



# Scott Poynton, Chief Executive Tropical Forest Trust



## SUSTAINABILITY IN RETAIL

Retailing in the Green Economy: Getting Serious about Sustainability



Chicken breasts, climate  
change & the global economy:  
**the Climate Tree initiative**



Presented by Scott Poynton

The Store “Sustainability in Retail”  
Conference

**September 23<sup>rd</sup> 2008**





**GREENPEACE**



**Friends of the Earth International**



A retailer led entrepreneurial response to a global environmental problem



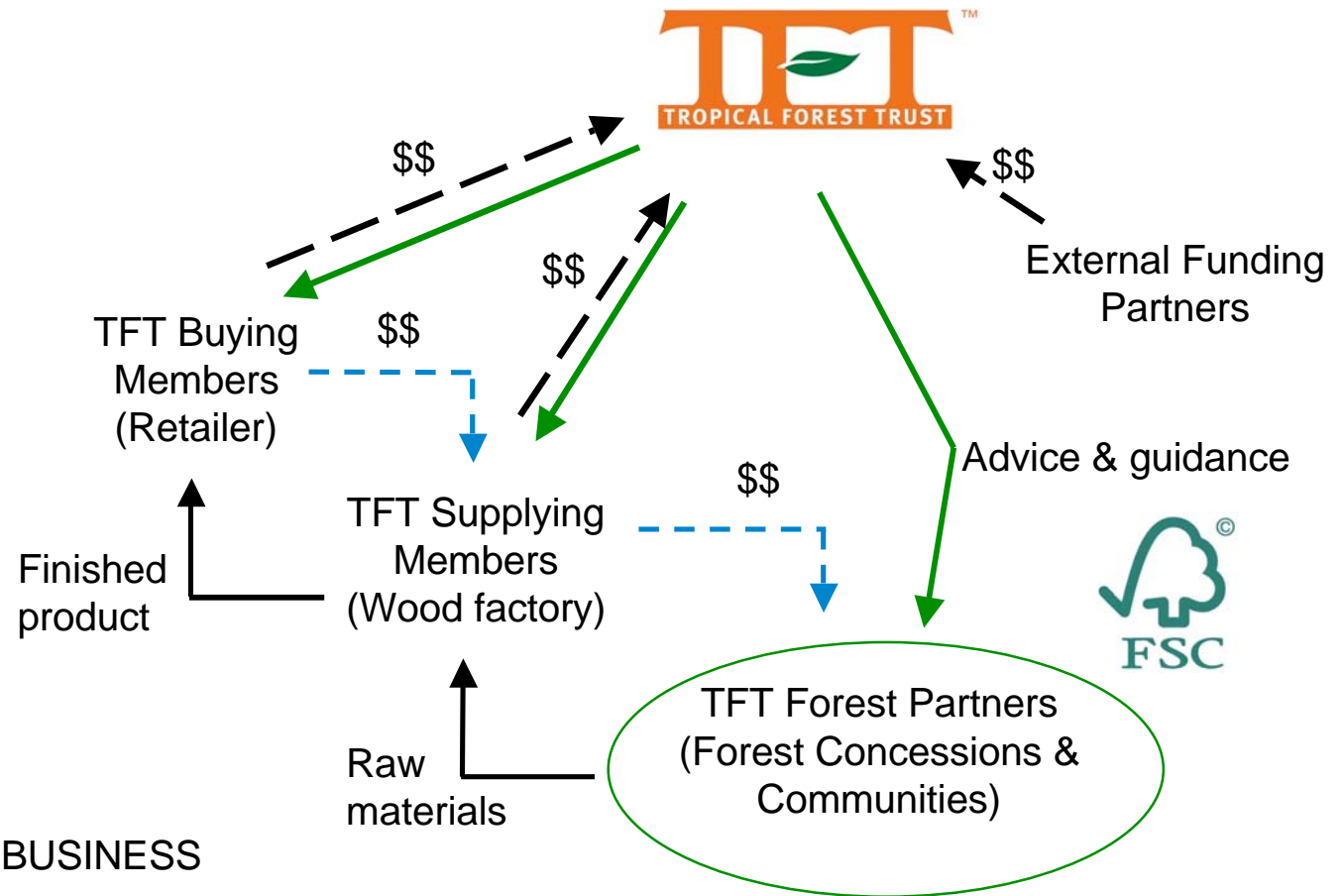
## Good Products, Successful Supply Chains

- Good quality; made to the best design; delivered on time; at the right price point; **sold to customers happy to buy them**
- Long term supply relationships; CPR targets met each year
- Really successful supply chains repeat this year in, year out

## TFT builds really successful supply chains

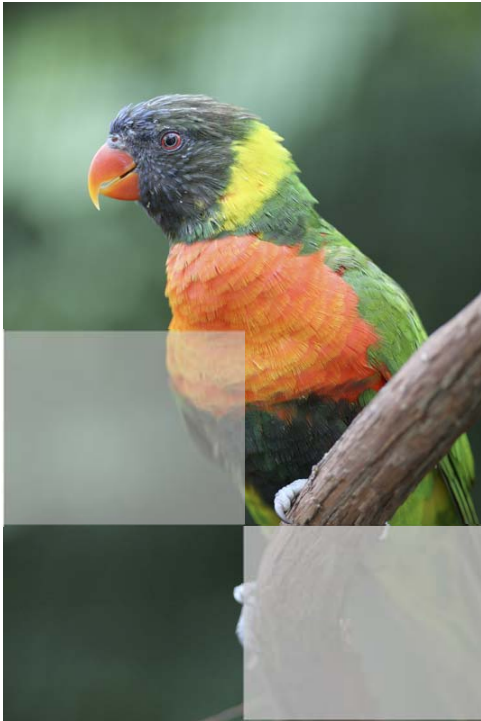
- Wood product supply chains are anchored in forests
- Securing your supply chain thus means making sure forests are there
- This is tricky! In the tropics, they're disappearing – fast
- Smart companies are moving to secure their raw material supply base
- CSR? Yes, but it's also **Good Business**





### GOOD WOOD GOOD BUSINESS

- Supply chain: Excluding illegal wood; getting 'good' wood products in our members' stores
- Forest Management: Getting forests FSC certified
- Support comms programs e.g. POS telling customers about it



A global coalition of business leaders investing in solving environmental concerns in their supply chains



## It's Unique! Why do they do it?

### Because it makes business sense!

- 2% levy on garden furniture but what price for NGO press coverage that ranks you 1<sup>st</sup> on a 'good retailer' list?
- Knowing your supply chain; better understanding where things go wrong so greater capacity to make them go right
- Closer relationship with your suppliers
- Helps deliver CPR targets



## Why do they do it?

### Because it's the right thing to do

- Sound CSR practice **IS** good business
- TFT's programs are field based, highly credible – you can communicate without fear of greenwashing
- Great stories to tell; better bond with your customers, great feeling amongst staff – customer differentiation

## What's it worth?

- Our members aren't stupid
- 5%, 10%? .....a Sustainable Business Advantage!
- Good Wood IS Good Business!





## What about other supply chains?

- FSC for wood product retailers is great
- Do other products have a 'Forest Footprint'?
- Forests are disappearing faster than ever
- 13 million hectares lost per year – agricultural commodities
- Soy, palm oil, biofuels
- What supply chains do these commodities anchor?



## Chicken breasts & global supply chains

- Supermarket 'X'
- 17% market share in European country, 500+ stores
- Own Brand Chicken Feasibility Study
- What they eat - 500g **soy meal** per kg of chicken
- Where does it come from?
- Brazil, Paraguay, Argentina, Bolivia, USA
- Major traders - exact farm locations unknown
- Sustainability issues
- Forest Footprint.....???
- Typical situation the world over



## Deforestation & Climate Change

- World's biggest GHG emitters: 1<sup>st</sup> – China; 2<sup>nd</sup> - USA...
- 3<sup>rd</sup>, 4<sup>th</sup>?
- Indonesia, Brazil ??!!
- **Deforestation:**
- 20% GHG emissions, only energy sector produces more
- 19 million tCO<sub>2</sub> per day
- Cattle ranching, soy farms, oil palm plantations
- Next time you sit down to a feed of chicken.....
- Or pork – 600g of soy meal per kg



## It's Big Business & it's Global

- Supplier #1:
  - 400,000 chickens/week Red label
  - 2 million chickens per week 'other'
- 4 other suppliers
- In US – one of many suppliers – 22 million chickens per week!!
- VERY cost price sensitive – not a lot of room to throw money
- Chicken meat now coming from Brazil
- But where are these supply chain anchored?
- What sustainability issues are embedded here?
- Right now, it's a mystery but the sense is – it's not pretty



## What to do? Garden Furniture Revisited

- Do nothing..... or Take Control?
- Garden furniture experience suggests the latter
- Remember..... Sustainable Business Advantage, customers, suppliers
- Good Chook Good Business!
- It's neither easy nor straightforward but....
  - Taking everything back to 1st principles highlights a way forward
  - Re-build your supply chain link by link, choosing the right partners
  - Analyze cost implications – they're there - can you afford them?
- Can you afford not to?
- Very much a **communications issue** - depends on your creativity!!

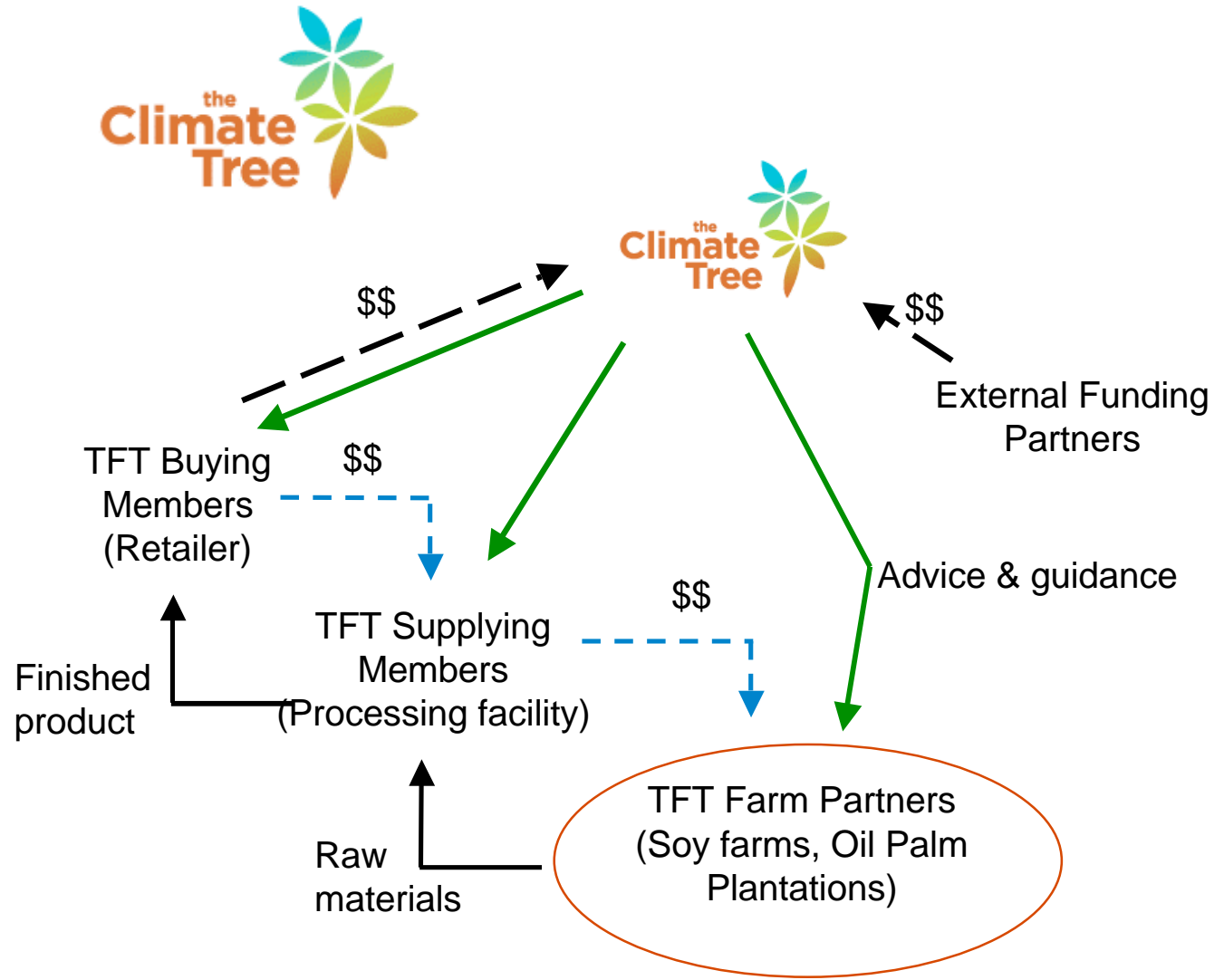
Fighting Climate Change is  
Fighting for Low Prices!!!





## TFT's Climate Tree Initiative

- Designed to facilitate **corporate engagement** in the fight against Climate Change
- We help companies fight for low prices by addressing Climate Change issues embedded in their businesses
- Two fundamental principles:
  - We must stop deforestation now if we're to combat Climate Change
  - We can't do it alone
- Global partnerships : Local projects – fighting at the coal face
- Supply Chain Projects
- Soy & Oil palm in Food Supply Chains
- Biofuel Supply chains





## The Climate Tree

- Carbon Outreach, Carbon Responsibility Projects
- Not offsetting – getting going now and hitting the root cause

- **Living Forests Program**

- More forests FSC certified
- Protecting Protected Areas
- Forest Research
- International dialogues
- Carbon & Payment for Ecosystem Services



- **Forests & Farms Program – Soy, Palm Oil, Biofuels**

- **Trees for People Program**

- **Cool Forests Program**



## Why You Should Join Us Under the Climate Tree!

- Because investing in solving environment problems is the right thing to do – and there's no bigger problem than Climate Change
- Because it does bring Sustainable Business Advantage
- Because it speaks to your customers - customer differentiation
- Remember “Fighting Climate Change is Fighting for Low Prices”
- Because TFT has a 10 year track record of delivering great results

So....

[www.theclimatetree.org](http://www.theclimatetree.org)