BTC TRADE FOR DEVELOPMENT

THE AVAILABILITY OF SUSTAINABLE BANANA, COFFEE, TEA AND COCOA PRODUCTS IN BELGIAN SUPERMARKETS

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0. OBJECTIVES AND METHODS

Objectives

BTC (the Belgian Development Agency) conducted research on sustainable products in 2011, and with this research wants to build upon that research to identify new tendencies and evolutions.

Specifically, BTC wants to gain information about

- The share of sustainable products within the range of products in each supermarket chain (product groups bananas, tea, coffee, cocoa/chocolate);
- Share of sustainable products within private labels;
- What the objectives, attitudes and expectations are of supermarkets when it comes to increasing the presence of sustainable products within their product range;
- What the good practices, issues, problems and suggestions are of supermarkets with respect to sustainable products;
- Big tendencies when it comes to sustainable consumption within the Belgian market;
- The key players within this market;
- More general information.

The 4 product categories (bananas – coffee – tea – cocoa) were chosen as the focus for this research by BTC, because these are tropical commodities produced in the South and because these are core categories for the labels which are internationally recognized as sustainable labels (third party certification).

Methods

A combined approach of quantitative and qualitative research with desk research was chosen to meet the objectives outlined above.

Quantitative research

N = 54 retail visits (duration of min. 1 hour) were planned, within each supermarket chain different stores were visited. A representative sample of stores was visited, of the following supermarket chains:

- Colruyt
- Carrefour/Carrefour Market/Super GB
- Delhaize Le Lion/AD Delhaize/City Delhaize/Proxy Delhaize
- Intermarché
- Mestdagh/Champion
- Cora
- Makro
- (S)Match
- Spar
- Lidl
- Aldi

Within each supermarket, we measured

- On the one hand: within each category & subcategory, what the part is of sustainable products within bananas/coffee/tea/cocoa products.
- On the other hand: how the labels Bio – UTH Certified – Rainforest Alliance – Fairtrade Max Havelaar are represented.

This meant that within each (sub)category, the number of brands were counted, and the sustainable brands were identified.

Remark: originally, N = 60 retail visits were planned, but when (S)Match refused to participate in the research, we chose to conduct more qualitative interviews to compensate.

Desk research

The objective of this part of the research was to compare findings to the findings of the research conducted for CBT-BTC in 2011, and more generally to create a context in which the findings about sustainable products in the Belgian supermarkets can be placed.

This will make it possible to identify and understand tendencies and evolutions within the context of sustainable products in Belgian supermarkets.

Qualitative research

The objective of the qualitative part of the research is to dig deeper into sector related expertise. In these interviews, we focused on the global vision of supermarkets/companies on sustainability and a sustainable product offer. This implies discussing the general attitudes, expectations and objectives with respect to sustainability.

We conducted interviews which were spread across different fields of expertise:

N = 11 web based interviews with representatives/buyers of the different supermarket chains which were visited in the quantitative part of the research. These people were confronted with and commented on the figures that were the outcome of the quantitative part of the research. Each person saw the figures of the supermarket which he/she represents.

N = 3 face-to-face interviews with representatives of product oriented organizations of the different categories (bananas – tea – coffee – cocoa). These interviews were conducted on location at the respondent's office. Duration of the interviews was about 1½ hours. The objective here was to see what the impact is of sustainability on the category, and how sustainability concerns impact the category today, and are expected to impact the category in the future.

We spoke to:
Marketing Research responsible Global brands at Douwe Egberts (coffee)
Integration Marketing Director at Unilever (tea)
General Secretary European Cocoa Association (Cocoa)

N = 3 face-to-face interviews with representatives of labels/certificates. These interviews were conducted on location at the respondent's office, and lasted about 1½ hours. The objective was to see how sustainability today gains meaning for the labels, and how they feel the concept of sustainability will evolve. Plus how they experience the collaboration with supermarkets, and how this has evolved with time.

We spoke to:
General Manager Max Havelaar
Marketing & communication Max Havelaar
Responsible Bio/Ecogarantie – medewerker ketengarantie Bioforum

1. SUSTAINABILITY IN GENERAL

1.1. Preliminary remark

Reactions show that sustainability is a hot issue: supermarkets, labels and companies clearly indicate that the issue matters to them. Most were willing to participate in the research, and the best person to express the organisation/company's point of view was carefully selected.

Clearly, sustainability is an important as well as sensitive topic… Having a point of view on sustainability and expressing it is a 'must do'. At the same time people are on guard, they want to check with their management if they are expressing the correct opinion, they are cautious not to negatively affect the reputation of their organisation…

1.2. The big picture

In order to understand what is happening in the 4 product categories that are the topic of this research (cacao/tea/coffee/bananas), it is important to look at the big picture. By way of introduction, we want to look at how sustainability gains meaning, and how its meaning has evolved with time.

1.3. Definition of sustainability

Sustainability is an important issue for companies: part of its importance is driven by ethical concerns (increasing awareness of social responsibility, pressure from the public opinion), part is driven by a need for profiling (must have a point of view, as this is what public opinion expects). The general feeling is that the 'public' (the end consumer) is increasingly aware of sustainable issues.

Generally speaking sustainable products – in whichever way this is defined, including fair trade, organic – reflect a fundamentally different philosophy, one which is essentially linked to increased quality of life.

Sustainability is classically linked to the balance between the 3 P's:

People – companies and consumers – are increasingly aware that sustainability is a comprehensive concept: for the attentive target group it refers to a broad set of social, ecological as well as economical concerns. From the point of view of the supermarkets, this is essentially about working towards a constructive balance between ethics and profitability. Per definition, sustainability means thinking on the long term.

Profits are an essential part of the picture, as they drive development. Marketing and sustainable development are no longer contradictory. If we want a sustainable future, we need marketers and companies who value sustainability[i]. Awareness about this is increasing, for producers as well as supermarkets.

In the context of supermarkets, the field of sustainability is in full development. There are more 'sustainability managers' now than there used to be. A number of interviewed supermarket chains mention that they have a sustainability manager (often international), but in the interviews it is clear that still often remains vague exactly whom is responsible for what.

Brand websites also reflect the growing importance of sustainability. More and more brands make a point of making their 'vision' on sustainability more explicit, and inform their target group about their plans.

1.4. Consumers are more aware

Consumers also positively evolve in the direction of more sustainable behaviour, and are increasingly aware of the fact that their shopping behaviour makes a difference. If they buy sustainable products, the supermarkets are bound to increase their offer. It is a process of mutual impact and responsibility. If consumers are more interested in buying sustainable products, this puts more pressure on brands and retailers, and moves them to action.

Some figures (from 2011) that illustrate that – more than before – sustainability has become a relevant selling point[ii]:

- 69% of the people in Belgium have expressed a willingness to pay more for sustainable products and services. 60% does not buy products that explicitly lack respect for people, environment and society (versus 24% in 2010).
- 59% indicate that they have changed their buying habits due to concerns about sustainability (versus 39% in 2010).
- Where in 2010 only 37% of Belgians could name a sustainable brand, this figure has risen to 77% in 2011. 'Brands' which are often mentioned include Ecover, Oxfam, Max Havelaar, Miele and Colruyt.
- Yet the study indicates that it is not all good news: 35% of consumers do not buy sustainable products because they are not aware of how this would concretely affect the environment, 34% because they are unaware of if/how the brand/company is sustainable.

The role and relevance of sustainability in our society has been broadened. General public awareness increases, and sustainable initiatives appear also in unexpected forms.

- The organization Tourisme Autrement organizes trips that are described as having honesty and solidarity as their key values. The organization wants to create new opportunities for international solidarity.

1.5. Sustainability is multidimensional

Sustainability today gains meaning as a combined play of different elements. What they all have in common is that they are essentially linked to respect for people & planet. The definition of sustainability is not static, new elements may be added. A non-exhaustive list of elements that seem especially relevant today includes:

- Fair trade
- Organic
- Locally produced & regional
- Seasonal products
- Traceability

Fair trade and organic are seen as part of the 'historic' definition of sustainability. People feel that with time, the other elements have been added and become more relevant.

A few trends mentioned as exponents of the 'extended' meaning of sustainability:

- Farmer's markets: expression of the local idea. Farmers directly sell their products to consumers. There are more of these markets today, and they are felt to reach a broader audience.
- Regional products seem to be especially popular in Wallonia. In general supermarkets express more interest in regional products.

Reactions show that it is important to continue the work of creating more awareness. In the interviews with the labels and producers, the importance of collaboration is stressed. This means sharing data and knowledge across sectors/fields of expertise and committing to increasing the presence and sales of sustainable products.

1.6. Fair trade

Fair trade is one of the elements of central importance in sustainability. The concept of fair trade is familiar and feels tangible. In a way – and thanks to the presence of fair trade labels – this is an easy way to make clear that a product is/is not sustainable.

Data from 2009 make clear that fair trade suffers from the economic crisis, but only in a relative way[iii]. Fair trade products still realize an impressive growth, even if growth is slower than the years before.

The meaning of fair trade has broadened: fair trade products have become available in more categories. Some examples of how the concept of fair trade has been broadened:

- Under the wings of ARM (Alliance of Responsible Mining) and FLO (International Fairtrade Labelling Organisation), a fair trade label for gold has been created.
- Fair trade labels work hard at convincing important brands to go for fair trade, and their efforts are rewarded. Increasingly more brands make important commitments to sustainable development. For instance Verkade in the Netherlands, Starbucks and Cadbury in the UK have decided to go for fair trade.
- The success of 'fairtradegemeenten' (the initiative of Max Havelaar, Oxfam wereldwinkels and Vredeseilanden to promote the consumption of fair trade products): 250 communities are active in the campaign, 142 have earned the label of fair trade community.

In essence/traditionally fair trade focuses on the needs of countries in the South: the labels define this as "fair trade works towards improving the conditions of life of more than one million people who live with less than 2 dollars per day"[iv]. Organisations such as Max Havelaar and Oxfam defend this approach vehemently.

A more recent development is fair trade initiatives that target the North:

- Fair trade labels for milk producers in different European countries. The Belgian label Fairebel wants to ensure that Belgian dairy producers receive a fair price for their products.
- Ethiquable has a range of products 'Paysans d'ici' that is local, fair trade, organic.

The relevance of such fair trade initiatives as such is not questioned, but they do raise a discussion about priorities and urgency. Reactions do show that supermarkets are sensitive/open to this regional/local approach.

Whether the supermarket offers fair trade brands (such as Oxfam), or goes for products with a fair trade label under its private label (Delhaize, Colruyt, Lidl…) is a strategic decision. In both cases the supermarket commits to the idea of fair trade. The biggest growth in fair trade has been realised in private labels.

Some figures to illustrate[v]

- Shoppers world-wide spent 4.9 billion € on fair trade products in 2011, a 12% increase since 2010.
- Fair trade is now sold in over 120 countries.
- Nearly 6 in 10 consumers have seen the fair trade mark and of those, 9 in 10 trust it.
- In Belgium, fair trade sales increased with 7% in 2011. More recent figures show an increase of 16,8% for fair trade in general[vi]
- 31% of people in Belgium are fair trade consumers. 14% of these are Mature consumers (buying fair trade products on a monthly basis) and 17% are Young consumers. These figures imply that the Belgian market has an interesting growth potential in fair trade (continuing the work of creating awareness, increasing the product offer).
- Gfk figures show that 41% of Belgian families have bought at least one fair trade product between June 2010-June 2011. 3 years ago this was only 25%.
- In 2011 200.000 new families in Belgium have chosen for fair trade products.
- 450 new fair trade products were introduced on the shelves of Belgian supermarkets.

The challenge for fair trade in general is to continue this positive trend. Leading label Max Havelaar stresses that the work has to be continued on different levels, and defines the challenges for fair trade as follows:

- Increase the frequency of current users of fair trade products

- Increase the visibility of fair trade products in the supermarkets
- Increase the number of fair trade products offered
- Increase awareness by informing/communicating with the different actors (supermarket chains, consumers, producers, other labels)

1.7. Labels as a reliable guide

Generally speaking the fair trade labels are an easy ‘tool’ for producers/consumers to gain certainty about the provenance of the products. They bring more overview, and make it easier to make sustainability tangible. Obviously there is common ground between the different labels, but the manner in which they play on the balance between the 3 P’s differs.

From the point of view of the supermarkets, producers and consumers, it remains vague what the different labels stand for. This is somewhat confusing, and people still have to find their own way. The labels are not as clear a guide as they could be. There are doubts about what they stand for, if they are 100% sustainable, and what sustainability means…

Some supermarkets complain that (some of the) sustainable labels are expensive and demanding (cf. high cost to use the label, specific ‘musts’ that are linked to the permission to use the label). They realize that the labels are necessary, if only because they make sustainability tangible for the end consumer.

The labels which are most ‘known’ in the Belgian context, are Max Havelaar, Rainforest Alliance and UTZ Certified. Of these 3 Max Havelaar is the clearest one. Each label has its specific focus.

1.7.1. Max Havelaar

- Most well-known: of the different labels, this one is clearest in what it stands for.
- Within the 3 P’s ➨ focus on empowerment of producers: mission to fight poverty – ‘people’ focus.
- Targets small-scale producers, reaches producers in 63 countries.
- Ecological concerns are also important.
- Offer a minimum price to producers, have a system of premiums and pre-financing.
- Covers a broad range of products/categories, which include bananas, tea, chocolate, coffee, sugar, rice, spices, wine, nuts, fruit juice, ice cream.

1.7.2. Rainforest Alliance

- Within the 3 P’s ➨ focus on ecological concerns (biodiversity).
- Targets plantations, reaches producers in 36 countries.
- Social concerns are also important.
- Covers a broad range of products, among which tea, coffee, palm oil, fruits. Is also active in sustainable forestry and sustainable tourism.

1.7.3. UTZ certified

- Within the 3 P’s ➨ focus on traceability and sustainable supply chain.
- Targets both plantations and small-scale producers.
- Do not work with a minimum price for producers.
- Covers a range of products which include coffee, tea, cocoa.

1.8. Organic

Organic also knows a sharp increase in sales. In 2011, a growth of 12% was realised in foods[vii]. This growth has multiple drivers: new consumers are attracted to the category, and current consumers increase their consumption. This growth is supported by the fact that the range of organic products in the shops is growing. All of this is linked to an increased awareness about making more conscious choices in food.

Gfk figures show that supermarkets are a key driver in the growth of organic: over 50% of organic products are sold in the supermarkets. By increasing their offer of organic products, supermarkets signal that they give more room to sustainable processes. Importantly, availability in supermarkets lowers the threshold for the consumption of organic products. This is quite a shift in a market which historically dominated by smaller organic shops.

Vegetables and fruit are classic categories in which organic has always stood strong. But there is a strong growth also in other categories, meat replacements are an interesting example. Eating less meat is a sustainable trend, supported by initiatives like ‘donderdag veggiedag’ (the collective ‘eva’ is a driving force behind this idea of making a fixed day each week vegetarian).

Organisations like Bioforum want to consolidate the growth in sales in organic products, for instance by working with the supermarkets towards consistent communication with/education of the end consumer. They see it as their responsibility to sensitize.

Typically, consumers of organic products are known to be open to a sustainable lifestyle. For instance they deal with food in a sustainable manner, and are known to be sensitive to ‘sustainable’ concerns (for instance they limit their meat usage, hate wasting food, use up leftovers… more than the ‘average’ consumer).

1.9. Supermarkets

Supermarket chains play a fundamental role in making sustainable (including organic and fair trade) products accessible to a broad target group. Across the interviews, it is clear that supermarkets are working actively towards more sustainability. A lot of progress has been made in the last couple of years.

Based on this research, we can differentiate between 3 attitudes in how supermarkets give meaning to sustainability

1.10. Pro-active

Early Adopters of the principle of sustainability, they have been building the road for years. This motivation is characterised by a broad, well-considered vision on what sustainability means, and how it can be relevant for their organisation. This is fundamentally future-oriented, and they foresee an increase in the relevance of sustainability.

The following elements are characteristic in their attitude:

- Strive to give equal weight to the 3 P's. Reaching a perfect balance between people – planet – profit for them is a tangible objective.
- Have a long term vision, and want to see an increase in the presence of sustainable products in their shelves. For instance Delhaize is committed to increasing the number of sustainable products[viii] in its supermarkets.
- Stress the necessity to look at the big picture when it comes to sustainability: isolating one aspect is not constructive, they want to look at the different levels on which sustainability can gain meaning.
- The vision on sustainability is driven by the management, and actively supported by the whole company.
- Want to take action themselves – internalise some of the expertise.
- Have made a clear choice to offer organic as well as fair trade products under their private label (Colruyt, Delhaize).

1.11. Re-active

Followers when it comes to sustainability: their actions are a reaction to what others in the market are doing. Their commitment to increasing the role of sustainability is authentic, they want to act now (cf. do not want to be left behind, need to react, make a statement). Do not want to be seen negatively, public opinion is a stress factor.

The following elements are characteristic in their attitude:

- Do not want to 'miss the boat' when it comes to giving sustainability a role…
- More fragmented view: there is less of a 'vision' on sustainability, but they like to stress that they are working on it. More driven by the enthusiasm of one/a few individuals (often members of the management).
- Less homogenous in how they take action. There are stories of how the 'vision' on sustainable development has changed.
- Sustainability is a work-in-progress: building the awareness of sustainable issues in their organisation, gradually expanding the offer of sustainable products. There is a lot of goodwill to 'make it work'.
- Some hesitation when it comes to choice of brands/suppliers: the choices seem more limited for instance in fair-trade or organic.
- Are more hesitant about the profitability of sustainable products, need more reassurance about this.
- Changes are driven by the management, and translated to the different levels of the organisation.
- Tend to focus on one (or a few) of the aspects of sustainability: for instance focus on organic (Makro), on fair trade (Lidl). But have the latent ambition to expand to more aspects.

1.12. Passive

Have a passive attitude with respect to sustainability: express that sustainability is not part of their strategy. They do not deny the relevance of sustainable issues on a general/theoretical level, but feel that the responsibility lies in the hands of politicians, general society… They as a retailer would not/do not want to make a difference.

The following elements are characteristic in their attitude:

- Have not found a way/reason to make sustainability matter to them. Tend to delegate responsibility to 'others': brands, producers, the government…
- Less knowledge about what the different labels stand for (for instance Rainforest Alliance is hardly known).
- Often, decisions are made on a more local level (i.e. less guided by a centralised management department).
- Some stores are smaller: they stress that they do not have the 'space' (literal or financial) to invest in sustainable products, which are seen as an alternative choice (i.e. offered alongside a 'regular' range).
- Some are managed by independents: they feel that it is not their responsibility to take initiative when it comes to sustainability.
- Only when they are reassured about the profitability of sustainable choices, or if customers ask for them, would they offer more sustainable products.
- Tend to be fairly enthusiastic about regional products/locally produced, because these offer benefits besides being sustainable (for instance freshness, price, quality).

1.13. Attitudes of the different Belgian supermarkets

When it comes to sustainability, Belgian supermarkets are not pioneers… In countries like the Netherlands, the UK and Switzerland, the offer of for instance fair trade products in the supermarkets is more extensive. This is inspired by the strong vision of a number of supermarket chains.

For example Plus supermarkets in the Netherlands on its website explains its vision with respect to sustainable products. Some examples of how the relevance of sustainability is illustrated [ix]:

- Plus gives its definition of sustainability ('acting in a responsible manner') and explains that it wants to see this reflected in the whole store. Of all the Dutch supermarkets, Plus has the biggest range of organic products. It also has a sustainable policy in fish, and offers a broad range of fair trade products. The objective is to combine the 3 P's with optimal quality (taste, freshness).

Bio+

Bio+ is niet alleen lekker en puur van smaak. Deze producten zijn ook verzorgd en behandeld met respect voor mens, dier en onze leefomgeving

Fairtrade

PLUS verkoopt tal van Fairtrade producten. Ze worden gemaakt en verkocht op een eerlijke manier, waarbij de maker een eerlijke prijs krijgt.

MSC

Het MSC-keurmerk garandeert dat een vis duurzaam gevangen is. Duurzame visserij gebruikt vistechnieken waarbij de kans op bijvangst sterk afneemt. En de kans op nieuwe aanwas toeneemt.

GIJS

Proef de zorg en het vakmanschap in deze karaktervolle streekproducten. Een authentieke smaak dankzij het gebruik van de beste ingrediënten die van Nederlandse bodem komen.

Biologische wijn

Heerlijke wijn van geteelde druiven die op biologische percelen aangeplant staan. Dat wil dus zeggen dat daar bijvoorbeeld geen herbiciden en pesticiden worden gebruikt. En dat is op zich al verfrissend!

RECYCLEBAAR

PLUS geeft inhoud aan tal van initiatieven op het gebied van verantwoord ondernemen. Neem bijvoorbeeld onze 100% recyclebare draagtassen en vleesverpakkingen.

- On the website, the different labels that are linked to sustainability, are mentioned and explained.

In Belgium, the different players/supermarkets gain meaning as follows when it comes to their sustainability policy.

1.13.1. Colruyt

Colruyt is seen as the 'godfather' of Belgian supermarkets when it comes to sustainability. The company has a consistent and broad vision on sustainability: the 3 pillars people – profit – planet receive ample attention and are balanced in Colruyt's approach. Sustainable values are explicitly part of the DNA of the organisation.

Colruyt has an ambiguous and critical attitude with respect to sustainability labels, and feels that the existing labels tend to focus on one of the 3 P's, whereas Colruyt would prefer a label that perfectly balances the concerns for people – planet – profits.

Colruyt definitely is most active in its approach to sustainability, and has always communicated about this. By doing so it claimed the role of 'educator', increasing awareness about sustainable issues among consumers (cf. Colruyt wants the 'average' consumer to buy sustainable products in the supermarket).

- Colruyt is committed to minimising its impact on the ecosystem. This includes a minimal use of resources and a maximal use of renewable energy sources. Compared to the other supermarkets, Colruyt's efforts are more 'extreme' (for instance in transportation, generating their own energy, use of cooling spaces in the supermarkets). The benefits of this are cleverly linked to the 3 P's.
- Colruyt offers an organic range under its own private label. The Bio-Time range has a clear visual identity.
- The Collibri foundation for education – under the care of Koning Boudewijnstichting – supports educational projects in collaboration with NGO's. 5% of the sales price of products that carry the Collibri label, go to these projects.

1.13.2. Delhaize

Delhaize wants to have a broad approach to sustainability, and sees this as a key part of their vision. Sustainability stands for respect, and fits the profile of Delhaize as a company which has always cared about 'the 3 P's'. In the stores which are managed by Delhaize, sustainable products are spontaneously linked to organic, ecological, fair-trade… But also to what is seasonal and/or locally produced (products from local farmers, Belgian products… of course all corresponding to strict quality control).

Delhaize supports a broad view on sustainability, with a focus on social compliance. In this sense it differentiates itself from for instance Colruyt, where sustainability is more explicitly also linked to sustainable transportation and energy.

A few examples of how sustainability is translated today:

- Today, Delhaize offers 130 fair trade products in different product groups. 23 new fair trade products were introduced at Delhaize in 2011. In 2011, the supermarket chain evolved from 42 to 65 fair trade references in food[x]. For instance all origin coffees under the Delhaize private label are fair trade, and 6 new fair trade teas were introduced.
- Flagship categories are fish, palm oil, fruit and vegetables, meat.
- Delhaize prides itself on having 100% sustainable fish in its product offer, and wants to use this as a point of differentiation.
- Delhaize has made a strong statement in organic, and with Bio Delhaize has built a clear organic range under its private label. This range has a strong visual identity, and is growing in diverse product categories.
- The same holds for Eco Delhaize, which offers a growing range of ecological products.

1.13.3. Carrefour

Carrefour has a variable policy when it comes to sustainability. Fundamentally, the international head office decides on the strategy, but how much action is taken depends on the country in question (for instance countries that suffer heavily in this economic crisis are more reluctant to focus on sustainability).

The variable strategy of Carrefour is illustrated for instance by the fact that Carrefour has used different labels in organic, and in the past has worked with 3 different packaging designs/labels for its organic private labels. This makes a fragmented impression.

In the Belgian team, there is someone who is a driving force behind sustainable initiatives. Besides fair trade and organic, Carrerfour strongly plays on ‘locally produced’.

An initiative which the Carrefour team are very proud of, is the EQC label (‘Engagement Qualité Carrefour’). This label promotes products that are locally produced, respectful of producers and the environment. This means minimal transportation, fair pricing and partnership with the producers.

Most growth in this category is expected from fresh products (such as meat, fish, vegetables, fruit).

EQC is seen as a partnership with local producers (‘typically’ Belgian products). For the moment, the focus lies on Walloon products (plan to explore Flemish products later). These are collaborations with small family corporations. The importance of quality control is stressed. EQC products include:

- Over 80 products are presented under the EQC label. For Belgium, the focus lies on Walloon products.
- Products include fruit & vegetables (potatoes, apples, chicory, carrots…), (smoked) trout from the Ardennes, beef, dairy (milk, cheese)…

Carrefour also offers the following sustainable sub-brands under its private label: Carrefour Bio (ecological), Carrefour Solidair (with Max Havelaar label), Carrefour Ecoplanet (eco-friendly).

1.13.4. Makro

Makro admits that for a long time, it was not concerned by sustainability. This has changed recently (driven by the higher management), but the work is only starting now. Clearly the organisation do not want to lag behind: Makro wants to become a sustainable company (rather than just a supermarket that offers ‘some’ sustainable products), and feels that this could be an element of differentiation.

Makro explicitly expresses a desire to find a balance between ideological and commercial concerns when it comes to sustainability.

A 1^{st} statement was the fact that – since June 2012 – Makro is actively investing in its offer of organic products. The organic product range has gone from a few to over 100 products in 2012.

Other plans include:

- They plan to drastically expand the range of sustainable products, preferably under their private label (which feels more easy to control/manage).
- They are conducting research on how they can make their products more sustainable (cf. balance price – quality). There are some concerns about the cost of sustainable labels (organic, fair trade).
- They want their staff to be able to educate/inform consumers about sustainable products. There are plans to communicate with their consumers on sustainability.

1.13.5. Champion

State that they do not have a very active attitude when it comes to sustainability. Their strategy can be called more adaptive/receptive: they might support sustainable initiatives from producers/brands, or they might offer sustainable products if people ask for them.

Generally speaking, sustainability is a vague notion, not particularly interesting for them…

- Vague knowledge of labels: Rainforest Alliance was not known, they were uncertain if Max Havelaar was a brand or a label.
- Used to offer Ethiquable, but this collaboration was reported to be stopped, for unclear reasons.

1.13.6. Cora

Cora offers some sustainable products, but this is motivated by a desire for differentiation, rather than a clear corporate strategy on how to deal with sustainability.

Cora has a de-centralized structure, meaning that a lot of decisions are made on a regional level. This implies that ranges can differ considerably from one store to the next. One store may offer considerably more organic or fair trade products, depending on the local buyer.

1.13.7. Lidl

Have made a statement on the level of fair trade products, have a product range in fair trade with their private label Fairglobe. Organic products are offered under the label Biotrend. Lidl promotes other sustainable labels such as Utz Certified. Lidl states that it wants to continue to build the offer of sustainable products.

1.13.8. Spar

Spar is part of the Colruyt Group, but managed by independent storekeepers who are free to decide on their sustainability efforts. If sustainability is important for Colruyt, Spar is a very, very slow follower. We heard different reasons-why Spar stores generally have a fairly passive attitude when it comes to sustainability:

- The stores are small and there is not enough space even for a ‘regular’ product offer. The biggest sellers receive space on the shelves, and sustainable products are believed to generally sell less.
- Some sustainable products that sell well, are sold (because they sell well, rather than because they are sustainable). For instance coffee, fresh fish (Colruyt products).

- Sustainable products require a higher investment, and are linked to lower profits. They cost more and you gain less, basically.

The fact that Spar is part of the Colruyt Group, is expected to have some influence on the offer of sustainable products. Progress may be slow, but there is some movement. Today, a reported 2-3% of the product offer is sustainable. For 2017, a reported 12-13% is expected. This is mainly linked to the impact of:

- The influence of Colruyt, who keep increasing their offer of sustainable products.
- The fact that Spar has figures proving that young people are spending more on sustainable products. They are the future, and are expected to keep making sustainable choices.
- The fact that in some categories, sustainable products are becoming less expensive.

The Spar sales force tries to convince the storekeepers to offer more sustainable products, but the local buyer basically decides.

1.13.9. Aldi

Decisions on what is offered, are made locally. Aldi is reported not to have an active strategy in the field of sustainability.

Remark:
(S)Match did not wish to participate in this research. The reason which was cited was "that we are always perceived negatively in this type of research"

2. The 4 product categories

Cacao, tea, bananas and coffee are the classic product categories in the context of sustainable products in the supermarket. These products, produced in Southern countries, are the ones for which fair trade labels traditionally are/have always been known. We could say that they reflect the ‘original’ definition of sustainability.

The ‘weight’ of fair trade in what sustainability means, is relatively bigger in these 4 tropical commodities. That these 4 categories are well-established is also reflected in the fact that these are part of the six biggest products that are sold under the Max Havelaar label[xi].

The general feeling is that – within the objectives that the supermarkets have set out for themselves – these 4 categories are well-established. The fundamental approach to all 4 products has been defined; supermarkets feel that they already have made a statement.

- Evolution is possible; supermarkets can imagine that sales increase, that new sustainable products might be added to the current offer. But generally no radical shifts are expected. The basis is there.
- Achieving a maximum of products that are both organic and fair trade, seems a realistic challenge.

The real evolution in how sustainability gains meaning, lies – as was illustrated above – beyond these 4 product groups.

Remark:

There is also the issue that certified products risk becoming more expensive and risk related[xii]. As all major supermarkets and the coffee, cocoa and tea industry (traders, processors, manufacturers) have made commitments and set targets on certified products (Utz, Rainforest Alliance, Fair Trade) market demands risk to outgrow supply. If supply is unable to keep up with demand, certified resources risk becoming more expensive.

3. SUSTAINABILITY IN BANANAS

Bananas are an iconic category in sustainable products, and have played a key role in establishing the presence of fair trade products in our supermarkets. For many consumers (and supermarkets), bananas were an entry product.

Oxfam-Wereldwinkels/Magasins du Monde played an important role in establishing the category of fair trade bananas. In many respects the organization paved the way for the success of fair trade bananas. On April 1st 2008 Oxfam stopped selling bananas in its own stores, as the organization felt that its pioneer role was over when it came to bananas. The conscious consumer no longer needed Oxfam to find his/her way to fair trade bananas. In 2008 the banana was the most successful fair trade product in Belgium, with Belgian consumers buying an average of 65.000 fair bananas each day.

Of the 4 product categories, this is the most straightforward one. Bananas are a clear product. Basically we are dealing with one, unprocessed product.

In 4 years time, fair trade bananas knew an enormous growth, going from 24% to 45% in Belgian supermarkets. World-wide, there is a reported growth of +9% in fair trade.

Some facts published by Fairtrade International:

- Increase in sales in emerging markets such as Australia, New Zealand and remaining stable in mature markets such as Switzerland.
- Worldwide a number of retailers have switched to 100% fair trade.

3.1. STORE VISITS

3.1.1. Objective

The purpose of this survey is to have an overview of the current availability of sustainable bananas in the assortments of major Belgian supermarkets (excluding Match/Smatch)

3.1.2. Definitions

Bananas

This study focuses on fresh bananas. Plantains and dried bananas are not included. When using the term 'bananas', fresh bananas are meant, unless stated otherwise

Sustainable

Many definitions exist for the term 'sustainable'. In this study, the term 'sustainable bananas' refers to fresh bananas that carry a sustainable label such as Rainforest Alliance, Utz Certified, Fairtrade Max Havelaar or bio labels .

3.1.3. Research methodology

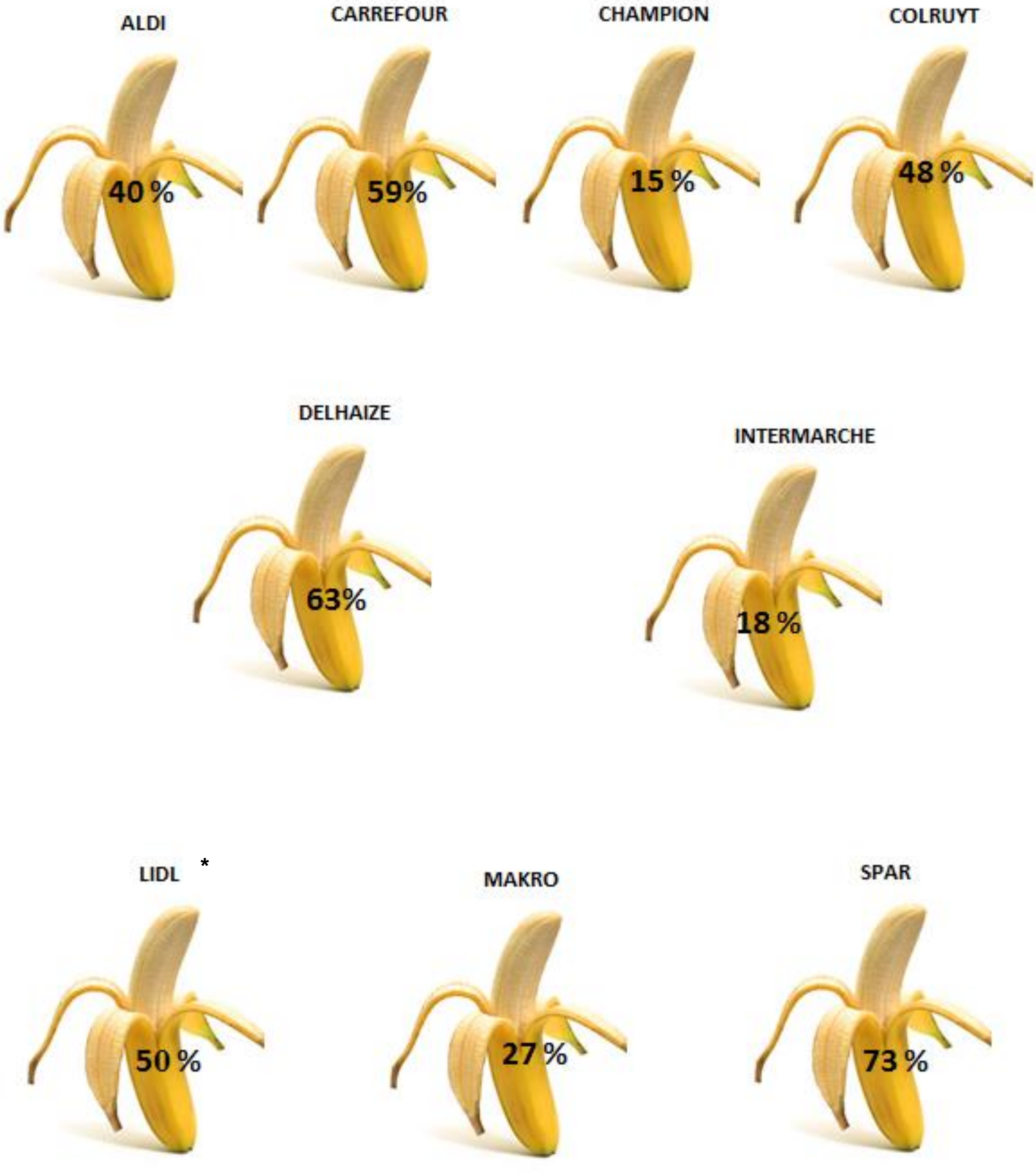
The first part of the research consisted of store visits to 5 (Aldi, Champion, Cora, Intermarché, Lidl, Makro, Spar), 6 (Colruyt), or 7 (Carrefour, Delhaize) branches of ten major Belgian supermarket chains, conducted at the end of November 2012

During these store visits, the availability of bananas with a sustainable label in the assortment of each supermarket was calculated by counting how many of the available banana premium and private label brands carried a sustainable label.

3.1.4. Results

Figure I

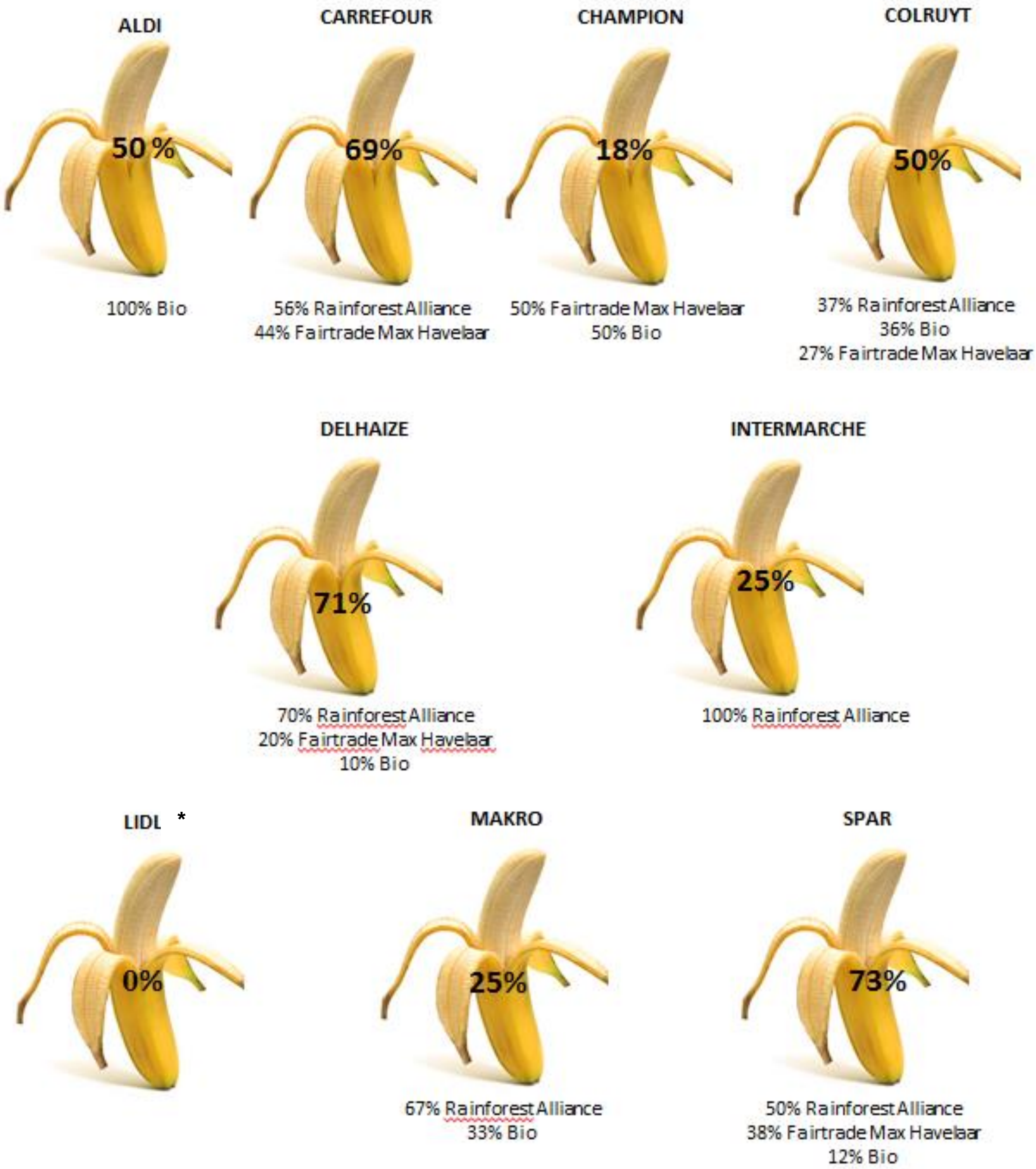
Share of bananas with a sustainable label in the assortments of Belgian supermarkets



*Confirmed by supermarket

Figure II

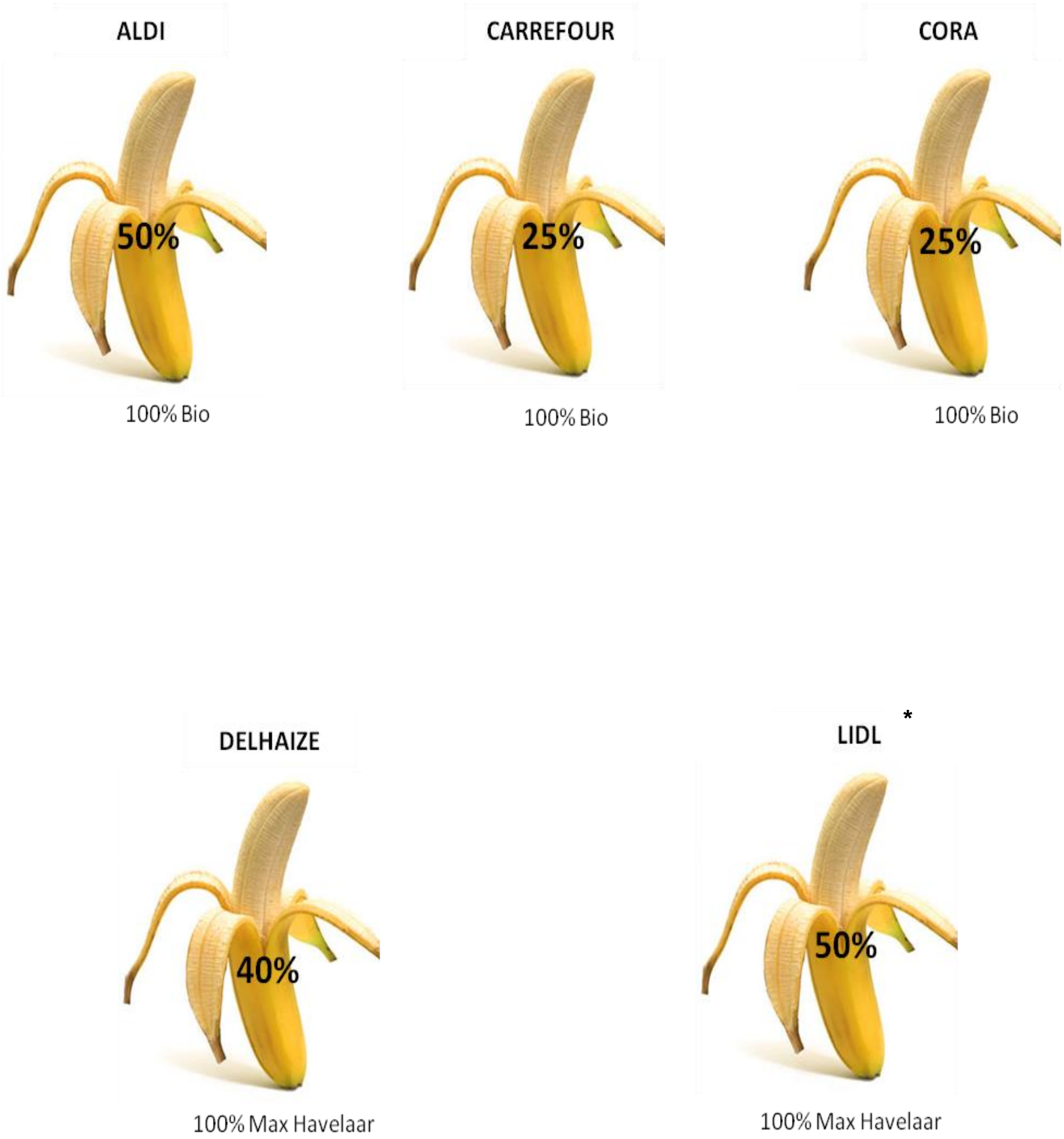
Share of premium brand bananas with a sustainable label in the assortments of Belgian supermarkets.



*Confirmed by supermarket

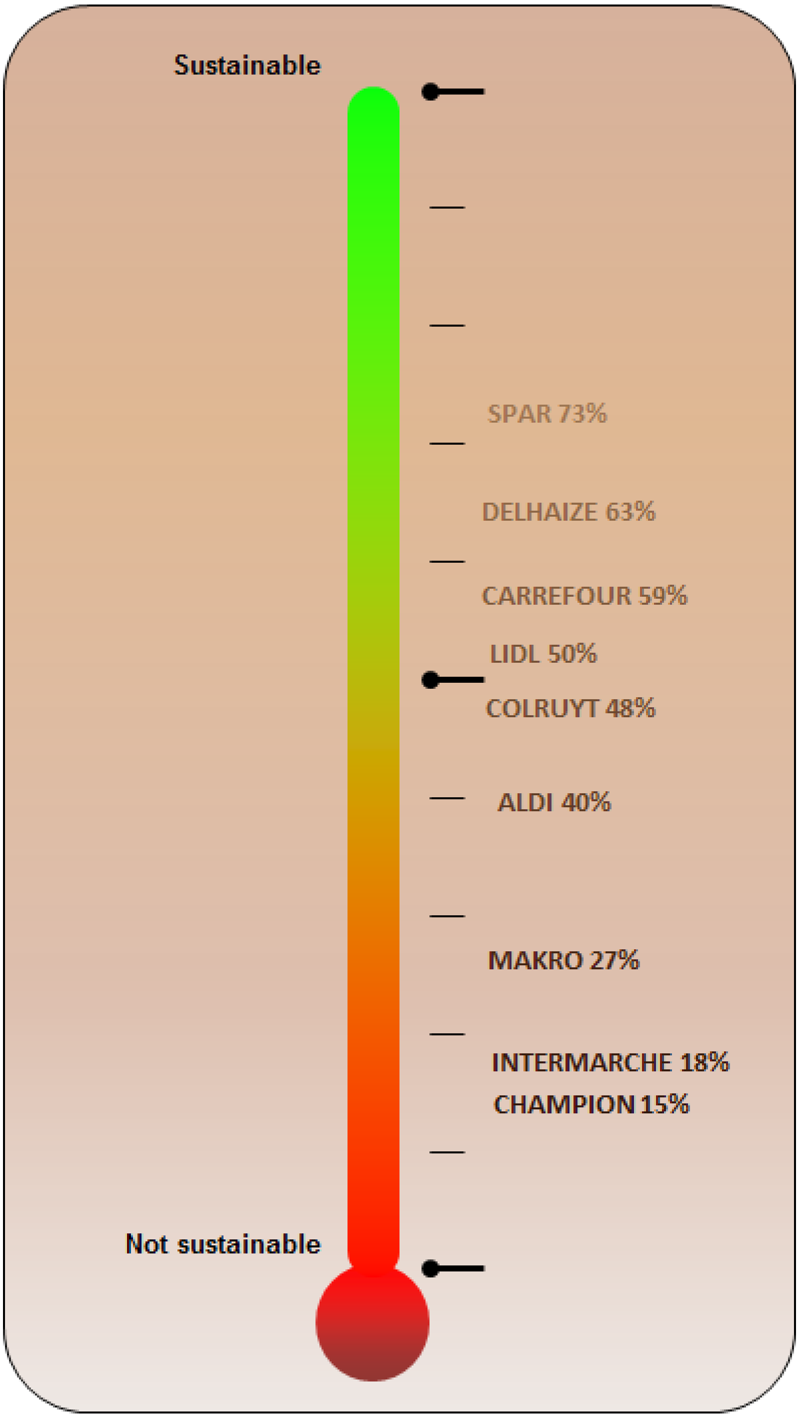
Figure III

Share of private label bananas with a sustainable label in the assortments of Belgian supermarkets



*Confirmed by supermarket

Figure IV
Sustainability banana's barometer



3.1.5. Conclusions

On average about 43% of the bananas carry a sustainable label.

Premium brands

Bananas: the proportion of bananas with a sustainable label varies in most supermarkets from 25% to 70%.

Champion is the retailer with the lowest offer of bananas with a sustainable label. Spar is the retailer with the larger assortment of sustainable bananas.

Private labels

Less than half of the retailers offer private label bananas with sustainable labels. Aldi and Lidl are the private labels with the most sustainable labels.

The most important sustainable labels for bananas are Max Havelaar & Bio.

4. SUSTAINABILITY IN COFFEE

The category of coffee has known a world-wide growth of +12% in fair trade[xiii]. Growth has continued strongly across continental Europe, mainly in out of home. This growth is important: 70% of all coffee worldwide is produced by coffee farmers who have less than 10 acres of land. These small farmers are particularly vulnerable when the stock prices go down[xiv].

Also in supermarkets, coffee is seen as a classic and well-established product in fair trade. Super market chains in Belgium on average sell[xv]

- 52% of coffee under private label.
- 45% of coffee under a brand which is part of the Douwe Egberts group.
- 5% under other brands.

4.1. STORE VISITS

4.1.1. Objective

The purpose of this survey is to have an overview of the current availability of sustainable coffee in the assortments of the major Belgian supermarkets (excluding Match/Smatch)

4.1.2. Definitions

Ground coffee

The product group ground coffee includes all packages of ground coffee ranging from 250g to 1,500 kg. The most common packages offered in Belgian supermarkets are those of 250 and 500 grams.

Coffee pads and cups

The product group coffee pads and cups includes coffee pads packages ranging from 12 to 36 pads and coffee cups packages ranging from 8 to 16 cups. The most common packages in Belgian supermarkets are packages of 18 and 36 pads and packages of 10 and 16 cups.

Instant coffee

Instant coffee includes all jars of instant coffee ranging from 50g to 400g. Sachets of instant coffee have not been included. The most common sizes of instant coffee in Belgian supermarkets are those of 100 and 200 grams.

Coffee beans

The product group coffee beans includes all packages of coffee beans ranging from 250g to 2.5 kg, of which packages of 250 and 500g are the most common in Belgian supermarkets.

4.1.3. Methodology

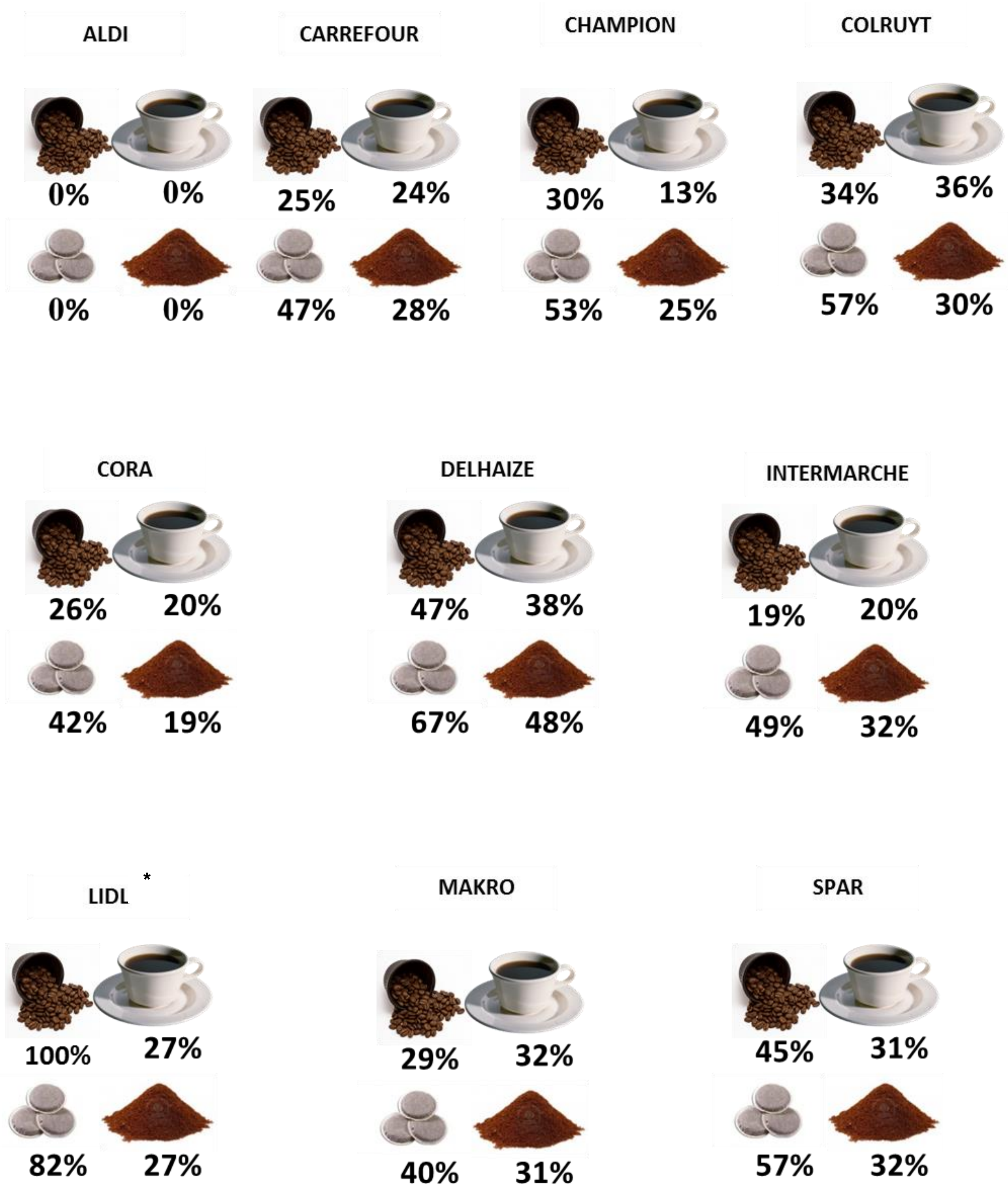
The first part of the research consisted of store visits to 5 (Aldi, Champion, Cora, Intermarché, Lidl, Makro, Spar), 6 (Colruyt), or 7 (Carrefour, Delhaize) branches of ten major Belgian supermarket chains, conducted at the end of November 2012

During these store visits, the availability of coffee with a sustainable label in the assortment of each supermarket was calculated by counting how many of the available coffee premium and private label brands carried a sustainable label.

4.1.4. Results

Figure I

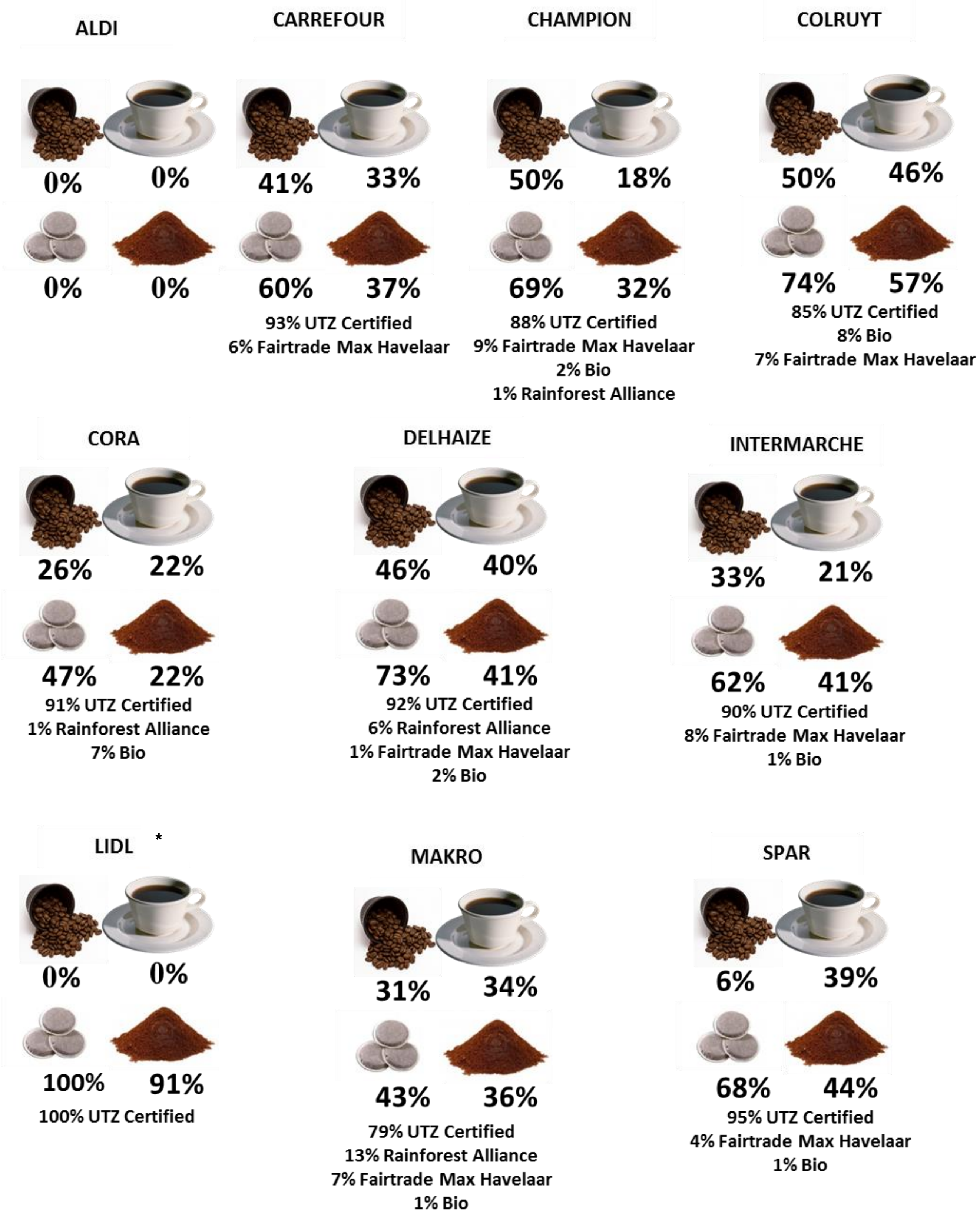
Share of coffee with a sustainable label in the assortments of Belgian supermarkets



*Confirmed by supermarket

Figure II

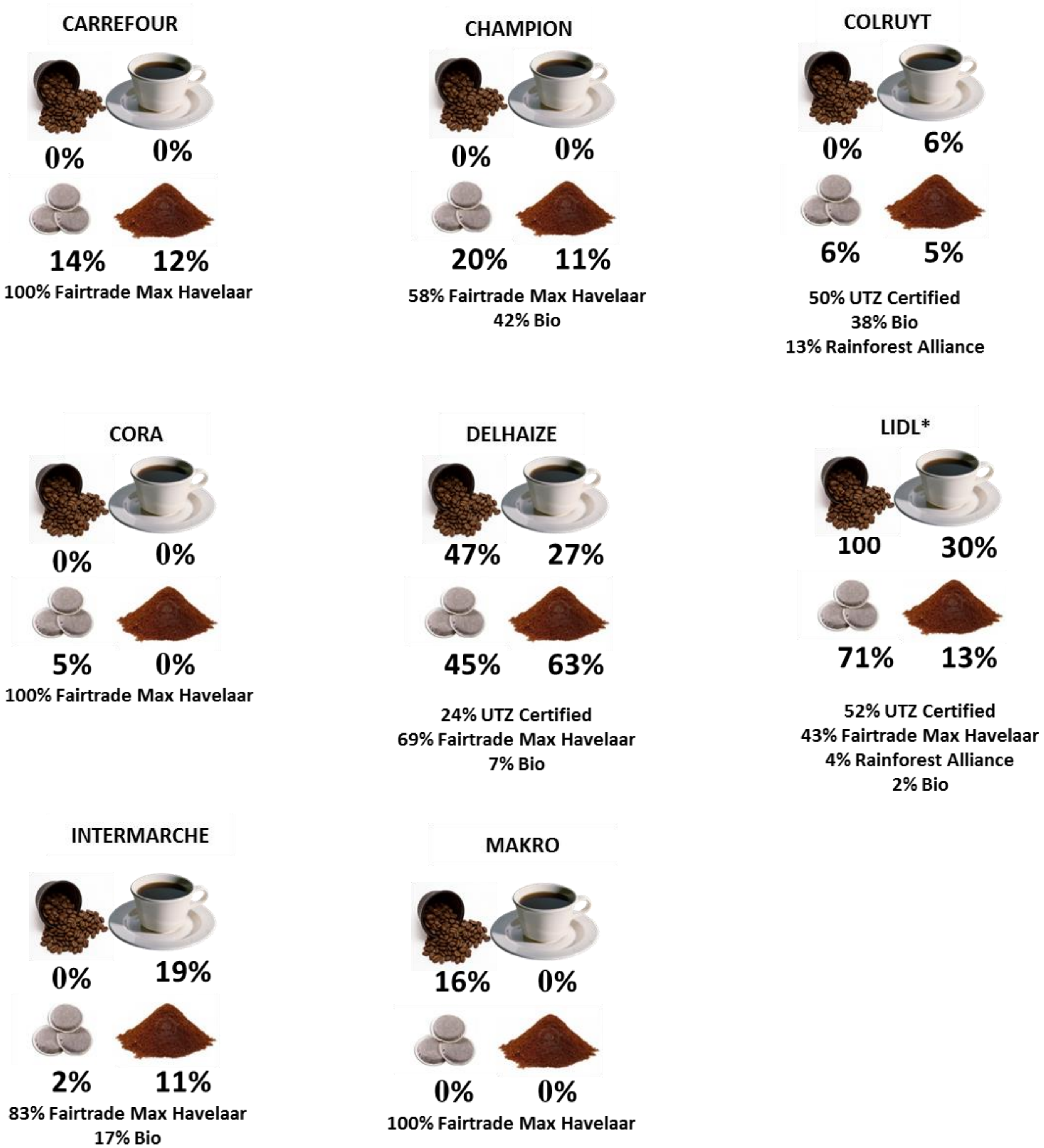
Share of premium coffee brands with a sustainable label in the assortments of Belgian supermarkets



***Confirmed by supermarket**

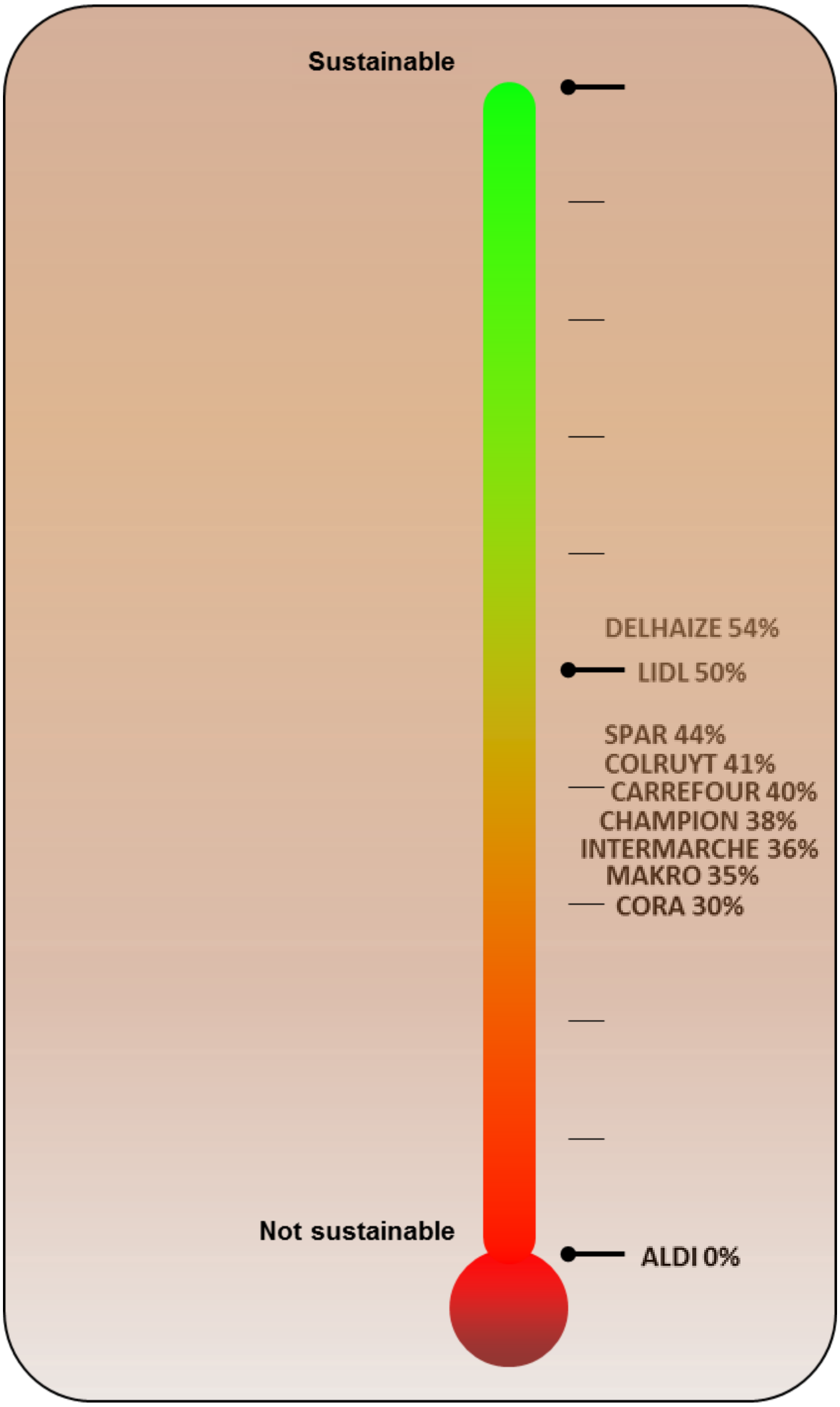
Figure III

Share of private label coffee with a sustainable label in the assortments of Belgian supermarkets



*Confirmed by supermarket

Figure IV
Sustainability coffee barometer



4.1.5. Conclusions

On average about 40% of the coffee (ground, beans, instant, cups and pads) carries a sustainable label.

Premium brands

Ground coffee: the proportion of ground coffee with a sustainable label varies in most supermarkets from 20% to 40%.

Cora is the retailer with the lowest offer of ground coffee with a sustainable label*. Lidl is the retailer with the larger assortment of sustainable ground coffee.

Pads & cups: the proportion of pads & cups with a sustainable label varies in most supermarkets from 60% to 75%

Cora & Makro are the retailers with the lowest offer of coffee pads & cups with a sustainable label*. Lidl is the retailer with the highest proportion of sustainable coffee pads & cups.

Instant coffee: the proportion of instant coffee with a sustainable label varies in most supermarkets from 20% to 40%

Champion is the retailer with the lowest offer of instant coffee with a sustainable label*. Colruyt is the retailer with the larger assortment of sustainable instant coffee.

Coffee beans: the proportion of coffee beans with a sustainable label varies in most supermarkets from 20% to 50%

Spar has barely any coffee beans with a sustainable label. Colruyt and Champion are the retailers with the larger assortments of sustainable coffee beans.

Private labels

Most retailers offer distribution brands with sustainable labels. Delhaize and Lidl the private label with the most sustainable labels.

The most important sustainable label in coffee is Max Havelaar.

* With the exception of Aldi

5. SUSTAINABILITY IN TEA

In the category of tea, there has been a world-wide growth of +8% in fair trade[xvi]. This growth was mainly driven by switches by supermarkets in the UK and the Netherlands. Plus there is an increasing interest in herbal teas such as Rooibos which are strong fair trade products.

5.1. STORE VISITS

5.1.1. Objective

The purpose of this survey is to have an overview of the current availability of sustainable tea in the assortments of major Belgian supermarkets (excluding Match/Smatch)

5.1.2. Definitions

Tea

Tea has been divided into three product groups: black tea, flavoured black tea and herbal tea. This study focuses on the regular packages that contain between 20 and 25 tea bags per package.

Sustainable

Many definitions exist for the term ‘sustainable’. In this study, the term ‘sustainable tea refers to tea that has received a sustainable label such as Rainforest Alliance, Utz Certified, Fairtrade Max Havelaar or bio labels.

5.1.3. Research methodology

The first part of the research consisted of store visits to 5 (Aldi, Champion, Cora, Intermarché, Lidl, Makro, Spar), 6 (Colruyt), or 7 (Carrefour, Delhaize) branches of ten major Belgian supermarket chains, conducted at the end of November 2012

During these store visits, the availability of tea premium brands and private labels with a sustainable label in the assortment of each supermarket was calculated by counting how many of the available tea brands carried a sustainable label.

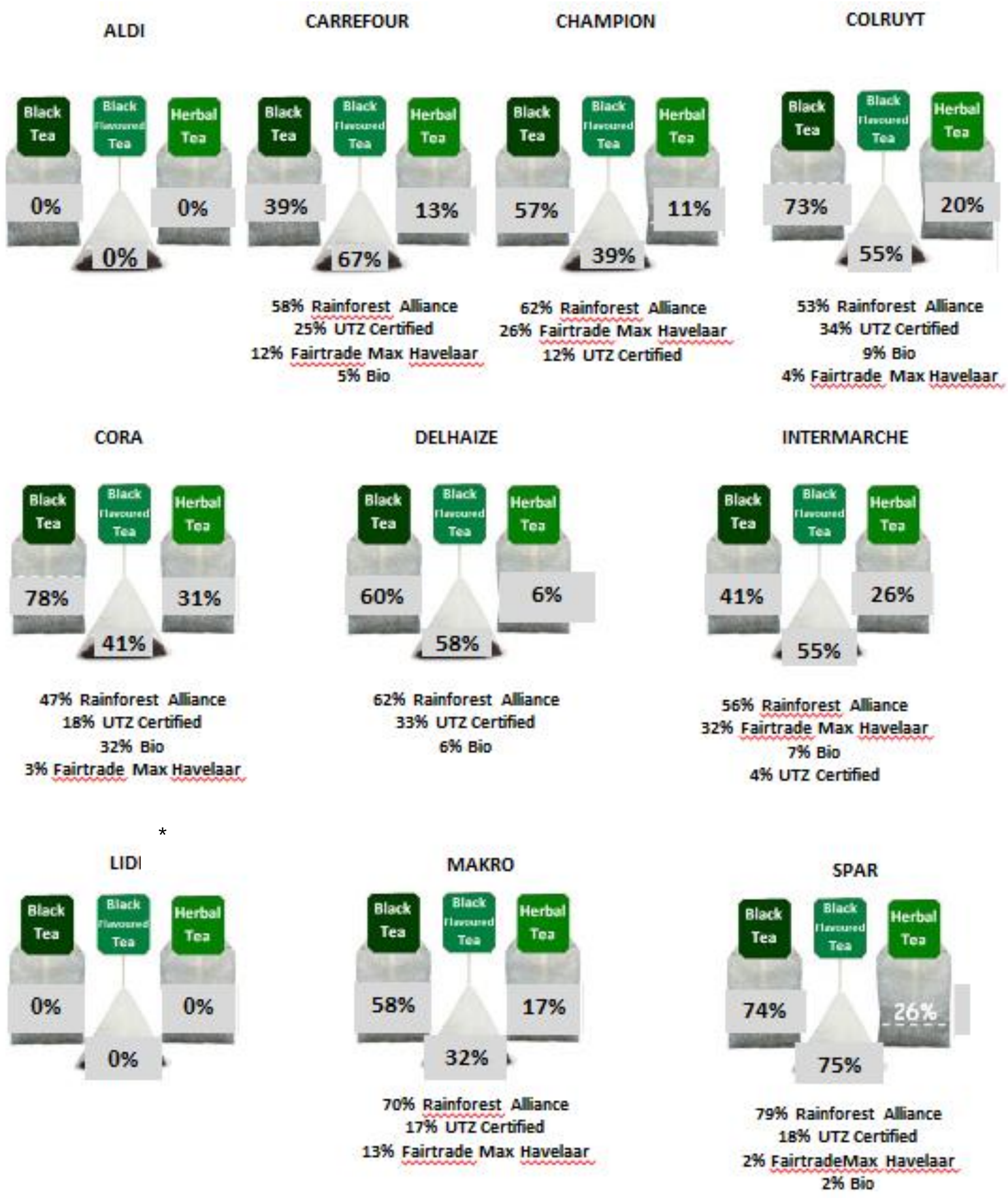
5.1.4. Results

Figure I

Share of tea with a sustainable label in the assortments of Belgian supermarkets

Figure II

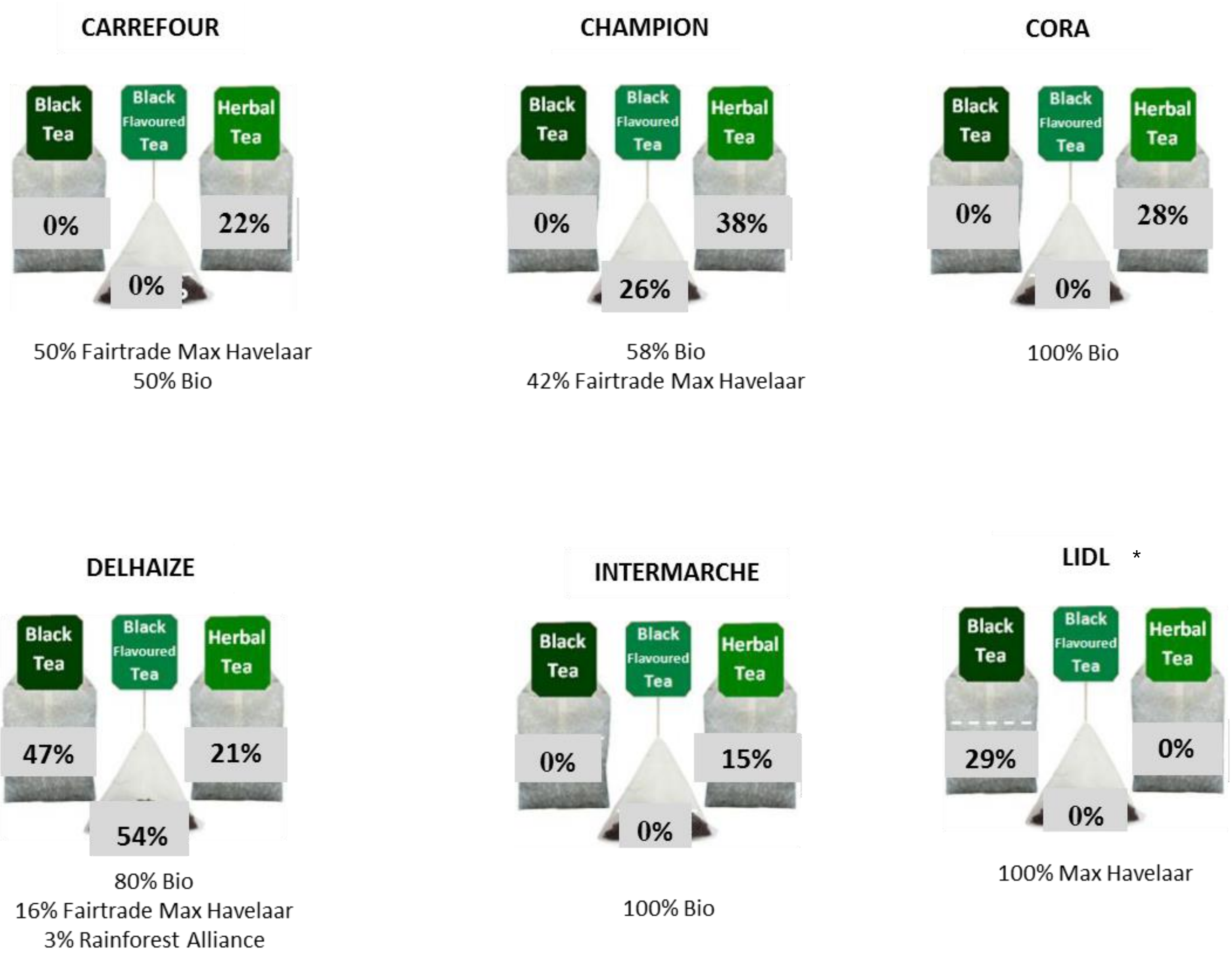
Share of premium tea brands with a sustainable label in the assortments of Belgian supermarket



*Confirmed by supermarket

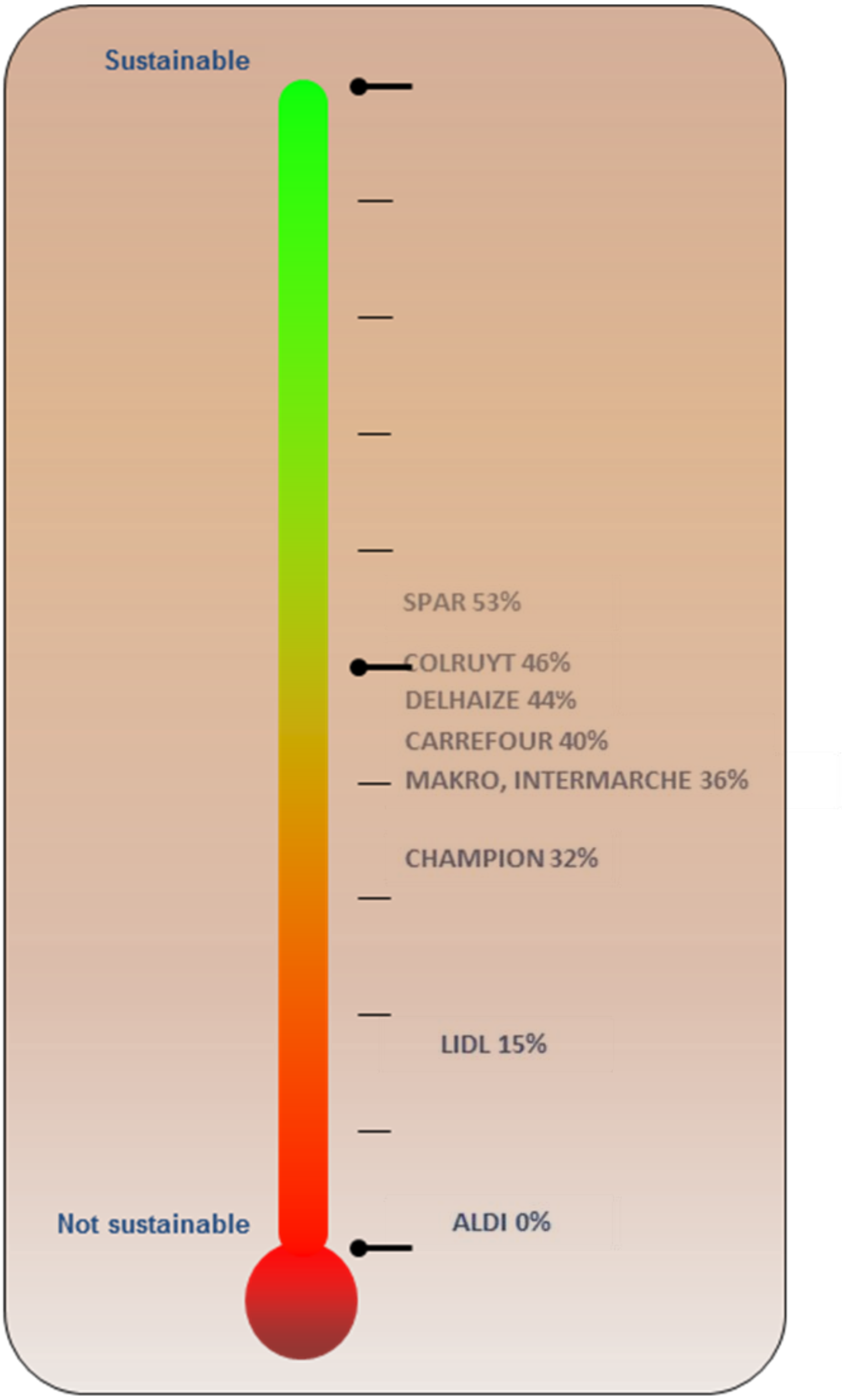
Figure III

Share of private label tea brands with a sustainable label in the assortments of Belgian supermarkets



*Confirmed by supermarket

Figure IV. Sustainability Tea Barometer



5.1.5. Conclusions

On average about 38% of the tea (black tea, black flavoured tea and herbal tea) carries a sustainable label.

Premium brands

Black tea: the proportion of black tea with a sustainable label varies in most supermarkets from 40% to 75%.

Intermarché is the retailer with the lowest offer of black tea with a sustainable label*. Cora is the retailer with the larger assortment of sustainable black tea.

Black flavoured tea: the proportion of black flavoured tea with a sustainable label varies in most supermarkets from 30% to 70%

Lidl is the retailer with the lowest offer of flavoured black tea with a sustainable label*. Spar is the retailer with the highest proportion of sustainable flavoured black tea.

Herbal tea: the proportion of herbal tea with a sustainable label varies in most supermarkets from 5% to 25%

Spar is the retailer with the lowest offer of herbal tea with a sustainable label*. Colruyt is the retailer with the larger assortment of sustainable herbal tea.

Private labels

Less than half of the retailers offer distribution tea brands with sustainable labels. Delhaize is the private label with the most sustainable labels.

The most important sustainable label in tea is Bio & Max Havelaar.

* With the exception of Aldi

6. SUSTAINABILITY IN COCOA

The cocoa sector faces important challenges, and is said to be at a point where current conditions offer a good framework for improvement. Cocoa is mainly produced in small family farms, which makes communication and the work to structure sustainable efforts more challenging. A major challenge is also to make sustainable production processes more economically sustainable.

There are reported issues with the attribution of labels, and there is the issue of the cost of certification, which remains a barrier for producers. Yet there has been an increase in certified products. World-wide, there was a growth of +14% in fair trade[xvii].

The sector is working towards an increase in sustainability, which implies:

- The industry is looking into how the production model can be improved.
- Focus on the role of the producers, plus a plea to make the benefits of sustainable production more clear for them. Today, benefits remain too vague, conditions too complicated.
- Plus there is the issue of a lack of consistency in the quality of the cocoa that is being delivered. Not all cocoa that is sustainable, has the required quality.
- Plus: not all cocoa that is produced in a sustainable manner, is sold as sustainable cocoa. The logic of the market reality needs to be improved.

Indigineous cocoa in Bolivia – © BTC

In the Cocoa Barometer[xviii], the need for a holistic approach to sustainability in the cocoa sector is motivated.

On the level of cocoa production, the Cocoa Barometer states that it is important to give smallholders[xix] a chance to realize a yield increase (to meet growing market demands) to improve the income of farmers, allowing working conditions to be improved and improving social issues in general. Social issues are still a major problem in cocoa farming (including gender inequality, child labour, long working hours, child trafficking). The debate needs to include aspects such as: a living income for the farmers and their families, a diversification of income, access to finance and agricultural inputs, a focus on the social and environmental issues, financial transparency along the supply chain, as well as an investment in local infrastructure. To avoid a potential dramatic decline in the workforce, the future of the farmers need to be protected. In other words: the production processes need to be protected and optimized, otherwise producers will not be able to meet future (growing) market demands.

The Cocoa Barometer also states that the past years have known a significant rise in certified cocoa production. The 4 internationally accepted Standard Bodies guard production processes and advise farmers, thus offering assurance to chocolate manufacturers who buy the cocoa. These 4 are Fairtrade Labelling Organisations International (FLO), Rainforest Alliance, Organic, UTZ Certified.

Some examples of international chocolate manufacturers and retailers who have actively committed to fair trade:

- In 2009, Mars was the 1st major global chocolate company that committed to using 100% certified cocoa for its entire range by 2020.
- Ferrero have made the same promise (100% sustainable sourcing of cocoa by 2020), but are somewhat vague about how they measure sustainable sourcing.

Many European retailers are actively promoting sustainable cocoa, and using sustainable cocoa for their private labels. Carrefour (France) and Lidl (Germany) are mentioned in the Cocoa Barometer as active players. The initiatives of retailers should be able to put pressure on the A-brands.

The Cocoa Barometer states about Belgium that it is high time that a roundtable on sustainable cocoa be set up. Currently there are ‘discussions among stakeholders’ to do so. The federal government apparently has not taken up its role in this process. If only for its reputation in fine Belgian chocolate, Belgium should make a clear sustainable statement.

6.1. STORE VISITS

6.1.1. Objective

The purpose of this survey is to have an overview of the current availability of sustainable cocoa in the assortments of major Belgian supermarkets (excluding Match/Smatch).

6.1.2. Definitions

Cocoa powder

This study focuses on cocoa powder in packages of 250g to 1kg.

Chocolate spread

This study focuses on chocolate spread in jars of 200g to 1kg.

Chocolate bars

This study focuses on chocolate bars in packages of 75g to 200g, in the flavours dark and milk chocolate without additional ingredients and flavours. It also excludes praline variations of chocolate bars.

Sustainable

Many definitions exist for the term 'sustainable'. In this study, the term 'sustainable cocoa' refers to cocoa that has received a sustainable label such as Rainforest Alliance, Utz Certified, Fairtrade Max Havelaar or bio labels.

6.1.3. Research methodology

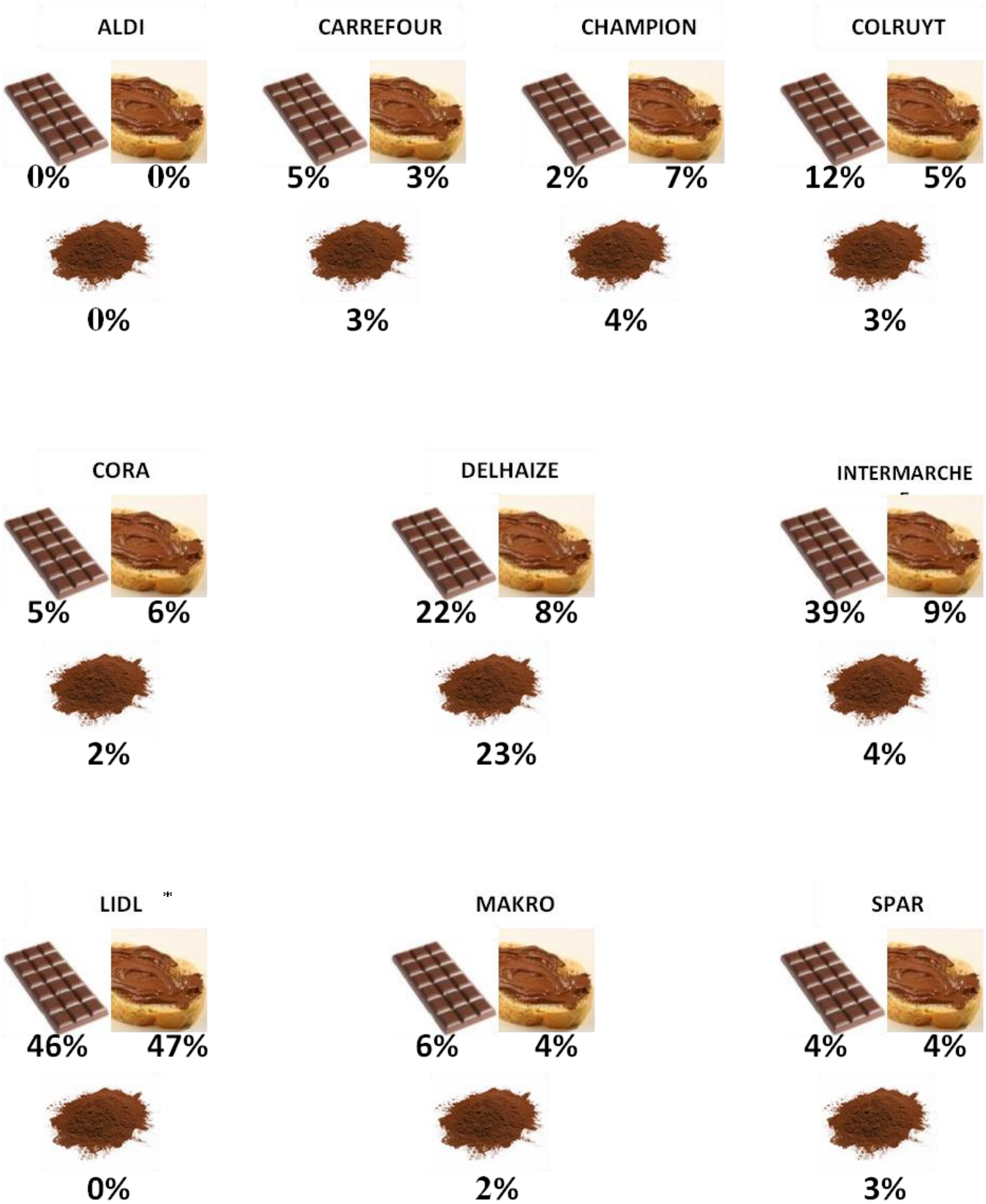
The first part of the research consisted of store visits to 5 (Aldi, Champion, Cora, Intermarché, Lidl, Makro, Spar), 6 (Colruyt), or 7 (Carrefour, Delhaize) branches of ten major Belgian supermarket chains, conducted at the end of November 2012

During these store visits, the availability of cocoa powder, chocolate spread, chocolate bars premium brands and private labels with a sustainable label in the assortment of each supermarket was calculated by counting how many of the available cocoa brands carried a sustainable label.

6.1.4. Results

Figure I

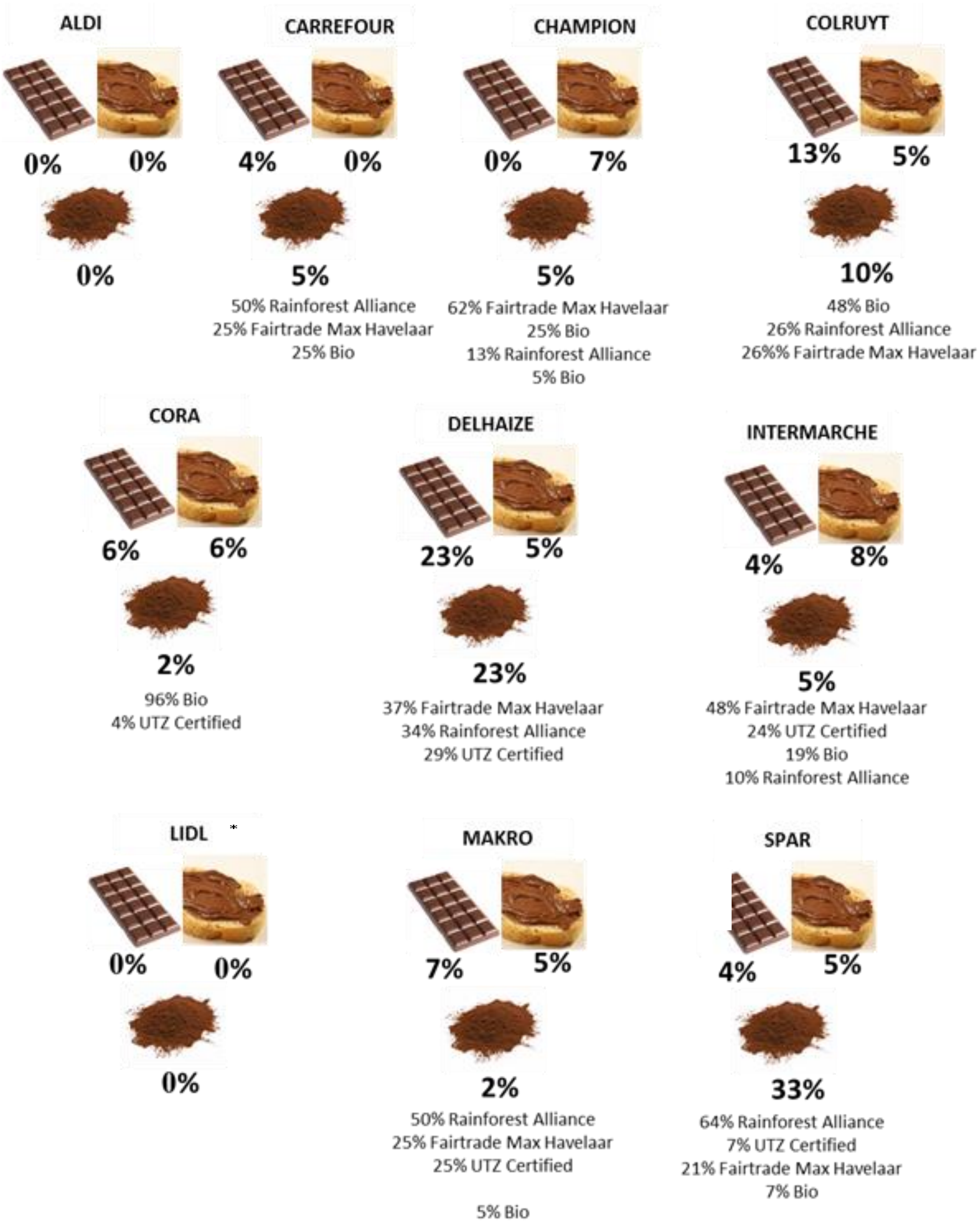
Share of cocoa with a sustainable label in the assortments of Belgian supermarkets



*Confirmed by supermarket

Figure II

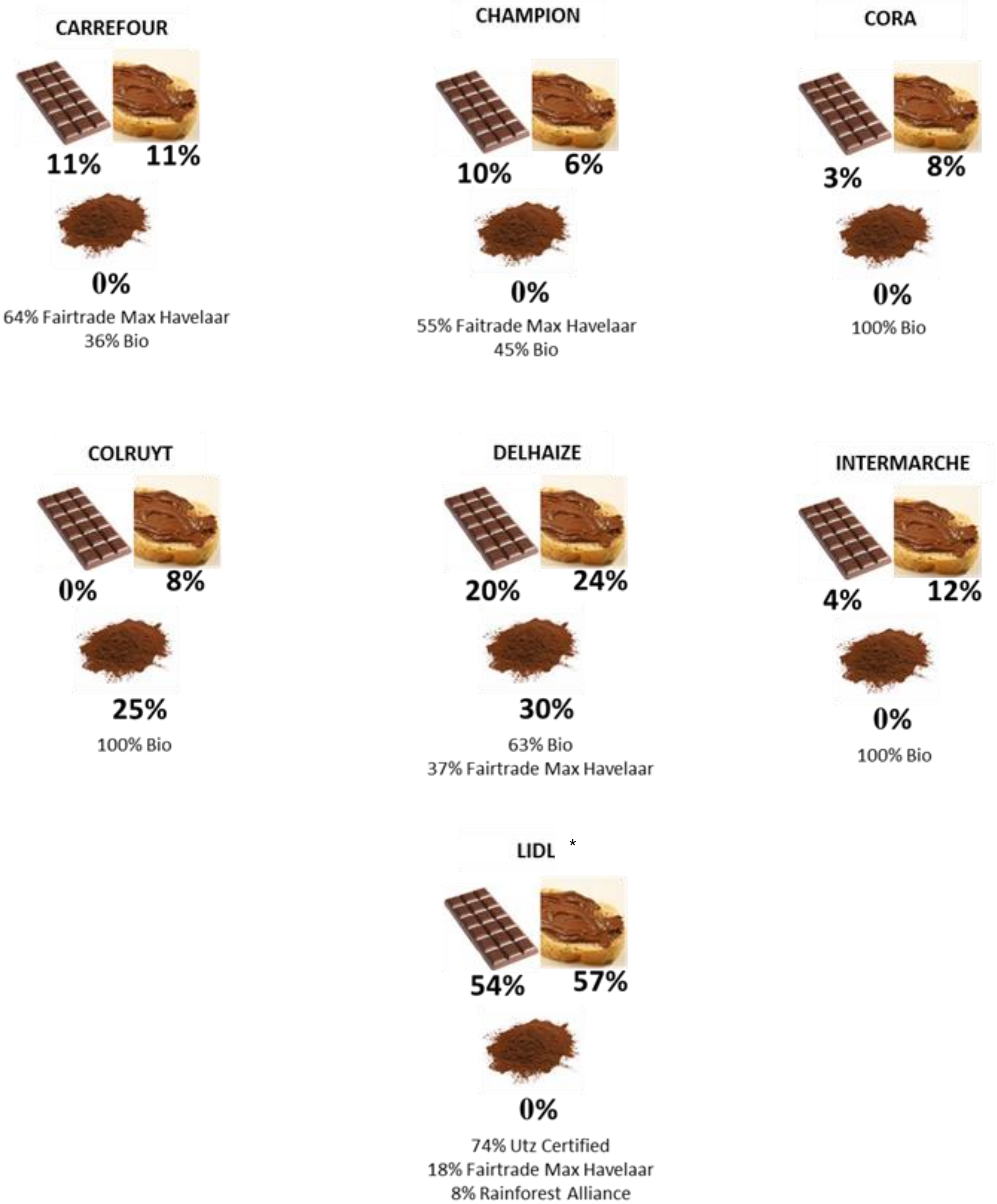
Share of cocoa premium brands with a sustainable label in the assortments of Belgian supermarkets



*Confirmed by supermarket

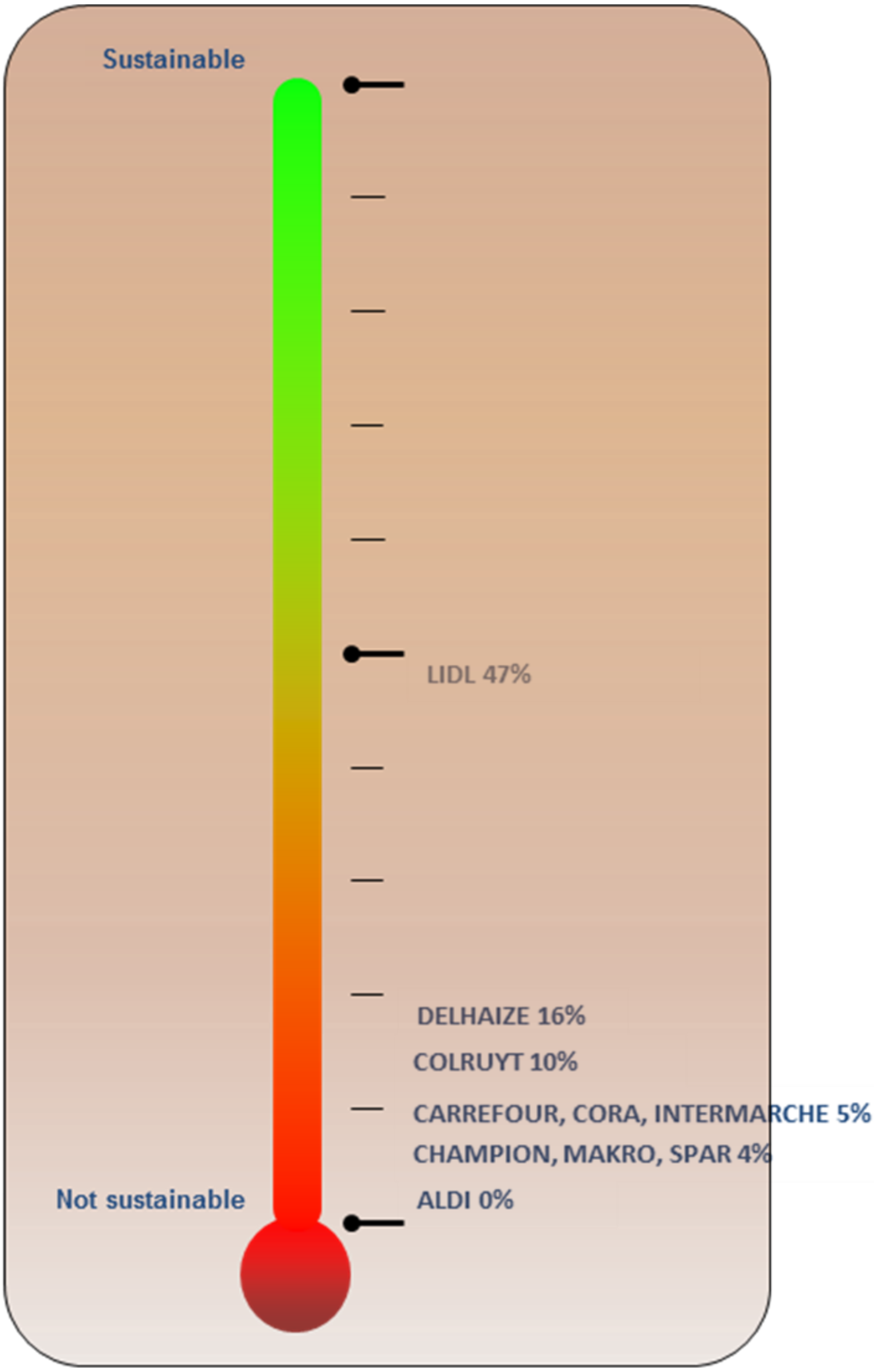
Figure III

Share of private label cocoa with a sustainable label in the assortments of Belgian supermarkets.



*Confirmed by supermarket

Figure IV
Sustainability cocoa barometer



6.1.5. Conclusions

On average about 7% of the cocoa (cocoa powder, chocolate bars and spread) carries a sustainable label.

Premium brands

Cocoa powder: the proportion of cocoa powder with a sustainable label varies in most supermarkets from 2% to 25%.

Cora and Makro are the retailers with the lowest offer of cocoa powder with a sustainable label*. Spar is the retailer with the larger assortment of sustainable cocoa powder.

Chocolate spread: the proportion of chocolate spread with a sustainable label varies in most supermarkets from 5% to 10%

Spar, Carrefour & Makro are the retailers with the lowest offer of chocolate with a sustainable label*. Lidl is the retailer with the highest proportion of sustainable chocolate spread.

Chocolate bars: the proportion of chocolate bars with a sustainable label varies in most supermarkets from 5% to 50%

Champion & Lidl are the retailers with the lowest offer of chocolate bars with a sustainable label*. Delhaize is the retailer with the larger assortment of sustainable chocolate bars.

Private labels

Most retailers offer distribution cocoa brands with sustainable labels. Delhaize is the private label with the most sustainable labels.

The most important sustainable labels in cocoa are Fairtrade Max Havelaar & Bio.

* With the exception of Aldi

7. Food for thought

1.

The findings of the research show that supermarkets have adopted a more integrated vision on sustainability. The established sustainability pillars (people – planet – profits) have found their way into the values and vision of more and more supermarket chains. Generally speaking, there is an increased awareness of the importance of thinking on the long term, and giving sustainability a role in market strategy.

Sustainability today is defined in a broad manner and gains meaning as an integrated vision on man, society and the environment. It is seen today as a key aspect in profitability on the longer term. Supermarkets believe that the relevance of sustainable issues for the consumer is increasing. This is confirmed by the sales of sustainable products. Some supermarket chains choose not to deal with sustainability, but most of the supermarkets are firm believers in a well-considered and active strategy.

Top of mind, sustainability is linked to a combined play of:

- Fair trade
- Organic
- Locally produced & regional
- Seasonal products
- Traceability

The approach of supermarket chains to the different aspects – such as fair trade and organic – is most constructive when it is integrated in a more global vision on sustainability.

2.

The fact that supermarkets are seeing sustainability as a combined play of different aspects has an effect on how fair trade gains meaning. As more elements play a role now, it is important that the decision makers in supermarkets are reminded on the role/meaning of fair trade as part of their approach to sustainability.

- The mechanism of fair trade, how the production processes are sustainable on the long term.
- The importance of international collaboration between countries in the South and the North. The meaning also of fair trade that is produced locally.

In other words: it is important to keep telling the story about fair trade, its role and relevance in the producing countries, its sustainable effect on the long term. We heard a clear plea to share information and knowledge (across the different organizations, exploiting/optimizing the expertise of the different actors). This request which came from producers, labels and supermarkets sustainability is a work-in-progress, and so is fair trade.

A constructive attitude to fair trade on the longer term is linked to:

- Informing more sceptical supermarkets about the relevance of fair trade and fair trade labels: some supermarkets look for a way to work 'around' the labels, and should be informed about why this is not the most constructive strategy. Their motivations are linked to the cost of the labels (felt to be expensive) or the demands that the labels make. The labels in other words need to define what they stand for in this changing context of sustainability.

  From the point of view of supermarkets, Fairtrade (Max Havelaar) label is felt to be clear. It is consistently associated with reliability and quality, and is trusted by consumers.

  Rainforest Alliance and especially UTZ Certified are received with suspicion. They are felt to communicate less, and do not have a clear image (raising questions such as how strict are their production standards? How sustainable are they really?)

  Supermarkets are increasingly aware that the end consumer wants clarity, and wants to be informed about the 'before' and 'after' of the fair trade products that he/she buys (how are the working/living conditions of the producers of the products improved? What are the effects of fair trade?)

- Clarifying the relation between fair trade and other elements, such as organic.
- Making clear that fair trade also stands for quality, and why this is so.
- Increasing the offer in fair trade products in the supermarkets.
- Continuing to support the current offer in fair trade products.

8. Appendix: 2 cases of multinationals

For multinational companies, the importance of sustainability has clearly increased. Desk research – surfing websites of a diverse range of multinationals/big companies – shows that more and more websites refer to sustainability. Companies feel that they need to formulate what their vision is with respect to sustainability. Undoubtedly, pressure of public opinion, press and sustainable labels plays a key role in this commitment.

As we are looking at sustainability within the context of supermarkets, it is important to include the point of view of multinational brands who are heavily represented in the supermarket shelves.

By way of illustration, we reflect how 2 major international players – Douwe Egberts and Unilever – express their commitment to sustainability.

8.1. Case Douwe Egberts

Sustainability matters for Douwe Egberts, and the company has expressed this by choosing a broad approach in which sustainability is linked to social responsibility as well as to environmental concerns. The most convincing measures combine these concerns with cost efficiency. Some measures were imposed (cf. legal obligations imposed by the government).

A few examples of sustainable initiatives by Douwe Egberts:

Environmental

- The vacuum coffee packaging has been designed in the most efficient manner, to ensure minimal use of packaging material. This combines ecological with cost efficiency.
- 15% less water is used in the process of burning the coffee, due to more efficient processes. This measure is ecological, but also cost efficient.

Social responsibility

- The Douwe Egberts Foundation supports local social projects in coffee producing countries. The company chooses not to communicate about these projects.
- The initiative 'Coffee for everyone' (yearly initiative where for each pack of coffee sold in December, 2 cups are donated to social organizations in Belgium).

Fair trade is viewed as one of the elements of sustainability. A number of years ago, Douwe Egberts was pressured by Max Havelaar and questioned on its use of non fair trade coffee. The company today has chosen for a partnership with UTZ. Today, a mere 10% of the coffee used in Douwe Egberts products, is UTZ approved. The company stresses however that it is working towards 100%. The choice to work with UTZ is motivated by on the one hand the assurance that UTZ can guarantee to provide the necessary volumes (10% of worldwide Douwe Egberts coffee represents an enormous amount), on the other hand the refusal of Douwe Egberts to support the idea of a guaranteed price for coffee.

The UTZ label has serious shortcomings:

- The average consumer does not know what the label stands for, and if/to what extent it is sustainable. Which means that Douwe Egberts cannot use it to build its image as a company which is concerned about improving the social conditions of coffee farmers.
- Also for supermarkets, the meaning of UTZ is not clear. Hence Douwe Egberts is not perceived as a brand that invests in sustainability.

8.2. Case Unilever

Unilever brand Lipton wants to make a strong statement about sustainability. Lipton plans to work with more sustainable tea in the near future.

- A few facts about the performance and targets for the Lipton brand[xx]:
- By 2015, Unilever aims to have the tea in all Lipton tea bags sourced from Rainforest Alliance Certified estates. By 2020 100% of Unilever's tea, including loose tea, will be sustainably sourced.
- 57% of Lipton tea bag blends contained sustainable tea at the end of 2011: 25% was fully Rainforest Alliance Certified and 32% contained a portion of Rainforest Alliance Certified. Overall, 28% of all tea purchased for Unilever brands, was certified.

Unilever feel that they have also made a commitment to sourcing sustainable cocoa:

- The Unilever company commits to sourcing all cocoa for Magnum ice cream sustainably by 2015. And to source all other cocoa used for Unilever products sustainably by 2020.
- In 2011, 37% of all cocoa used for Magnum ice cream was sourced sustainably through Rainforest Alliance Certification. Overall, 21% of all cocoa used for Unilever products was sourced sustainably in 2011.

In 2012, Unilever signed a long-term partnership agreement with Barry Callebaut, as a step towards increasing the amount of sustainable cocoa.

9. References

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