

Sustainability

Vision, Commitment & Approach

Vision

In 2007, a coalition of food & beverage manufacturing companies and trade associations was formed in an effort to optimize sustainable development practices across the industry and maximize the impact on the communities we affect.

While we are aware that sustainable development requires attention to environmental, social and economic considerations, we will focus our collective efforts on environmental and social sustainable development principles, guidance and initiatives.

Commitment

The food, beverage and consumer product industry is committed to continuous improvement of it's collective sustainable development practices in order to insure positive impacts on the environment of the communities we serve and on the people that live within them.

We will utilize the core competencies that reside within our industry to impact those areas where we can 1) make a difference, 2) change our current impact and 3) improve our organization's/industry's success.

We will make efforts to embody the spirit of the United Nations definition of "sustainability" which instructs that resources used for today's needs do not deplete the capacity of future generations to meet their needs.

Approach

Continuous improvement of sustainable practices throughout the food, beverage and consumer product industries will require multiple strategies and the integrated effort of various stakeholders.

- We will make the effort to be inclusive and do our part while helping others do their part toward a more sustainable future.
- We will assure measures of progress are fair and consistent across our industry.
- We will work collaboratively across our industries so that all organizations have access to the appropriate tools and resources needed to improve their sustainability programs.
- We will advocate for sound policy and educated mandates from government, mutual supply chain partners and other interested stakeholders.
- We will be creative in our approach and adjust as we determine effectiveness.
- We will insure clarity in our communications and outreach programs so that our vision is clear and our current realities are well understood.
- We will educate – both internally and externally to our industry.

We are committed to improvements to our industry's sustainable footprint.

Focus Areas

- Develop Core Sustainability Principles for the Food, Beverage and Consumer Products industries using existing frameworks and adjusting for the particulars of our businesses.
- Develop consistent metrics for measurement of key environmental performance factors inclusive of Packaging, Water, Energy and Climate Change.
- Ensure that our communication and outreach strategies reflect our challenges, opportunities and progress.
- Develop appropriate education materials and venues for use within our organizations as well as with critical stakeholder groups.
- Partner with key resources on non-core areas such as Agriculture sustainability, Chemical Impacts and/or Packaging Life-Cycle Analysis.
- Collaborate with the GMA/FPA membership population of consumer product companies to ensure consistency of sustainable development principles as well as share best practices as appropriate.
- Advocate for sound regulatory policy based on clear metrics, current capabilities and sound science.

Governance

Trade Group Leadership & Oversight

Food, Beverage &
Consumer Product
Principle Team
Audra Karalius - Sara Lee



Working Groups

Chemicals

TBD

Packaging
Waste Recovery

John Scott - Pepsi

Water

Kevin Matthews - Nestle

Communication
Education

TBD

Energy/Climate
Carbon Footprint

Dennis Boik - Hormel

Regulatory
Policy

TBD

Sustainability:

*Packaging & Waste Reduction
Work Group
May 2, 2007 & June 24, 2007*

Meeting Materials & Minutes

Packaging - Three Main Working Areas

Overall:

- Provide a forum for innovative approaches and innovation
- Partner with knowledge providers (Technical, Management, IT)

A. Industry Reporting

- Develop industry-standard reporting tools, inclusive of definitions and formulations.

B. Knowledge Resources

- Create a database of packaging information that will identify industry averages and benchmarks to measure progress
- Apply proven programs and techniques in other industries
- Track existing and new mandates from stakeholders

C. Industry Life-Cycle Analysis Discussion (?)

- Focus on Broad lifecycle review of packaging materials
- Big Question: Build or Adopt?

Focus Area #1 – Industry Reporting

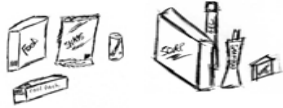
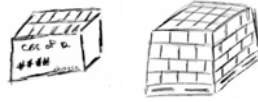


- Develop standard reporting tools inclusive of metrics, definitions and formulations. Not a referendum on what is "good" or "bad" packaging, but developing a transparent process for explaining the work each company is performing. e.g. A common reporting methodology about packaging
- Why?
 - If we do not set the agenda...someone else will
 - Different reporting processes create confusion among consumers, retailers, NGOs and others

Framework Guiding Principles

The following guiding principles are used to steer the common industry definitions, metrics, formulas and approach:

1. Developing a Transparent Process that can be understood by Consumers, Retailers, Investors and other interested Stakeholders
2. Protecting confidential or other proprietary information
3. Providing a method for inserting credible science
4. Incorporating “Best Practices” for reporting already in use for the CPG Industry
5. Allowing for industry competition to drive improvement
6. Providing flexibility for companies to incorporate their key sustainability priorities and meaning behind the science
7. Developing a reporting framework that can expand or contract to meet the needs or maturity of any CPG firm on its sustainability journey, covering:
 - All waste streams (Packaging/Solid, Hazardous & Emissions)
 - All inputs (Energy & Water)
 - Consumers through Suppliers

Strawman document....

	Packaging Waste		Operational Waste	
Packaging Type:	<p><u>Consumer Packaging</u></p> 	<p><u>Retail Waste</u></p> 	<p><u>Manufacturing Waste</u></p> 	<p><u>Supplier Waste</u></p> 
Definitions:	Consumer Packaging: Packaging that is purchased by Consumers, where the solid waste owned by the Consumer	Transport Packaging: Packaging that required to deliver saleable products to a retailer or the trade outlet, where the solid waste owned by the Retailer	Manufacturing Waste: Packaging Materials that are used within a CPG firm's operations, where the CPG manufacturer is directly able to control the waste stream.	Supplier Waste: Packaging Materials that are used by a CPG firm's supplier to deliver raw materials, where the supplier is directly able to control the waste stream.
Typical Examples:	Cans, Bottles, Pouches, Bags, Shrink Film, Containers & Boxes	Cases, Pallets, POS Displays and Shrink Film	Drums, Pallets, Containers and Cases	Drums, Pallets, Containers and Cases
Examples of some metrics by Weight:	<ul style="list-style-type: none"> -Product to Package Ratio -% Recycled Materials -% Post-Consumer Recycled Materials -% Recycle-able -% of Materials produced via Renewable Energy -GHG Emissions/Carbon foot to create this packaging -Water needed to create this packaging -Energy needed to create this packaging 	<ul style="list-style-type: none"> -% Recycled Materials -% Post-Consumer Recycled Materials -% Recycle-able -% of Materials produced via Renewable Energy -GHG Emissions/Carbon foot to create this packaging -Water needed to create this packaging -Energy needed to create this packaging 	<ul style="list-style-type: none"> -% Recycled Materials -% Post-Consumer Recycled Materials -% Recycle-able -% of Materials produced via Renewable Energy -GHG Emissions/Carbon foot to create this packaging -Water needed to create this packaging -Energy needed to create this packaging 	<ul style="list-style-type: none"> -% Recycled Materials -% Post-Consumer Recycled Materials -% Recycle-able -% of Materials produced via Renewable Energy -GHG Emissions/Carbon foot to create this packaging -Water needed to create this packaging -Energy needed to create this packaging
Reporting:	Baseline + Year over year improvement	Baseline + Year over year improvement	Baseline + Year over year improvement	Year over year improvement

UPDATED DRAFT

All points can expand to include metrics reporting for all manufacturing, distribution & logistics inputs and outputs

Questions

% of packaging weight, as a function of:

- Inclusion of SFI, 100% RPA or other factors
- Climate leader, Energy Star & other characteristics

Improvements:

- Transportation reduced
- GHG reduced
- Water reduced
- Energy Reduced
- Waste Reduced
- YoY for the same lbs of product sold

Decision:

Agreed to pursue these topics

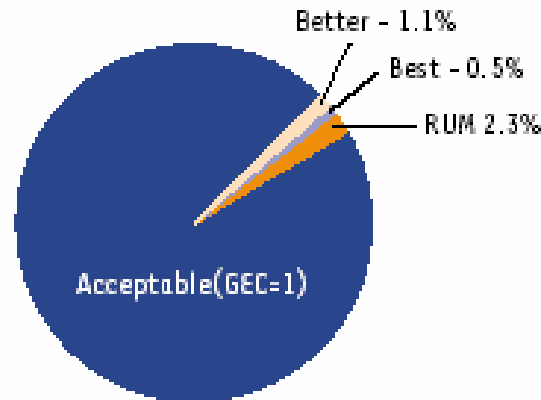
Greenlist: Material Evaluation

Greenlist™ Baseline Volumes (00/01)

Greenlist™ Environmental Classification (GEC)

- Best (GEC=3)
- Better (GEC=2)
- Acceptable (GEC=1)
- RUM* (GEC=0)

* Restricted Use Material



Greenlist™ Baseline Score
2000/01 = 239,248,733

Greenlist™ Score
2002/03 (Goal**) = 258,388,675

** Goal is 8% Footprint Improvement

SC Johnson is offering the patent royalty-free to companies who earnestly desire to reduce their environmental footprint. The license is directly with SC Johnson. The license agreement will also address the licensee's use of SC Johnson's trademark rights

Licensing requirements...

- Set annual footprint reduction goals
- Track progress against the goals
- Report publicly the annual results

Decision:

Agreed to pursue these topics

Focus Area #2 – Knowledge Resources

- Development of a library for GMA members containing credible resources for use in life cycle or other analysis, including retailer scorecards and governmental regulations
- Why?
 - Using “trusted” resources benefits us all
 - Having a common understanding of programs benefits us all
- Examples.....
 - SPC: Sustainable Packaging Coalition
 - SFI: Sustainable Forestry Initiative
 - 100% Recycled Paperboard Alliance
 - GRI
 - FTC
 - ISO
 - Many others.....

Possible Mechanics

- Access and Storage Questions:
 - Access: GMA to join these organization on behalf of members
 - Access: Members to share information
 - Copyright issues?
 - Storage: Make available via GMA website
 - Members-only section
 - Storage: Provide onsite library in DC

Decision:

Agreed to pursue these topics

Focus Area #3 – Life Cycle Analysis

- Can a broad Life Cycle analysis process be applied to all members of the GMA?
 - Are there guiding principles that all can share, but the analysis is independently done?
 - Should we borrow from the work already being done by Sustainable Packaging Coalition and/or other groups (Institute of Packaging Professionals, etc)...and not try to create something new?
- Why?
 - The Science is important!
 - Having a drastically different viewpoints causes industry confusion

Decision:

Focus on Guiding Principles, not recreating LCAs

Meeting Summary – May 2nd

Topical Decisions:

1. For working group C (Industry Life-Cycle Analysis), it was confirmed the objective would not be develop a new LCA model, but focus efforts to get the industry to adopt some common tools already available. In other words, to share best practices, approaches & tools, but not create anything new.
2. Retailer Scorecards: While not a part of this working team, it was suggested to the GMA that a worthwhile project would be to research and assess the retailer scorecards and develop a publication explain those mechanics (appendix to Deloitte work?)
3. Other resources for KM: MERGE project, SPC, Epad/Metaphor/Metafor
4. Greenlist program should be explored further, in relations to Packaging. Perhaps an invitation to 5 Winds or SC Johnson to present.

Administrative Decisions:

1. Our meeting schedule will aim for “face-to-face” every 6 weeks or so, with a call in-between.
2. We will attempt to create an advisory group of suppliers and other stakeholders outside of the GMA membership to provide feedback and guidance. (Industry Associations, Packaging Suppliers, Dow Chemical, etc)

Meeting Summary – June 24th

Decisions/Perspectives:

1. Next Face-to-Face meeting will be June 28 - remainder of schedule to adjust
2. The regulatory environment for what may be proposed as "labeling Requirements" for environmental information should be discussed (led by Pat Verduin)
3. We should have some other industry groups present their work (see below)

Point-of-Views Shared:

1. Prioritizing metrics for our industry should be incorporated (i.e. there may be too many and this causes consumer/stakeholder confusion)
2. The most credible science should be followed, not re-created
3. GMA may want to align with some of these non-lobbying groups (SPC/GreenBlue, etc)

Open Items for Resolution (with owner):

1. Provide contact info for Victor Bell to John Scott (Roger Zellner)
2. Contact Victor Bell re: next face-to-face (John Scott)
3. Contact SPC/Merge re: next face-to-face (John Scott)
4. Contact Greenlist re: next face-to-face (John Scott)
5. Socialize value to industry of potential three presenters at next face-to-face, if you know them from other initiatives (All)
6. FIEC call-in information will be shared with the work group (Bob Garfield and John Scott)
7. Understand if the GMA can provide better guidance on scorecards (perhaps an AMC)

Sustainability:

Water

Work Group

May 17, 2007

Meeting Materials & Minutes

Water Working Group - Scope

1. Availability of water
2. Conservation for balancing the needs of society versus that of the individual/needs of the community versus that of the company

Focus Areas

- Availability
- Cost
- Quality - Safe to drink
- Balance within Society
- Proactivity to regulations

Water Working Group - Goals

Short Term (Year 1)

Conservation within our 4 walls. Identify and promote water reduction goals. Get members measurement programs underway.

Mid Term (Year 2 and beyond)

Bring Suppliers into the mix.

Long Term

Bold plans

Also, we need to shine light on Farm and Agricultural Water Usage..

Water Working Group - Focus

- Focus on Water Use,
 - Consider the reuse and recycling of water. While wastewater is a big topic today, we may limit our focus and not include it at this time.
 - Nitrate loading and other types of agricultural contamination affect groundwater tables in the midwest.
-
- We may want to look at water sustainability modeling software that allows us to identify sustainable water usage regionally.
 - Perhaps do a 15 year impact study on the business, customers, and suppliers with the effects of climate change factored.
 - The USGS (United States Geological Society) or NOA (National Oceanic Administration) may have data showing trending here. We should tap into this for projected shortages of water in years ahead.

Water Working Group – Key Deliverables

- Education of our companies and their employees in order to improve decisions and increase focus
- Provide tools, metrics and best practices
- Regulatory Influence and Approaches to Compliance
- Education of the consumer, the farmer etc.
 - Have an outreach campaign using a selected partner (such as Keystone) to reach the farmer and their associations.
 - For the farmer...important to bring them into the fold of water sustainability as a willing partner....not an adversarial relationship where they stand to lose. Statement to the farmer such as "You are the most efficient grower and producer of food supply in the world, and sustain our lives. However, we all have an opportunity here....."
- Education of the consumer is very important also. Perhaps ultimately there is a seal that is associated with sustainable water usage that companies can place on their labels. Educate the consumer on how to interpret this. We may want to talk with the EPA on "footprint" measures for industry.

Sustainability:

*Energy & Climate Change
Work Group
June , 2007*

Meeting Materials & Minutes

Energy & Climate Change - Working Group

To: Sustainability Strategy Team
From: Dennis Boik – Hormel
Re: Energy & Climate Change Working Group – First Meeting

As a follow-up to our Sustainability Initiative Meeting held May 8, we would like to initiate work on one of the critical Subject-Matter Expert Work Teams to begin a dialogue specific to Energy Use and Climate Change in our industries. I volunteered to head up that team for the group and would like to hold a conference call with other interested individuals and companies. At this first meeting, we will aim to develop a strategy for our path forward, which would include:

Determining the scope of the group
Identifying Key Deliverables such as Metrics, Regulatory Opportunities, Etc.
Assignment of duties and path forward

We are looking for technical experts in energy efficiency and air emissions (including climate-changing emissions such as CO₂), as well as those with public policy expertise in energy and the environment (particularly climate change). We suspect that the regulatory frameworks being discussed may take a center stage in some of our work, so we would need expertise in that arena as well as expertise in traditional EHS/Engineering/Operations skills.

Please let me know if you or a member of your company can join us on this working group. We need a great deal of help on this issue and could use your support – particularly as we plan our path going forward.

Meeting Specifics:

Conference Number: 1-(866)-339-5580 **Meeting Code:** :*1535208*
Date: June 7th
Time: 11:00 – 1:00ET