental performance
- serve as a means of addressing the environmental and social issues of the local community along with wider issues such as ethical trading
- enhance a company's reputation, attract/retain investment, increase profit/shareholding, provide competitive advantage, consumer accessibility etc.

Results from the FDF Environmental Survey 2000 show that 31% of the responding companies published an environmental report. Of these, 41% published a separate report, 39% published as part of the Annual/Financial report, 14 % published on their respective company web page and 6% used other formats such as fact sheets. The majority of companies published environmental reports on an annual basis.

### **2.2.2: Climate Change**

The food and drink sector attaches great importance to tackling the key issue of climate change. For this reason FDF has entered into a climate change agreement with the UK Government whereby participants receive an 80% discount from the climate change levy in return for meeting challenging energy reduction targets as a contribution to the reduction of greenhouse gas emissions. The levy forms an integral part of the Government's climate change programme, helping the UK to meet not only its Kyoto target but the Government's own target of a 20% cut in carbon dioxide emissions by 2010. This, together with the regulatory requirements some companies will soon face under Integrated Pollution Prevention and Control (IPPC) legislation, are already driving companies to minimise their overall use of energy. In our view, this is a better approach than solely focussing on maximising the use of renewable energy sources. The importance that the industry attaches to addressing the issue of climate change is also reflected in our choice of two core KPIs, (total carbon dioxide equivalent emissions from manufacturing and from distribution; and total energy use in manufacturing, as well as three suggested additional KPIs (total energy use in distribution, percentage of energy from renewable resources and percentage of energy from CHP schemes).

We recognise that the widespread adoption of Combined Heat and Power (CHP) or co-generation has potential to significantly reduce the amount of energy consumed. However the construction of new CHP schemes is not currently financially viable in the UK because of commercial market prices of electricity and natural gas. Therefore policy makers need to provide significant additional financial and tax incentives to increase the uptake of this technology (see section 3.2). FDF's position on CHP is elaborated further in its response to the DEFRA consultation on the Government's Strategy for Combined Heat and Power to 2010.

In September 2001, FDF appointed an Energy Manager, to promote energy efficiency initiatives to the industry. This dedicated post includes responsibility for the management of the FDF Climate Change Levy Agreement as well as representation of FDF to the energy and water market regulators.

A move to minimum processing as a step to reduce energy use in food manufacturing is unlikely to result in any net environment benefit as less processing is likely to lead to more energy use by domestic consumers as well as an increase in food waste and food safety issues; it is also unlikely to satisfy lifestyle demands for convenience foods with minimum domestic preparation. A study published by INCPEN<sup>b</sup> in 2001 shows that the energy used by the average domestic household for refrigerating, freezing and cooking food is very significant (13 GJ/year) compared to what is used by both farmers and industry combined to produce food for the same household (21 GJ/year). Domestic cooking equipment is much less energy efficient than the industrial equivalent. The INCPEN study also shows there are significant differences in energy use and other environmental impacts such as materials and packaging use between single and larger households. For example, one person in a large household uses only 60% of the amount of materials and only 40% of the amount of energy used by a person who lives alone.

### **2.2.3: Management Systems**

#### **2.2.3.1: Environmental Management Systems**

FDF supports the adoption of environmental management systems (EMSs) by member companies, including the carrying out of environmental audits. This approach is the most appropriate way to realise the industry's commitment to the environment, as set out in FDF's Statement of Principles, that is to operate in an environmentally sustainable way with the optimal use of materials and resources. EMSs also demonstrate a commitment to continuous environmental improvement, as well as encouraging the development and adoption of best practice.

Recognised environmental management standards, such as ISO 14001, offer a means of introducing EMSs and best practice into companies, as well as providing a basis for registration under the EC Eco-Management and Audit Scheme (EMAS). Whether or not companies seek external accreditation of their systems, is a company decision.

The benefits to companies of an effective EMS are:

- a pro-active means of identifying, managing and reducing environmental risks and achieving the overall objective of continuous environmental improvement
- a pro-active approach to promoting and improving the company's environmental image as well as providing a mechanism for listening and responding to the environmental concerns of local communities, local authorities and pressure groups
- a mechanism for a wider analysis of environmental issues (e.g. total supply chain)

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<sup>b</sup> Towards Greener Households – Products, Packaging and Energy, INCPEN, (2001) (<http://www.incpen.org/pdf/greenhouse.pdf>)

- a means of employee involvement in understanding and getting involved in the environmental issues facing industry
- environmental stability and commercial benefits
- responsible care in environmental management
- possibilities of regulatory relief and a contribution to due diligence defence.

On the last point, FDF has been involved in a project with the Environment Agency looking into the feasibility of linking regulatory control of pollution prevention and control legislation with environmental management systems. This could be expected to have benefits for both industry and the Environment Agency, linked to continuous improvement in environmental performance. FDF has also given its support to the EA's bid for a project under the EC LIFE III programme on the value and issues of utilising EMAS II in the regulation of industry, providing the project looks at a wide range of certified and non-certified systems.

Results from the FDF Environmental Survey 2000 show that 40% of responding companies have environmental management systems in place at some or all of their manufacturing sites. Of these, 59% had in-house systems modelled on ISO 14001, 19% had external certification to ISO 14001 systems and 22% had other systems. None of the responding sites were registered under EMAS.

#### **2.2.3.2: Environment, Health and Safety**

Increasingly food and drink manufacturers are integrating their environmental management systems with those for quality and occupational health and safety, taking advantage of synergies to improve management efficiency.

#### **2.2.4: Control of Accidental Releases**

The industry takes very seriously the potentially significant environmental impacts that could arise from an accidental release of materials to the environment. Companies therefore try to ensure that all such potential hazards are identified and control measures put in place to eliminate or reduce risk to an acceptable level.

The food and drink industry has various control measures both to prevent accidental releases and to reduce the environmental impact, should any occur. These include:

- dedicated areas for bulk storage tanks
- overfilling protection on bulk storage tanks
- bunding around bulk storage tanks
- storage of materials within suitable buildings to prevent rain ingress, wind entrainment, etc
- closed storage and transfer systems for dusty materials, etc
- overground pipelines and transfer lines
- spill containment areas around tanker loading and discharge points capable of containing the contents of a tanker
- spillage clean-up equipment to minimise the impact of an accidental release.

Companies also have emergency procedures to ensure that there is minimal effect on the environment if an accidental release occurs.

## 2.2.5: Environment in the Food Supply Chain

FDF member companies are committed to working with their suppliers and other business partners in the food supply chain to maintain high environmental standards and to encourage best practice. Food manufacturers seek to minimise adverse environmental impacts of processes and products under their direct control. However, they should not bear sole responsibility for the environmental impact of products before or after they are within their control: this responsibility has to be shared with other stakeholders throughout the supply chain, including consumers. For example, if consumers had to pay the full cost of waste disposal, a reduction in the amount of waste in the domestic waste stream would be likely. In addition, consumers must be encouraged to increase the segregation of domestic household waste and make more use of local recycling schemes; similarly local authorities need to play a greater role to promote and increase integrated waste management including the provision of collection and sorting facilities for packaging waste from the household stream.

The Environment Agency has recently undertaken a survey<sup>m</sup> of domestic households in England and Wales to determine the attitudes of consumers towards the disposal and recycling of domestic wastes. Some consumers already segregate some types of domestic waste for the local authority to collect, or take the waste themselves to local recycling collection centres.

Recycling rates for different wastes varied greatly however as this table shows:

Glass bottles	60%
Newspapers	58%
Drinks cans	35%
Cardboard boxes	33%
Plastic bottles	22%
Plastic packaging	11%

Local authorities could however do significantly more to increase the uptake of recycling as 39% of English households and 63% of Welsh households claimed to live in a Borough where the local council collected no household waste for recycling. If local authorities provided suitable containers and doorstep collection, 90% of households said that they would be certain or very likely to sort rubbish for recycling.

### 2.2.5.1: Raw Materials

The food and drink industry uses a wide range of ingredients and raw materials. Its environmental practices and policies reflect the need to monitor sources of supply. The use of the lowest practical levels of biological controls and agricultural chemicals consistent with efficient crop protection and good agricultural practice, is key to ensuring a plentiful supply of safe and wholesome food of acceptable quality to sustain the global population. Our members participate in and/or request as a condition of supply that suppliers participate in assurance schemes to manage these agricultural inputs and to minimise environmental impact. These include the NFU Assured Produce Scheme, integrated crop management, crop rotation; managed application of pesticides and other accepted best practices. Raw materials are regularly tested to monitor their purity and integrity, and to ensure that they meet food safety requirements.

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<sup>m</sup> Environment Agency Household Waste Survey 2002 –  
[www.environment-agency.gov.uk/commondatabase/105385/waste\\_1.pdf](http://www.environment-agency.gov.uk/commondatabase/105385/waste_1.pdf)

Specific measures taken by the industry in working towards sustainable agriculture practices include:

- reduction in pesticide use through:
  - selective low dose pesticides
  - biological pest control
  - seed treatment
  - selective weeding
  - crop rotation
  - field margins
- improved spray decision-making, eg by monitoring weather conditions
- in recognition of the growing demand for processed organic food and drink products and the increasing importance of this sector, FDF has established the Organic Food and Drink Manufacturers Liaison Group to represent the interests of its members in the organic sector. Following its launch in May 2001, the group has taken important initiatives in a number of areas and has held discussions with a wide range of bodies including UK Government, the EC, the organic certification bodies and other interested parties such as the Soil Association and the Advertising Standards Authority
- improved crop health through:
  - crop breeding
  - biostimulants
  - crop rotation
- reduction in crop losses through:
  - improved harvesting
  - improved storage
- reduction in wind/water erosion and soil compaction through improved husbandry practices
- use of co-products from agricultural production such as:
  - topsoil
  - lime
  - stone
- crop research and development programmes focussing on:
  - conventional plant breeding
  - enhanced breeding using biotechnology tools
  - propagation i.e. tissue culture systems
  - biocontrol of major fungal diseases and insect pests
  - rational pesticide use
  - rehabilitation of old farms
  - studies on yield improvement
  - improving soil fertility
  - models for diversified farms.

### **2.2.5.2: Manufacturing**

#### **▶ Energy and Air Emissions**

Our industry takes very seriously its responsibility to contribute towards reductions in greenhouse gas emissions. FDF has therefore agreed challenging energy reduction

targets in conjunction with a climate change agreement with UK Government. (see also section 2.2.2, Climate Change).

## **Waste**

The FDF Environmental Survey 2000 shows that the industry is taking a number of actions aimed at waste reduction, reuse, recovery and recycling, including:

- implementing management programmes: metering and monitoring
- bulk delivery of raw materials
- improving housekeeping measures
- modifying product recipes and ingredients
- modifying design of equipment and processes to reduce waste generation
- waste minimisation programmes
- strategic partnerships with suppliers and customers
- increasing staff awareness, including through training.

In the food and drink industry most off-specification products, by-products and co-products generated in association with food and drink processes are put to beneficial use, either directly or by being processed for food or feed use, taking into account food safety considerations. In some cases, such materials are spread onto agricultural land where this is of agricultural and/or ecological benefit. The food and drink industry is not a significant producer of hazardous waste.

FDF members are committed to continuous improvement in waste minimisation alongside maximising added value. Achieving zero solid waste at all levels, however, is a vision rather than reality, because costs increase disproportionately once recycling moves beyond optimum levels, the need for packaging and the difficulty of persuading consumers to change habits.

A recent survey of consumer attitudes<sup>m</sup> showed that a significant minority (>20%) of consumers in England & Wales are not willing to participate in responsible waste management of household wastes.

### **2.2.5.3: Packaging**

Packaging and packaging waste has affected the entire consumer goods industry for many years and great progress has been made in prevention and recovery. Packaging is essential for processed food and drink as it preserves and protects during handling and helps prevent spoilage and contamination during production, distribution and sale. It is also a communication tool, conveying important and, in many cases, statutory information (ingredients, nutritional information, serving and storage instructions) to the consumer. The food and drink industry uses recycled materials wherever technically and economically feasible, taking into account, particularly in direct food contact applications, food safety requirements. Where metals and glass are melted as part of the recycling process, this is less of an issue, but it is a major concern for paper and plastics.

Pressure on industry to reduce packaging also needs to be considered against demographic trends to smaller households and increasing demand for convenience. The demographic influence is clearly illustrated by data collected by INCPEN<sup>b</sup> showing that single person households use 120kg packaging/ year compared to 70 kg/year per person in a household with at least three people.

Notwithstanding these considerations, the food and drink industry remains committed to playing a positive role in the efficient management of packaging and packaging waste,

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<sup>m</sup> Environment Agency Household Waste Survey 2002 –  
[www.environment-agency.gov.uk/commondata/105385/waste\\_1.pdf](http://www.environment-agency.gov.uk/commondata/105385/waste_1.pdf)

along with others in the packaging chain, as part of the shared approach underpinning the UK Packaging Waste Regulations. This represents the fairest and most cost effective system for dealing with packaging waste, minimising costs on business and, in turn, consumers.

The FDF Environmental Survey 2000 shows that the industry is taking the following action to reduce the environmental impact of packaging:

- redesigning packaging to minimise use of materials
- reducing secondary and tertiary packaging
- using different packaging materials to minimise the number of types used and to optimise combinations
- distributing products in bulk, where practicable and without prejudice to food safety
- working with suppliers to reduce the impact of packaging
- undertaking several packaging waste recovery and recycling initiatives
- using recycled and recyclable packaging materials
- using re-usable and refillable packaging
- using Life Cycle Analysis tools
- rationalising product ranges to reduce packaging used
- increasing staff awareness including staff training.

As evidence of the industry's commitment to go beyond legal requirements, FDF and others in the packaging chain have jointly developed a Responsible Packaging Code, published under the aegis of INCPEN (<http://www.incpen.org/html/packcode.htm>), to address environmental and consumer concerns. This code:

- encourages reassessment of the use of existing packaging formats to ensure the optimal use of resources
- ensures packaging is designed to protect and deliver goods efficiently, so minimising the environmental impact should contents become waste before use
- considers the impact that distribution of goods has on the environment by ensuring that packaging contributes to optimising transport utilisation
- ensures that packaging continues to meet all the necessary regulatory, safety, hygiene, consumer acceptance and economic criteria.

FDF has recommended this code to all its members as a demonstration of their commitment to responsible packaging - including minimisation - in the context of sustainable development.

## **2.3: Prudent Use of Natural Resources**

**This section discusses how FDF members work to ensure the optimum use of natural resources, including recycling and recovery where appropriate, in sourcing raw materials, in manufacturing and in packaging. This commitment is enshrined within the FDF Environmental Guiding Principles (see section 2.2.1).**

### **2.3.1: Use of Natural Resources in the Food Supply Chain**

#### **2.3.1.1: Raw Materials**

FDF members recognise the importance of using raw materials in a sustainable manner that will conserve and protect resources for future use. Although most food and drink manufacturers do not also produce their raw materials, they nonetheless contribute to the protection of natural resources, to sustainable agriculture and to raw materials supply. The safety and quality of products depends on the quality of natural resources, especially

of land and water. Therefore preserving the environment in which its raw materials are grown is of increasing importance to the industry.

### **2.3.1.2: Manufacturing**

#### **▶ Water**

The FDF Environmental Survey 2000 indicates that the industry is undertaking a number of water reduction, recovery and recycling projects to reduce water consumption, including:

- implementing management programmes: metering and monitoring
- modifying cleaning and housekeeping routines
- modifying design of equipment and processing
- using sensor controlled taps and auto-flush toilets
- using hand controlled triggers on hoses
- increasing staff awareness.

After processing, the industry takes steps to ensure that any waste water generated is cleaned and treated before being returned to the environment, either through direct discharge to a watercourse or, more commonly, indirectly through the local municipal waste water treatment plant.

#### **▶ Soil**

FDF understands the importance of ensuring that the present use of soil in the UK is sustainable. FDF contributed evidence to the Royal Commission on Environmental Pollution inquiry on environmental problems associated with soil (1994) and called for the UK to have a declared policy aimed at maintaining the quality of soil for the future.

#### **▶ Energy**

As set out in section 2.2.2, the industry is already taking steps to achieve energy reduction through the Government's Climate Change Levy and other Regulatory measures. FDF is also undertaking a number of activities aimed at achieving reductions in energy usage, including:

- dissemination of support information on Enhanced Capital Allowances for energy efficient technologies and on Carbon Emissions Trading
- the use of a methodology to evaluate the potential of Combined Heat and Power (CHP) for the sector
- organising training on energy efficiency initiatives
- working with the Government's Action Energy Programme to move forward the Food and Drink Sector Initiative. This covers site audits, benchmarking exercises and R&D projects specific to the food and drink sector
- the appointment of a dedicated Energy Manager to advise member companies on steps they can take to reduce energy usage and disseminate best practice.

### **2.3.1.3: Packaging**

FDF has been a key player in developing the Responsible Packaging Code which addresses the need for packaging design to reflect the importance of efficient use of energy and materials throughout the supply chain (see also section 2.2.5.3).

## 2.4: Maintenance of High and Stable Levels of Economic Growth and Employment

This section discusses the composition and structure of the industry as well as its diversity.

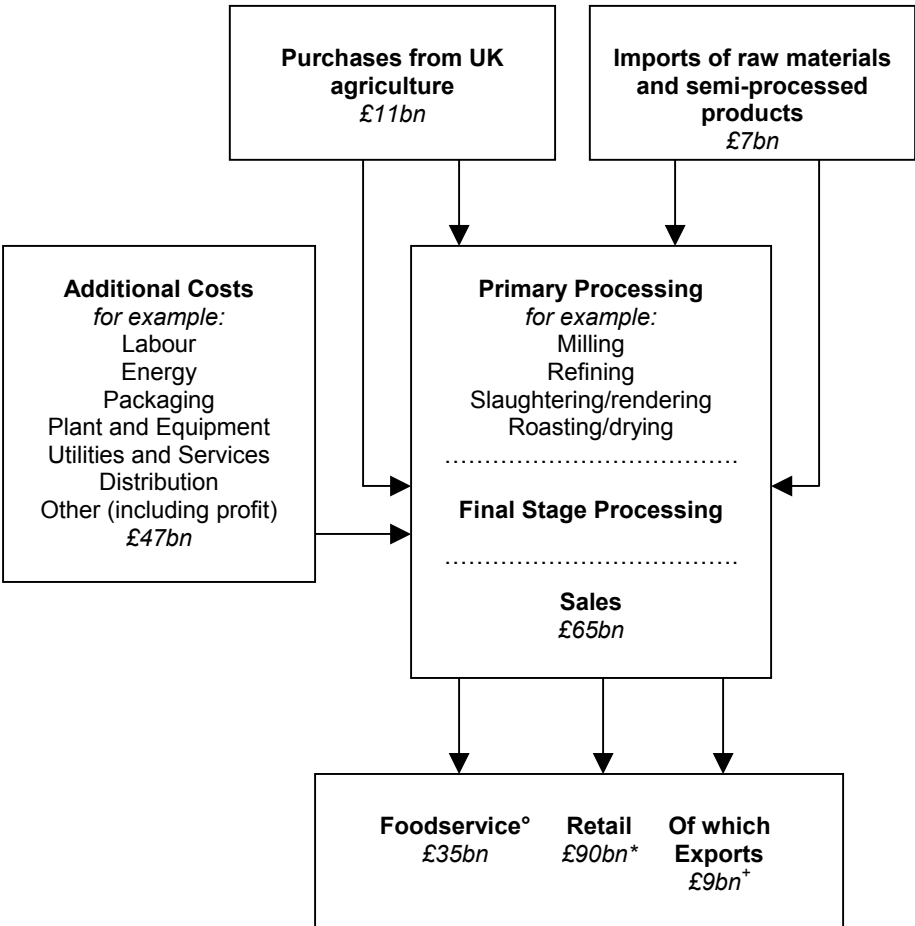
### 2.4.1: Composition and Structure of the Food and Drink Industry

The food and drink industry comprises a diverse range of trade associations representing all types of companies from large international food and drink manufacturers with long established brand names, through to smaller companies manufacturing new organic products. Further information is published on the FDF website ([www.fdf.org.uk](http://www.fdf.org.uk)).

FDF member companies purchase 66% of the total output of British farmers and directly employ about 500,000 people in the UK (about 3.4 million when taking into account the whole food supply chain).

In the year 2000 the sector had a gross output of £65.7 bn which makes it the second largest of any UK manufacturing sector.

Processed food and drink industry supply chain



\* consumer expenditure (including taxes where applicable)

+ free on board

° Foodservice = Catering, leisure, hospitality, institutional cost sector, away from home, home meal replacements etc

Acknowledgements to IGD publication *Information on the Food and Drink Industry*

## 2.4.2: Impact of the Food and Drink Industry on the Overall UK Economy

Food and drink gross output league table

	Gross Output £bn 2000	Export £bn 2001	Import £bn 2001	Balance £bn 2001
<b>Food and Drink</b>	<b>65.7</b>	<b>8.5</b>	<b>18.3</b>	<b>-9.8</b>
<b>Electrical and Optical</b>	<b>70.0</b>	<b>42.2</b>	<b>44.0</b>	<b>-1.8</b>
<b>Man. of Transport Equipment</b>	<b>61.8</b>	<b>21.2</b>	<b>35.4</b>	<b>-14.2</b>
<b>Chemical Engineering</b>	<b>47.9</b>	<b>27.9</b>	<b>23.0</b>	<b>4.9</b>
<b>Paper, Printing and Publishing</b>	<b>45.2</b>	<b>2.1</b>	<b>4.9</b>	<b>-2.8</b>
<b>Metal</b>	<b>41.8</b>	<b>9.8</b>	<b>8.1</b>	<b>1.7</b>
<b>Mechanical</b>	<b>34.0</b>	<b>24.5</b>	<b>18.7</b>	<b>5.8</b>

Sources: Office For National Statistics and Food From Britain

## UK food and drink industry statistics

	2000 £bn	1999 £bn	% Change	% of Man. Industry
<b>Gross Output</b>	<b>65.66</b>	<b>65.13</b>	<b>0.8</b>	<b>13.8</b>
<b>Imports</b>	<b>18.32</b>	<b>17.34</b>	<b>5.6</b>	<b>8.2</b>
<b>Exports</b>	<b>8.55</b>	<b>8.80</b>	<b>-2.9</b>	<b>4.5</b>
<b>Balance</b>	<b>-9.77</b>	<b>-8.54</b>	<b>14.4</b>	<b>-</b>
<b>Employees (000s)</b>	<b>500.0</b>	<b>500.0</b>	<b>0.0</b>	<b>12.7</b>
<b>Capital Expenditure</b>	<b>2.23</b>	<b>2.64</b>	<b>-15.5</b>	<b>12.8</b>

Sources: Office For National Statistics and Food From Britain

The food and drink manufacturing industry plays a leading role in the UK economy. Specifically it:

- employs about 500,000 people directly, about 3.4 million when taking into account the whole food chain and ancillary industries, (eg advertising, packaging and energy generation)
- has a gross output of £65.7 bn, the second largest of any manufacturing sector; total retail sales of food and drink in the UK (including catering) amount to approximately £135 bn
- purchases £11 bn of raw materials from British farmers (equivalent to 2/3 of their total output)
- imports raw materials to the value of £7 bn, which are often processed in combination with ingredients of UK origin
- is a major purchaser of some £47 bn of goods and services including labour, energy, packaging, plant and equipment utilities, services and distribution
- exports £8.5 bn of manufactured food and drink products, 60.6% of which goes to the EU.

### **2.4.3: Diversity of the Food and Drink Industry**

The food and drink industry is represented by a diverse range of trade associations from those concerned with primary processing, such as milling, to those manufacturing composite foods, such as ready meals. This diversity lies at the heart of the industry's strength and makes for a healthy, competitive and profitable food chain. It enables the UK consumer to be offered a vast array of safe, wholesome, convenient food and drink products at competitive prices. Maintaining a profitable industry ensures that adequate investments are made in environmental protection as well as maintaining high levels of employment: essential requirements if the UK is to meet its sustainable development objectives. Moreover on a global scale there needs to be an increase in production, not a decrease, if there is to be a real improvement in the quality of life for vast numbers of the world population; however it is important that such an increase is achieved through increased resource efficiency rather than by increased consumption of natural resources.

The food and drink manufacturing sector is a key component of the food supply chain as a whole, spanning farming to the retail sale of goods.

Every day, the food supply chain has to deliver products that customers want at prices they are prepared to pay. This is a commercial reality, which all components of the food supply chain recognise and respond to. In recent years, the representative organisations of the different sectors of the food supply chain have worked - in partnership with Government - to break down barriers and to increase communication.

All elements of the food supply chain operate in intensely competitive global markets. As a result, the range and nature of the products on offer have altered hugely over the last decade to accommodate the changes which have taken place in demographics, lifestyle, working patterns and tastes.

FDF and its counterpart organisations representing the other parts of the food supply chain do not believe that these competitive pressures will lessen nor will customers become less demanding about the range of products they want or the price that they are prepared to pay. Anything which adds to the industry's costs will impact upon its profitability. Company's responses to this could be to:

- rationalise their operations with the consequent loss of jobs
- merge with others to consolidate the sector and seek greater economies of scale
- move manufacturing to less expensive production areas.

As it is, the food and drink industry is the second largest UK manufacturing sector and employs some 500,000 people and as such is a major contributor to the UK economy as a whole.

## **3.0: SUSTAINABLE DEVELOPMENT GUIDING PRINCIPLES, KEY PERFORMANCE INDICATORS AND PRACTICAL GUIDELINES**

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This section of the Report sets out FDF's Sustainable Development Guiding Principles together with Key Performance Indicators linked to Practical Guidelines for each of the Government's four defining objectives for sustainable development and which companies can use to measure and report on their performance as part of their commitment to continual year on year improvement. The indicators will also serve as a prompt to companies regarding those aspects of sustainable development on which they should focus.

### **3.1: Sustainable Development Guiding Principles**

The food and drink industry is committed to minimising the total impact of its activities on the environment, to using natural resources wisely to ensure their future availability, to pursuing social progress through management of food safety, implementation of quality systems, communication programmes or investment in local communities; and to playing a leading role in the UK economy in respect of employment and wealth creation. In some cases, companies may choose to adopt Life Cycle Analysis techniques in the assessment of their environmental impacts.

FDF encourages the industry to meet this commitment by adhering to the following principles:

1. To comply with all relevant legislation and to take voluntary initiatives to progress towards long term sustainability.
2. To encourage dialogue between industry, government, public interest groups and others to promote the development of sound policy on sustainable food production and consumption based on the social, environmental and economic dimensions and which both maintains and enhances consumer trust.
3. To work with suppliers and other business partners in the food supply chain to maintain high environmental standards and to work towards the broader objective of long term sustainability including encouragement and dissemination of best practice.
4. To integrate sustainability considerations, where practicable, into all aspects of the business, specifically:
  - a) to design, operate and maintain processes and plants to:
    - optimise the use of all resources (materials, water, energy, etc) whilst ensuring that unavoidable wastes are recovered, reused or disposed of in an economically sustainable and environmentally responsible manner
    - minimise the potential impact on the environment from site emissions, including noise and vibration, air and water.
  - b) To use and develop packaging and distribution systems for which the packaging/product combination will make fewer demands on non-renewable natural resources. Product quality, safety and packaging functionality must not however be compromised.

- c) To ensure that any labelling or any other promotional literature relating to the impact of a product and/ or its packaging in relation to sustainable development is accurate, truthful and not misleading and is capable of substantiation.
- d) To minimise the use of substances which may cause potential harm to the environment and ensure that they are used and disposed of safely and/or develop safer alternatives.
- e) To encourage a culture of environmental awareness amongst employees through management commitment, appropriate communications, training and other relevant initiatives.
- f) To ensure that all facilities are safe, hygienic and well maintained.
- g) To establish and maintain appropriate procedures and management systems to implement these principles through policy commitment.

### **3.2: Key Performance Indicators and Practical Guidelines**

**Indicators can be developed at a company level, at a trade association/industry sector level or for the UK as a whole. While some companies already have their own initiatives, we hope that widespread adoption of the Key Performance Indicators(KPIs) set out below by manufacturers and other parties in the supply chain will enable the sector to measure and report on progress towards sustainable development.**

In devising these indicators, we have given consideration to the fact that indicators should ideally be:

- objective, not subjective
- easy to measure and comprehend
- capable of audit/verification
- meaningful both to the industry and to wider stakeholders
- achievable but at the same time contain an element of aspiration and thereby promote positive improvement
- calculated wherever possible by utilising data already collected by businesses for existing purposes such as financial account reporting.

We have deliberately not set numerical targets for each indicator, as it is FDF's view that it is more appropriate for targets for improvement to be set at company level given that companies will be at different positions on the improvement curve. Furthermore, given the wide diversity of the food and drink industry and the vast range of different products manufactured, the actual values of each of the KPIs and their appropriateness will vary significantly from company to company.

We also consider it important that companies retain the flexibility to set their own KPIs as appropriate to their business. For these reasons, we have focused on developing a standardised set of performance measures, for each of the four defining objectives. These measures have been divided into two categories - one set of core indicators which all businesses should aim to implement and a set of additional indicators which companies may choose to take up if they are relevant to their business. Not all KPIs will be appropriate to all companies and it is not necessarily appropriate for a company to continually improve each of the KPIs. Furthermore, companies may wish to take account of conflicting requirements when making a holistic assessment of performance against

the KPIs. FDF has not historically collected data on KPIs as these performance measures for sustainable development have only just been defined.

## **Social Progress which Recognises the Needs of Everyone**

### **► Core indicators**

#### **■ Investment in training**

- **To ensure an adequate provision of training and development for all employees**
- plan and action training and development for all employees at least annually
- consider future resource needs and plan employee development appropriate to those needs
- encourage development and ownership of personal development plans
- make use of occupational standards and nationally approved training frameworks (eg Modern Apprenticeship) where appropriate
- work with the Food and Drink Sector Skills Council to implement effective training and development
- subscribe to 'Investors in People' to demonstrate commitment to training and development.

Suggested core KPI: To be developed
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#### **■ Investment in local communities**

- **To integrate the business into and provide support for the local community**
- increase transparency to stakeholders by establishing a section in the company report to record charitable donations
- review charitable donations on an annual basis
- supply skills and expertise into the local community
- offer school visits, tours and support for local charities
- introduce perception measures to assess the company as a good neighbour, for example, by establishing liaison committees with stakeholder groups
- encourage employees to participate in the communities in which they live, for example, by becoming school governors or magistrates
- work with organisations to secure local government and wider European funding for community projects
- provide strategic direction and management development to community groups by sitting on management/trustee boards
- participate in the Business in the Community PerCent Club Index
- undertake corporate socially responsible activities and constantly monitor and respond to feedback on all activities as part of the CSR programme.

Suggested core KPI: Community investment <sup>n</sup> per year as a percentage of pre-tax profits
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<sup>n</sup> Community investment as defined by the BitC PerCent Club – see: <http://www.percent.org.uk/measurement.htm>

## ■ Occupational health and safety

- **To provide a healthy, safe and clean working environment for employees**
- implement HSE guidance and best practice on eliminating workplace deaths and reducing accidents, ill health and injuries
- put procedures in place to reduce and prevent workplace injuries
- record workplace injuries, identifying the reasons and outcomes to aid the reduction in the number and severity of injuries
- review procedures against the injuries which have occurred.

Suggested core KPI: Notifiable injuries/100,000 employees per year<sup>o</sup>

### ▶ Additional indicators

## ■ Ethical trading

- **To source products and raw materials in an ethical manner**
- follow the FDF Declaration of Ethical Trading Values which includes commitments to:
  - work with customers, suppliers, and other business partners in the food supply chain to encourage ethical trading standards and to seek continuous improvement
  - integrate ethical trading considerations, where practicable, into all aspects of the business.

Suggested additional KPI: Percentage of suppliers which follow a recognised ethical trading code of practice

## ■ Equal opportunities: age

- **To develop and use employment procedures and practices which provide genuine equal opportunities in terms of recruitment, selection, promotion, training and development; and which ensure decisions on redundancy and retirement are objectively and fairly based**
- Monitor recruitment, retention and career progression by age/category.

Suggested additional KPI: To be developed

## ■ Equal opportunities: disability

- **To ensure that employment procedures and practices provide genuine equal opportunities for all employees**
- monitor the breakdown of the workforce by category of employee to ensure compliance with the equal opportunities policy and set targets
- monitor recruitment, retention and career progression of disabled people.

Suggested additional KPI: Percentage of employees with disabilities

<sup>o</sup> Over 3 day injuries as required under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995-see HSE 'A Guide to RIDDOR' 1995 (L73) ISBN-0-7176-1012-8

## ■ Equal opportunities: ethnic minorities

- **To ensure that employment procedures and practices provide genuine equal opportunities for all employees**
- monitor the breakdown of the workforce by category of employee to ensure compliance with the equal opportunities policy and set targets for improvement
- monitor the breakdown of the workforce in relation to the ethnicity and diversity of the local community
- monitor recruitment, retention and career progression by diversity of employee
- work towards a balanced workforce.

Suggested additional KPI: Percentage of employees from ethnic minorities

## ■ Equal opportunities: gender

- **To ensure that employment procedures and practices provide genuine equal opportunities for all employees**
- monitor the male/female ratio of the workforce by category of employee to ensure compliance with the equal opportunities policy and set targets
- monitor recruitment, retention and career progression of women.

Suggested additional KPI: Percentage of management who are women

## ■ Social welfare

- **To ensure a good provision of social welfare for employees**
- compile statistics on company contributions to social welfare
- review company contributions to employee social welfare against the UK industry average
- develop family friendly policies and practices.

Suggested additional KPI: Company contributions to employees social welfare beyond legal requirements e.g. health care, pensions, flexible working hours, crèche facilities etc. as % of payroll

## Effective Protection of the Environment

### ▶ Core indicators

#### ■ Effluent

- **To implement best practices to optimise trade effluent volume and composition**
- record the amount of direct (permitted maxima under consents) and indirect trade effluent volume discharges to a watercourse from each manufacturing site in m<sup>3</sup> per year
- undertake regular monitoring of actual flow rates
- undertake regular sampling and analysis to monitor composition
- minimise incoming water to reduce the volume to be treated
- minimise process wastage and leaks
- use environmentally friendly cleaning agents
- audit the production process and identify effluent reduction opportunities
- use the Envirowise guidelines for effluent reduction
- set annual improvement targets
- support research into new technologies
- evaluate new technologies such as microfiltration and reverse osmosis

- leverage employee involvement through quality circles or continuous improvement groups.

Suggested core KPI: BOD/COD (kg) (annual mass / permitted maxima under consents) discharged per tonne of product per year

■ **Greenhouse gases**

- **To minimise the emission of greenhouse gases and thus contribute to a reduction of global warming**
- record separately the amount of fuel consumed (by type) at each manufacturing site and the amount of fuel consumed for freight moved by road from each manufacturing site in KWh per year
- implement best practices to reduce fuel consumption such as those set out in the 'Action Energy' guidelines on energy savings
- identify opportunities to switch to cleaner fuels with lower emissions of CO<sub>2</sub>
- evaluate options for utilising CHP schemes to source electricity and heat in an optimum way if economic
- evaluate options for increasing the proportion of electricity purchased from renewable sources
- review distribution systems and alternatives to transporting freight by road against the objective of overall resource efficiency
- support research into new emission reduction technologies
- record the amount of other greenhouse gases (eg carbon dioxide used for processing or refrigerant leakages) emitted
- calculate the total emissions of greenhouse gases according to the DEFRA 'Guidelines for Company Reporting on Greenhouse Gas Emissions'<sup>p</sup>
- consider the use of alternative refrigerants, such as ammonia and hydrocarbons where these can be safely used in place of HFCs
- set annual improvement targets.

Suggested core KPI: Total CO<sub>2</sub> equivalent emissions (kg) per tonne of product per year from i) manufacturing and ii) distribution of finished products to direct customers from sources owned or controlled by the company including own and contract transport<sup>q</sup>

<sup>p</sup> <http://www.defra.gov.uk/environment/envrp/gas/index.htm>

<sup>q</sup> CO<sub>2</sub> emissions from manufacturing should include sources derived from electricity generation as per DEFRA's guidelines on measuring and reporting greenhouse gas emissions (published in 2001)

## ■ Waste arisings

- **To implement best practices to minimise waste**
- record the amount of non-hazardous and hazardous solid waste generated at each manufacturing site in tonnes per year
- implement a systematic waste minimisation programme
- conduct total mass balance
- implement best practices to minimise waste such as those set out in the Envirowise guidelines on waste minimisation
- identify cost-effective ways to reduce the amount of waste being produced
- set annual improvement targets
- support research into new waste minimisation technologies
- leverage employee involvement through quality circles or continuous improvement groups.

Suggested core KPI: Total waste ex factory (tonnes) per tonne of product per year including packaging waste arisings on the premises<sup>r</sup>

## ■ Waste recovery

- **To seek alternatives to sending waste to final disposal**
- record the amount of waste recovered at each manufacturing site in tonnes per year
- review waste recovery options
- set annual improvement targets
- support research into new waste recovery technologies.

Suggested core KPI: Percentage total waste ex factory recovered per year including packaging waste arisings on the premises

### ▶ Additional indicators

## ■ Environmental management systems

- **To implement an environmental management system to improve environmental performance and demonstrate continuous improvement**
- adopt and implement an environmental policy
- identify the significant environmental impacts of the operation
- instigate procedures and work instructions to control the aspects of the operation that may have significant environmental impacts
- identify opportunities for reducing the environmental impact of the operation
- implement an environmental management system conforming to recognised international standards such as ISO14001 or EMAS
- put in place an internal audit programme to ensure that procedures are being followed and the policy complied with.

Suggested additional KPI: Percentage of manufacturing operations (or percentage of employees or percentage of output) with an externally certified EMS

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<sup>r</sup> Waste in this context is defined as per the Waste Management Licensing Regulations 1994 (SI 1994 No. 1056) and thus should not include by-products and co-products that remain within the normal commercial cycle or chain of utility and are not discarded as waste; for the purposes of this KPI it should also not include waste arisings in the household waste stream

## ■ Air emissions

- **To implement best practice to reduce air emissions<sup>s</sup>**
- record the amount of gases emitted at each manufacturing site by type in kg per year
- record the amount of particulates emitted at each manufacturing site
- identify cost effective ways to reduce emissions from the operation
- consider using low SOx/NOx fuels
- implement plans to phase out the use of any remaining ozone depleting refrigerants (such as HCFC 22)
- consider the use of alternative refrigerants, such as ammonia and hydrocarbons where these can be safely used in place of HFCs
- consider filtration methodologies, for example, cyclones or reverse-jet filters for particulate emissions
- set annual improvement targets
- support research into new emission reduction technologies.

Suggested additional KPI: Annual mass (kg) of other significant emissions to air by type per tonne of product per year

## Prudent Use of Natural Resources

### ▶ Core indicators

#### ■ Raw materials

- **To implement best practices to optimise the use of raw materials**
- collect data on the amount of raw materials used by each manufacturing site in tonnes per year
- implement a waste minimisation programme to reduce the amount of raw material input requirements
- identify cost-effective ways to reduce raw material consumption
- set annual improvement targets
- support research into new production technologies
- work in partnership with suppliers, offering appropriate technical advice and training, to ensure that a responsible approach is taken towards the environment and the use of additives, pesticides and GMOs and to improve the quality and efficiency of production of ingredients and raw materials.

Suggested core KPI: Total raw materials in (tonnes) per tonne of product per year (all raw materials including packaging but excluding fuel and water unless water<sup>t</sup> is also a main ingredient/raw material)

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<sup>s</sup> Including NOx, SOx, ODGs, VOC's and particulates as appropriate

<sup>t</sup> Where companies (eg beverage companies) consider water to be a main ingredient/raw material then it should be included in the calculation

## ■ Water consumption

- **To implement best practices to minimise water consumption**
- record the amount of water consumed by each manufacturing site in m<sup>3</sup> per year
- implement a water minimisation programme
- conduct a mass balance to identify the sources and uses of all water consumed at the site
- use closed loop cooling systems or reuse cooling water, for example, through the use of cooling towers
- set annual improvement targets
- support research into new water minimisation technologies.

Suggested core KPI: Total water consumption (m<sup>3</sup>) per tonne of product per year (except cooling water extracted and returned to source)

## ■ Packaging

- **To implement best practices to reduce the environmental impact of packaging placed on the market**
- collect data on the amount of filled packaging placed on the market by the company
- set annual improvement targets
- support research into new packaging technologies
- review existing packaging formats in partnership with suppliers to ensure that:
  - packaging is designed to optimise overall resource efficiency including transportation requirements
  - packaging maintains its function and integrity by protecting and delivering goods efficiently
  - recycled materials are used wherever technically and economically feasible
- follow the INCPEN Responsible Packaging Code of Practice for Optimising Packaging and Minimising Packaging Waste<sup>u</sup>.

Suggested core KPI: Total packaging (kg) placed on the market per tonne of product per year

## ■ Energy consumption: manufacture

- **To implement best practices to reduce energy consumption**
- record the amount of energy used at each manufacturing site in KWh per year
- implement an energy minimisation programme
- implement best practices to minimise energy consumption such as those set out in the 'Action Energy' guidelines on energy savings
- conduct an energy balance to identify the sources and uses of all energy consumed at the site
- install heat transfer/recovery systems
- survey insulation levels, temperature controls etc
- set annual improvement targets [N.B. CCL Agreement targets are set every two years]
- support research into new energy recovery technologies
- leverage employee involvement through quality circles or continuous improvement groups.

Suggested core KPI: Total energy use (KWh) in manufacturing per tonne of product per year

<sup>u</sup> <http://www.incpen.org/html/packcode.htm>

## ▶ Additional indicators

### ■ Recycled packaging

- **To optimise the amount of recycled packaging used to conserve natural resources**
- record the amount of recycled packaging used
- review the amount of recycled packaging used within the constraints of food safety legislation
- segregate own waste streams to facilitate recycling.

Suggested additional KPI: Percentage of packaging used in conjunction with products sold which is of recycled origin

### ■ Energy consumption: distribution

- **To implement best practices to reduce fuel consumption**
- record the amount of energy used in distribution of finished products from sources owned or controlled by the company in KWh per year.
- train drivers in fuel friendly techniques and assess their performance
- identify opportunities to switch to cleaner fuels with lower emissions of CO<sub>2</sub>
- check vehicles regularly and improve maintenance programmes
- use more fuel efficient vehicles, lean burn engines and cleaner fuels
- optimise payloads, delivery routes and vehicle utilisation in both directions
- use aerodynamic fittings to reduce drag of vehicles
- review distribution systems
- review alternatives to transporting freight by road
- set annual improvement targets
- support research into new transport technologies.

Suggested additional KPI: Total energy use (KWh) in distribution of finished products to direct customers from sources owned or controlled by the company per tonne of product per year

### ■ Energy consumption: renewables

- **To optimise the amount of renewable energy used to conserve natural resources**
- record the amount of energy purchased from renewable resources
- review options for the purchase of energy and determine an appropriate sourcing strategy.

Suggested additional KPI: Percentage of energy from renewable sources<sup>v</sup>

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<sup>v</sup> eligible renewable sources under the Renewables Obligation Order 2002 include water, wind, solar power. It excludes energy from waste unless it is a *biomass/biofuel*

## ■ Energy consumption: combined heat and power schemes

- **To optimise the use of electrical and heat energy**
- record the amount of energy used from CHP schemes
- review options for the purchase of energy
- make use of Government sponsored schemes which provide advice and consultancy on CHP feasibility.

Suggested additional KPI: Percentage of energy from 'good quality'<sup>w</sup> CHP schemes

## ■ Sustainable trading

- **To ensure that relationships with suppliers are sustainably as well as commercially based**
- encourage suppliers to follow a recognised sustainable trading code of practice
- source products from sustainable sources
- preserve the eco-systems from where ingredients and raw materials are sourced.

Suggested additional KPI: Percentage of suppliers which follow a recognised sustainable trading code of practice

## Maintenance of High and Stable Levels of Economic Growth and Employment

### ► Core indicators

#### ■ Profits

- **To ensure the long term growth of the business**
- review and validate pre-tax profits against previous years
- review the change in pre-tax profits against the UK average.

Suggested core KPI: Pre-tax profits per employee per year

#### ■ Capital invested

- **To ensure the long term growth of the business**
- review capital per employee
- identify new opportunities for investment.

Suggested core KPI: Capital invested per employee

#### ■ Employment

- **To review job creation in the context of the long term growth of the business**
- review job creation against previous years
- review average earnings per employee against the UK average
- review average earnings by gender/race/disability.

Suggested core KPI: Average earnings per employee per year

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<sup>w</sup> 'good quality' as defined by DTI/DEFRA (website: [www.chpqa.com/html/about\\_chpqa.html](http://www.chpqa.com/html/about_chpqa.html))

## ■ Production

- **To increase the productivity of the company**
- review production per employee against previous years
- identify opportunities to increase production efficiency.

Suggested core KPI: Production tonnage output (tonnes) per employee per year<sup>x</sup>

### ▶ Additional indicators

## ■ Economic performance

- **To ensure the long term growth of shareholder value and the business**
- review stock market capitalisation
- identify opportunities to increase stock market capitalisation.

Suggested additional KPI: Stock market capitalisation

## ■ Research and development

- **To invest in research and development to ensure the long term growth of the business**
- review investment in research and development against previous years
- identify new opportunities for research and development investment.

Suggested additional KPI: Investment in research and development as a percentage of profits

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<sup>x</sup> Production tonnage should include final products, by-products and co-products if these leave the site but stay within the normal commercial cycle or chain of utility and are not discarded as waste

### 3.3: Summary of Key Performance Indicators

[Core indicators are in bold]

#### 1. Social Progress which Recognises the Needs of Everyone

- **Community investment per year as a percentage of pre-tax profits (%)**
- **Notifiable injuries/100,000 employees per year**
- Percentage of suppliers which follow a recognised ethical trading code of practice (%)
- Percentage of employees with disabilities (%)
- Percentage of employees from ethnic minorities (%)
- Percentage of management who are women (%)
- Company contributions to employees social welfare beyond legal requirements eg health care, pensions, flexible working hours, crèche facilities etc as a % of payroll (%)

#### 2. Effective Protection of the Environment

- **BOD/COD (annual mass/permitted maxima under consents) discharged per tonne of product per year (kg)**
- **Total CO<sub>2</sub> equivalent emissions (kg) per tonne of product per year from i) manufacturing and ii) distribution to direct customers from sources owned or controlled by the company including own and contract transport (kg)**
- **Total waste ex factory (tonnes) per tonne of product per year including packaging waste arisings on the premises (kg)**
- **Percentage total waste ex factory recovered per year including packaging waste arisings on the premises (%)**
- Percentage of manufacturing operations (or percentage of employees or percentage of output) with an externally certified EMS (%)
- Annual mass of other significant emissions to air by type per tonne of product per year (kg)

#### 3. Prudent Use of Natural Resources

- **Total raw materials in (tonnes) per tonne of product per year (all raw materials including packaging but excluding fuel and water unless water<sup>y</sup> is also a main ingredient/raw material) (tonnes)**
- **Total water consumption (m<sup>3</sup>) per tonne of product per year (except cooling water extracted and returned to source) (m<sup>3</sup>)**
- **Total packaging placed on the market per tonne of product per year (kg)**
- **Total energy use (KWh) in manufacturing per tonne of product per year (KWh)**
- Percentage of packaging used in conjunction with products sold which is of recycled origin (%)
- Total energy use (KWh) in distribution of finished products to direct customers from sources owned or controlled by the company per tonne of product per year (KWh)
- Percentage of energy from renewable resources (%)
- Percentage of energy from 'good quality' CHP schemes (%)
- Percentage of suppliers which follow a recognised sustainable trading code of practice (%)

<sup>y</sup> Where companies (eg beverage companies) consider water to be a main ingredient/raw material then it should be included in the calculation

**4. Maintenance of High and Stable Levels of Economic Growth and Employment**

- Pre-tax profits per employee per year (£)
- Capital invested per employee (£)
- Average earnings per employee per year (£)
- Production tonnage output per employee per year (tonnes)
- Stock market capitalisation (£)
- Investment in research and development as a percentage of profits (%)

## 4.0: FUTURE CHALLENGES AND GOALS

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### 4.1: Consumer Expectations

Food scares in recent years (such as BSE, Salmonella, E. Coli 0157, foot and mouth disease) have sensitised consumers to food safety, quality and supply issues. This is leading to an ever increasing demand for “purer” food. However, the UK Food Standards Agency (FSA) stated in a position paper published in 2000<sup>2</sup> that even with organically produced food, it is not possible to state categorically that such food will be residue free. This is not surprising, as many residues result from years of use of persistent chemicals that are today ubiquitous in the natural environment, albeit at extremely low levels. It is unlikely that any natural product will ever be completely “residue free”, at some low level of detection.

### 4.2: Sustainable Agriculture

FDF acknowledges the work undertaken by the UK Sustainable Development Commission to develop principles for sustainable farming. As a key player in the food supply chain, FDF is also contributing to this debate.

In recognition of the growing demand for processed organic food and drink products and the increasing importance of this sector, FDF has established the Organic Food and Drink Manufacturers Liaison Group to represent the interests of its members in the organic sector. Following its launch in May 2001, the Group has taken important initiatives in a number of areas and has held discussions with a wide range of bodies including UK Government, the EC, the organic certification bodies and other interested parties such as the Soil Association and the Advertising Standards Authority. [See also section 2.2.5.1]

The industry also undertakes to purchase products and raw materials from sustainable sources and works to ensure that relationships with suppliers are ethically as well as commercially based. As part of this process, FDF has set up an Ethical Trading Working Group to examine the themes and implications for the industry as a whole. This Group has drawn up a Declaration of Ethical Trading Values. [[http://www.fdf.org.uk/fdfethical\\_values.html](http://www.fdf.org.uk/fdfethical_values.html)] [See also Section 2.1.3]

### 4.3: Reform of Common Agricultural Policy

Food “swapping” is an issue being debated in the context of transport where it is alleged that one type of product is imported whilst the UK-produced equivalent is exported. FDF supports the EU undertaking further urgent reform of the Common Agricultural Policy (CAP) to develop a more market-orientated CAP, which will enable the EU to meet the outstanding challenges posed by enlargement and the WTO Doha Development Agenda. Such reform would also minimise the potential for food swapping. For example, the UK’s location in North West Europe makes it one of the best geographically located regions in the world for grass fed production. Currently under the CAP, the UK dairy quota means that it has been only 90% self sufficient in its milk requirements. To exceed the quota carries the threat of significant fines by the EC. The shortfall in requirements is made up

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<sup>2</sup> Food Standards Agency View On Organic Foods, 2000 ([www.food.gov.uk/science/sciencetopics/organic/](http://www.food.gov.uk/science/sciencetopics/organic/))

by importing milk from France and Ireland. However, to speak of swapping in this context is wrong. FDF members do not export liquid milk. Since 1846 the UK has imported agricultural raw materials from overseas markets which are then processed here and turned into value added products and are then re-exported.

#### 4.4: Transport

The latest statistics from the DTLR indicate that the transport of food and drink products (including agricultural products and tobacco) account for 28% of all goods moved by road [Transport Statistics Bulletin – Transport of Goods by Road in Great Britain 2001, DTLR (2002) <http://www.transtat.dft.gov.uk/publicns/list02.htm> ]

The FDF Environmental Survey 2000 demonstrates that the industry is undertaking a number of key actions to reduce fuel consumption for freight move by road including:

- checking vehicles regularly and improving maintenance programmes
- using more fuel-efficient vehicles, lean-burn engines and cleaner fuel
- increasing the payload
- revising distribution arrangements to optimise delivery routes and vehicle utilisation in both directions
- using haulage contractors
- using centralised distribution centre
- monitoring fuel consumption and distance travelled
- training drivers in fuel friendly techniques and assessing their performance
- using aerodynamic fittings to reduce drag
- using on-board data collection systems to monitor engine/driver performance.

Noting that the EC has set as one of its future objectives the need to bring about a shift in transport use from road to, inter alia, rail, FDF is encouraging members, through its Environmental Survey, to collect and report data on the percentage of production that is transported by rail.

A move to promote consumption at nearest point of production as a means of reducing energy use through transport would in FDF's view have serious drawbacks in terms of higher food wastage through spoilage; it would also lead to a significant reduction in consumer choice as the UK is a net importer of raw materials as well as to a net increase in vehicle journeys. Moreover, INCPEN<sup>b</sup> published a report in 2001 showing that energy used in transporting food and drink products from farm or factory to shops on a per household basis is small at 1.6 GJ per annum compared to 21.0 GJ used in the production of food or 13.0 GJ used annually in domestic fridges and cooking. This comparison is further illustrated by data collected by one major food manufacturer showing that of total carbon dioxide emissions, distribution and raw material sourcing account for only 3.5% and 1.5% respectively.

Therefore, although we acknowledge that this and other such 'food mile-related' issues are currently under discussion as part of the sustainability debate, it is clear that both manufacturers and consumers need to tackle the significant aspects if real progress is to be achieved. Similarly, reintroducing seasonality of fresh foods is unlikely to find support amongst consumers as it will lead to considerably less choice bearing in mind that certain crops cannot be grown in the UK.

It is also necessary to consider that there is insufficient agricultural land available in the UK to meet the country's total food consumption requirements and importing raw

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<sup>b</sup> Towards Greener Households – Products, Packaging and Energy, INCPEN, (2001) (<http://www.incpen.org/pdf/greenhouse.pdf>)

materials, is therefore essential to provide enough food for UK consumers. Sourcing some of these import requirements from third world countries provides a positive contribution to sustaining their local economies.

## **4.5: Genetically Modified Organisms**

Public attitudes to genetically modified foods are still evolving. The issues arising from their release into the environment through commercial growing in the Americas and China, and use in the food supply, have raised controversy in Europe. Consumer distrust of genetic modification – in the recent climate of generally low confidence in the food supply – has effectively closed the door to use of this technology in European markets.

The use of genetic modification in food is a relatively new scientific technique. But it does offer opportunities and potential benefits to society, such as reducing or removing the need for pesticides and herbicides; improving yields and enhancing the nutritional profile of food crops and other ingredients. A rigorous and independent programme of research, assessing GM crops and ingredients in relation to conventional production, is required before the potential benefits can be fully realised. It is unlikely that attitudes in the UK and the rest of Europe will change until and unless this technology provides clear benefits for consumers. Until such time, we recognise that some consumers may wish to choose products which are non-GM, or even GM-free. For this reason UK food and drink manufacturing companies produce non-GM products for both the UK and overseas markets. FDF has also worked closely with the BRC in developing a standard for the sourcing of identity-preserved (IP) non-GM (conventional) soya and maize.

The benefits of this standard are:

- a single standard, covering the whole supply chain from seed to consumer
- confidence for industry and the consumer
- a reduction in inspection levels, hence costs, resulting from wide acceptance
- making it possible for smaller companies, with limited resources, to source and supply non-GM materials
- the facilitation of international trade in non-GM materials.

[see also section 2.1.1.2]

## **4.6: Endocrine Disruption**

The industry is aware of concerns of some NGOs about the potential endocrine disrupting effects of some man-made chemicals (and some naturally occurring chemicals such as phytoestrogens) which may be present in food and / or food contact materials even at levels greatly below established statutory food safety limits. Food safety is the prime concern of the food and drink manufacturing industry and it constantly monitors scientific and technological developments to ensure that the food it produces is safe and wholesome. The industry is working closely with packaging suppliers to investigate alternative technologies in certain areas - where for example concerns have been raised about food contact materials. However, the uncertainties that exist in the current scientific understanding of potential endocrine effects and the complexity of the issue, need to be acknowledged; as does the fact that there is no scientifically validated and published data indicating that exposure to endocrine disrupting substances under relevant exposure conditions will lead to adverse reproductive effects in humans.

## **4.7: Allergens**

These are natural proteins in food that may impart an allergic response in some sensitive individuals. This reaction may be severe e.g. anaphylactic shock, which may be life threatening. Current medical opinions differ, but in general it is considered that the number of individuals who are truly allergic to food is relatively low (<1%), although the consumer perception is higher (up to 13%).

This discrepancy can be explained in part by the fact that many people may not be specifically allergic to materials but may be sensitive or have an intolerance to them. The medical profession generally classifies an allergen as an IgE -mediated response (a specific immunological reaction) to make the distinction with intolerances but an added complexity is that different allergenic materials have different speeds of response. Also, medical and scientific understanding of these conditions is growing all the time.

Currently, there is no cure for food allergy. The only successful method is to manage the condition through avoidance of foods (such as nuts - especially peanuts- milk, gluten, egg, fish and soya) containing the specific allergen.

Food processors must be diligent in the handling of allergenic ingredients and in informing consumers about their presence in products. FDF has produced Food Allergen Advice Notes to help in this process. FDF also supports the principle of an EU-agreed list of allergens the presence of which must always be declared in products. Such a list must, however, be precisely defined to avoid misleading consumer information and inappropriate barriers to trade. Appropriate measures must also be taken to minimise the risk to allergic consumers from food allergens which are inadvertently present in a product and consequently not declared on the label. Attention has focused on the identification of the major allergens (principally in terms of incidence, severity and dose) and the putting in place of appropriate controls (ingredient specification, handling and processing).

Given the increasing multi-ingredient complexity of modern food manufacture, the future challenge for the industry will be to maintain a balance between preserving wide product choice suitable for the majority of consumers and appropriate controls and information, with attendant costs, to safeguard the well-being of genuine allergy sufferers.

## **4.8: Development of Common Food Chain Initiatives**

Following the development of KPIs for food and drink manufacturing companies (see Part 3) FDF has initiated a dialogue with other parts of the food chain, principally the BRC and the NFU, on the need to develop common initiatives to increase the sustainability of the food supply chain and to measure progress. FDF maintains that all parts of the food chain will need to work together to make joint improvements if real long term progress is to be achieved.

## 5.0: CONCLUSIONS

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1. The food and drink industry lies at the very heart of sustainability as food production sustains the world's population.
2. On a global scale there must be an increase in production, if there is to be a real improvement in the quality of life for vast numbers of the world population. However, it is important that this is achieved through improved resource efficiency rather than by increased global consumption of natural resources.
3. Companies within the food and drink sector are committed to minimising the environmental impact of their activities and working towards the objective of long term sustainability.
4. The industry is already taking initiatives which go significantly beyond legal requirements (eg environmental reporting, environmental management systems, sharing good practice, voluntary codes and agreements, community investment).
5. FDF has improved its understanding of what sustainable development means in practice for the food and drink manufacturing sector, particularly in terms of the UK Government's four defining objectives; and has worked to raise awareness of the issues amongst its membership. FDF is actively participating in the current debate, at a UK, European and international level.
6. FDF has developed a framework of Key Performance Indicators (KPIs), guidelines and overarching principles to aid companies' progress towards sustainable development, including its measurement.
7. FDF considers it important that sustainable development policy is taken forward holistically based on the social, environmental and economic dimensions: these are inextricably linked and cannot be addressed in isolation.
8. Any strategy must include all parts of the food supply/use/disposal chain – farmers, manufacturers, retailers, consumers and waste disposal companies.
9. Maintaining and enhancing public trust and confidence in the safety, wholesomeness and quality of the food supply is vital and underlines the importance of measures put in place by the industry to meet this objective.
10. The range and nature of products provided by the food and drink industry is a reflection of the changes in demographics towards smaller households and what consumers want to buy.
11. Consumers can, through their purchasing decisions, make a significant contribution to achieving sustainable food production.
12. Raising consumer awareness of the issues involved, to enable them to make informed choices, must be a key part of any overall strategy.
13. Urgent reform of the Common Agricultural Policy (CAP) is needed to enable the EU to meet the challenges of enlargement and to support the WTO Doha Development Agenda.

14. FDF recognises that Climate Change is one of the key sustainable development challenges. The industry is already addressing the need to minimise the consumption of energy used in manufacturing and distribution operations; companies are also considering increasing the proportion of energy sourced from renewable sources or good quality CHP schemes.
15. The very low energy efficiency of domestic appliances and cookers compared with industrial-scale equipment means that any increase in the amount of processing and cooking done by domestic consumers could increase the UK's total consumption of energy and thus contribute to more climate change.

FDF would welcome receiving your comments on this report or any other aspect relating to sustainable development and the food and drink industry. Please send these either by email to:

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[http://www.fdf.org.uk/fdf\\_policy/fdf\\_sustainable.html](http://www.fdf.org.uk/fdf_policy/fdf_sustainable.html)

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**World Summit on Sustainable  
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