



RetailWorld

Retail World Magazine and Jigsaw Strategic Research
present:



FMCG Sustainability Barometer 2008

- Highlights

Authored by the FMCG Sustainability Institute

- Couper, Young, Huskins & McAllistair 2008



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Note: this summary report may be read in conjunction with the full research results (data graphs in Power Point) available via www.fmcg-sustain.com.au

Executive Summary

The *Retail World* FMCG Sustainability Barometer Survey is aimed at providing a 'barometer' to determine the state of the collective Australian FMCG & Retail industry in relation to environmental, social & economic sustainability.

Sponsors Retail World Magazine, Jigsaw Strategic Research and i-Link Research Solutions made the project possible through their generous provision of services and resources.

Supporters AACCS, POPAI and ASMI also assisted with the promotion of the survey.

The 10 minute online, self-completion questionnaire was conducted 11 September – 1 October, 2008.

271 respondents completed the survey, including:

- a breadth of business sizes (over half less than 100 people, 14% over 1000 people) and industries with an ANZ focus
- an even spread of turnover (approx one third \$100m+, while one third less than \$10m)
- a mix of respondent roles (approx one fifth CEO/ President/ Managing Director and another fifth were General Manager/ Manager)

What are the key messages from respondents?

- 1) **Sustainability pressures rising:** The pressure for, and importance of sustainability is increasing. The main pressures are coming from customers, consumers and shareholders, as well as managers.
- 2) **Strategic responses vary:** Organisations develop sustainability strategies for a number of reasons. The primary ones are that they see this is where business is heading and they want to be good corporate citizens. CEO commitment and attracting and retaining good people are also strong motivations. Reducing costs and increasing revenues are less important.
- 3) **Cost vs. benefit? Jury still out:** The views about the impact of sustainability on profitability are mixed – about half feel that profitability will increase, while a third feel it will decrease.
- 4) **Pioneers are forging ahead:** Although new, organisations are adopting sustainability. For example:
 - a. almost half claim to have sustainability strategies
 - b. but only 1 in 5 have sustainability targets in their business plans and only 1 in 10 are formally reporting on social impact and performance
 - c. a third have conducted an energy, water, waste audit
 - d. almost half use green credentials in marketing
 - e. a quarter of respondents have had training
- 5) **Sustainability is achieving real benefits:** mainly around branding & risk management & less so with economic benefits. Perhaps this is because organisations develop sustainability strategies primarily for 'soft' reasons, as opposed to 'hard' economic benefits.



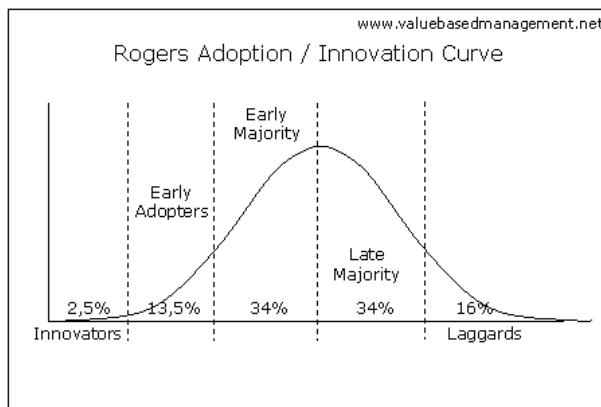
- 6) **Sustainability is not a top priority:** The main reasons cited are:
- there are other priorities
 - customers don't require it... won't pay for it
 - there are no penalties for not doing it
 - competitors aren't doing it, and
 - managers don't know much about it
- 7) **Barriers:** are inadequate funding, difficulty in developing targets & controls and the perceived costs. Also, in most organisations there is no clear primary responsibility for sustainability. Rather, each department/division shares responsibility.
- 8) **Future Directions:** The priority sustainability issues over the next 2-3 years are attracting and engaging good people, improving energy and water efficiency, reducing pollution (including greenhouse gas emissions), and marketing/branding to reinforce sustainability performance.

FSI thoughts: implications and recommendations

Overall, the results can be interpreted in two ways. Perhaps they are two sides of the same coin and reinforce each other:

- Heads:** One view is that sustainability is new, and despite limited funding & resources & diffuse responsibility, there are actions underway, and 'soft' results are coming through.
- Tails:** The other side is a view that sustainability is not delivering 'hard economic' results. When this is coupled with lack of internal & external pressure it means that Sustainability is not a top priority.

Taken together, these interpretations suggest that sustainability is still relatively new, and is being taken up by innovators, early adopters & some early majority organisations (in terms of the innovation curve).



A number of drivers suggest that sustainability will continue to increase as it travels through the Adoption Curve:

- Large suppliers and retailers like Woolworths, Coles, Unilever, Wal-Mart will continue to drive their sustainability programs
- legislation & external pressures will continue to increase and
- examples showing economic benefits will become better known.

Unlocking the Sustainability Benefits

One of the key barriers to sustainability progress in the Australian FMCG industry is a lack of understanding about its potential economic benefits.

A recent study (May to November 2008) showed that "... during the current economic slow-down, companies that show a "true" commitment to sustainability appear to outperform their industry peers in the financial markets."

"Companies recognised as sustainability-focused outperformed their industry peers over both a three- and six-month period, and were well protected from value erosion... over three months, the performance differential across the 99 companies in this analysis worked out to be 10%; over six months, the differential was 15%"

- Source: "Green" Winners, AT Kearney, 2009, www.atkearney.com

The key issue here is making a genuine commitment to sustainability. Unless companies are seriously committed (i.e. not just improving public relations or playing catch up) and are in for the long term, best not bother at this time. Those that have a genuine commitment (being strategic and long term) are likely to see the benefits in their market performance. It may be in the interests of these companies to actually increase their sustainability investment to position them as emergent leaders from this crisis.

In a recent Financial Times article, the authors suggest that companies should identify how various aspects of sustainability will be affected during this economic crisis.

They suggest that:

- the concern for corporate governance will increase
- regulation will increase
- philanthropy will suffer
- the outlook for eco-efficiency will be mixed, continuing in most companies, but focusing on lower-key and lower-cost measures
- consumers will be more conscious of product impacts, but also more value conscious
- retailers with strong and growing sustainability ambitions should flourish

- Source: *Why sustainability is still going strong*, Vermeer & Clemen, *Financial Times*, 12 Feb 2009

Respondents reported that another major barrier to progress is lack of targets, measurements and reporting. Only 1 in 5 have sustainability targets in their business plans, and only 1 in 10 are formally reporting on social impact and performance. Obviously this makes it hard to focus their sustainability efforts and measure real benefits. Note: Large companies are leading the way here – in 2008 almost 80% of the world's largest companies prepared sustainability reports, and 68% of ASX N100 companies published information on sustainability.

Shifting from tactical to strategic responses

A further barrier to sustainability progress is a lack of understanding about how to leverage sustainability for *strategic* advantage.

For us at the FMCG Sustainability Institute, 'strategic' sustainability is different from 'tactical' sustainability. As discussed in our previous reports, we believe that Strategic sustainability is:

- integral to the business model and fundamental to the business;
- a source of differentiation, builds organisational reputation with key stakeholders and helps branding;

- gives a leading edge through innovation, patents, licences, low cost, speed to market and first mover advantage;
- hard to copy;
- builds margin and returns via increased prices, lower costs, lower assets; and importantly;
- it is likely to be specific to the firm, in the organisation's upstream business processes and is often externally focused.

Tactical sustainability, on the other hand, is an 'add on' and does not impact core business - every firm can do it. Many environmental programs fall into this category, and whilst essential to addressing sustainability as a whole, offer no real differentiation or strategic advantage. In fact, we believe that carbon programs, in particular, are likely to become a 'hygiene factor' as legislative activity increases and more retailers seek carbon savings via suppliers.

Ultimately, the more *strategic* the approach to sustainability, the greater the benefits, including economic benefits.

So, what should we do?

Six key things:

- 1) **Develop Capability:** Respondents in the FSI research indicate that sustainability is becoming more important. Organisations need to develop the capability to scan the external environment for changes in legislation, pressure from key customers and consumers and competitors, cost increases in key inputs, technology opportunities, etc.
- 2) **Bottom Line Focus:** During this economic crisis, economic performance is even more important. Set sustainability strategies with higher expectations of economic benefits and focus on those sustainability initiatives that attract customers and consumers, and address costs, without being capital intensive.
- 3) **Link to Business Strategy:** Consider how your approach to sustainability aligns with your overarching business strategy and differentiates your offer and market position from your competitors. The more strategic your approach, the greater the benefits will be.
- 4) **Set Targets:** Research / develop targets, measures and controls and report regularly.
- 5) **Resource Appropriately:** If you have a sustainability strategy, allocate good people, assign clear responsibilities, clarify priorities, coordinate/simplify the multiple initiatives, and share/replicate successes.
- 6) **Build Capacity:** If you don't have a sustainability strategy, educate managers and seek out best practice (including results), pilot various approaches and demonstrate results, audit key areas to identify improvement opportunities, prepare a strategy to prioritise and coordinate the overall approach.



Background to this study

Application of sustainable business principles and practices is increasing around the world, including major retail and FMCG companies.

Global retailers such as Wal-Mart and Tesco are leading the way, implementing sustainability initiatives across their business operations, and driving sustainability agendas through the supply chain as well.



“Sustainability is not optional... It’s beyond encouragement: my challenge to you is to move sustainability to the front burner if you don’t already have it there, because it will be about your leadership and your future.”

- Mike Duke, CEO Wal-Mart, Jan 2009



“We have a responsibility and an opportunity to work with others. In tackling our indirect carbon footprint, we can share knowledge and resources with others to make a positive contribution.”

- Sir Terry Leahy, CEO Tesco

Tesco aim to halve the carbon emissions from their new and existing stores by 2020, and halve the CO₂ per case delivered, worldwide, by 2012.

M&S have detailed their ambitious sustainability ‘Plan A – because there is no Plan B’, and major suppliers such as Unilever and Johnson & Johnson are driving major change in every facet of operations.

Suppliers and retailers alike also recognize that there is a major market opportunity in offering consumers more sustainable choices (when those choices are credible and ‘backed up’, as demonstrated by the recent backlash against ‘green washing’).

Natural Marketing Institute (NMI) research shows that 1 in 5 US Consumers are ‘LOHAS’ - *Lifestyles of Health and Sustainability Consumers*. According to the NMI, they are “passionate, environmental, socially responsible stewards, who are early adopters, loyal to companies whose values match their own and willing to put their money where their mouths are.”

In Australia, Mobium Group research (2007) demonstrates that “nearly 4 million adult Australians (26% of adult population) are LOHAS aligned.” This group spent \$15bn in 2008 and is expected to reach \$22b by 2010.

Australian retailers are also driving the change.



Woolworths 'Sustainability Strategy 2007 – 2015' outlines a number of environmental targets, including:

- 40% reduction in carbon emissions on projected growth levels by 2015, maintaining 2006 levels
- At least 200 million litres of water to be saved each year through Water Wise projects
- 3.4 million reusable crates to replace single-use waxed boxes
- Zero food waste in the general waste stream by 2015
- 25% reduction in carbon emissions per carton delivered by Woolworths-owned trucks by 2012

"We don't see sustainability as a stand-alone activity. Instead, it is a process that we are embedding in everything we do"
- *Woolworths Sustainability Strategy*

In conducting this study, the FMCG Sustainability Institute (FSI) sought to gauge the current situation in Australia & New Zealand and how they compare to global best practice, in order to be able to assist FMCG companies.

Specifically, the FSI wanted to explore how sustainability is currently perceived, what the level of understanding is regarding its scope, and to what extent companies are leveraging sustainability for strategic advantage (carbon programs, for example, whilst important, offer no differentiated advantage and will become a 'hygiene factor' in the industry over time).

Ideally, the FSI will be conducting the FMCG Sustainability Barometer Survey regularly, in order to monitor progress.

The 2008 *Retail World* FMCG Sustainability Barometer was made possible by the generous sponsorship of:

- *Retail World Magazine* (provision of participant database and publishing of results)
- Jigsaw Strategic Research (fieldwork design and data analysis)
- i-Link Research Solutions (technology and project management of online survey)

The FSI also wishes to thank the following affiliate organizations for their assistance in promoting participation in the survey:

- AACS (Australasian Association of Convenience Stores)
- POPAI Sustainability Committee (Point of Purchase Advertising Industry Association)
- ASMI (Australian Sales & Marketing Institute)

Summary of the research approach

Key Objective

Provide a 'barometer' to determine the state of the collective Australian FMCG & Retail industry in relation to environmental, social & economic sustainability.

Specifically:

- ▶ To uncover the sustainability landscape by answering how many FMCG and Retail companies:
 1. Have a formally developed sustainability strategy encompassing all aspects of the triple bottom line
 2. Have sustainability targets against which they are reporting publicly
 3. View sustainability as a source of differentiation with customers and consumers, and if so how
 4. Have tactical programs in place to address specific sustainability issues
 5. Are planning to do any of the above in a given period of time – and if not why not (identify barriers to sustainability progress)

Methodology

Participants were sought via *Retail World*, ASMI, AACCS, members of the FMCG Sustainability Institute's database.

271 respondents completed the 10 minute online, self-completion questionnaire conducted 11th September – 1st October, 2008.

Data was compiled and analysed by our research partners, Jigsaw Strategic Research and i-Link Research Solutions, and subsequently by the FSI.

Further methodology details in the Appendices.

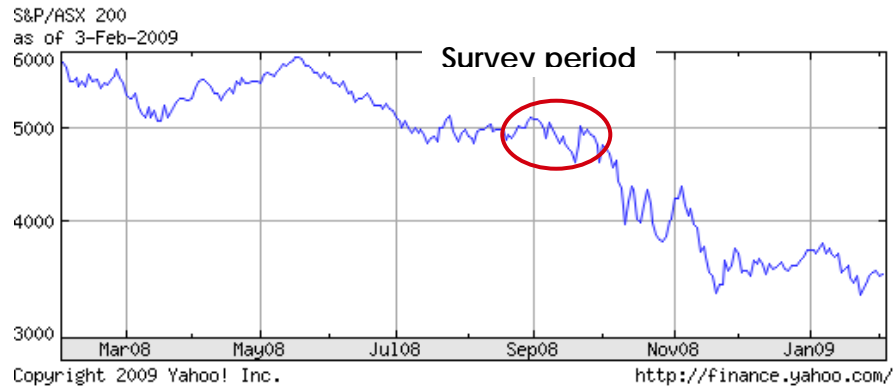
Who we talked to

A robust and representative sample of the Australian FMCG industry, including

- ▶ a good mix of business sizes (over half have less than 100 people, 14% have over 1000 people) & industries with an ANZ focus
- ▶ an even spread of turnover (approx one third were \$100m+, while one third were less than \$10m)
- ▶ a breadth of respondent positions (approx one fifth were CEO/President/managing director and another fifth were General manager/manager)
- ▶ manufacturers, retailers and suppliers to the industry

A word about the timing

The survey period was 11th September – 1st October, 2008... well into the 'global financial crisis', but before the worst of the crisis was unfolding.



Would the responses have been much different in Jan-Feb 09? Clearly the responses about what had happened in the past, and what was happening now would not change. Responses about plans over the next 2-3 years may have been somewhat different in the current climate. However this may not be the case – respondents report that the pressure for Sustainability is increasing, legislation for sustainability is increasing and respondents are adopting sustainability for reasons that are not just economic.



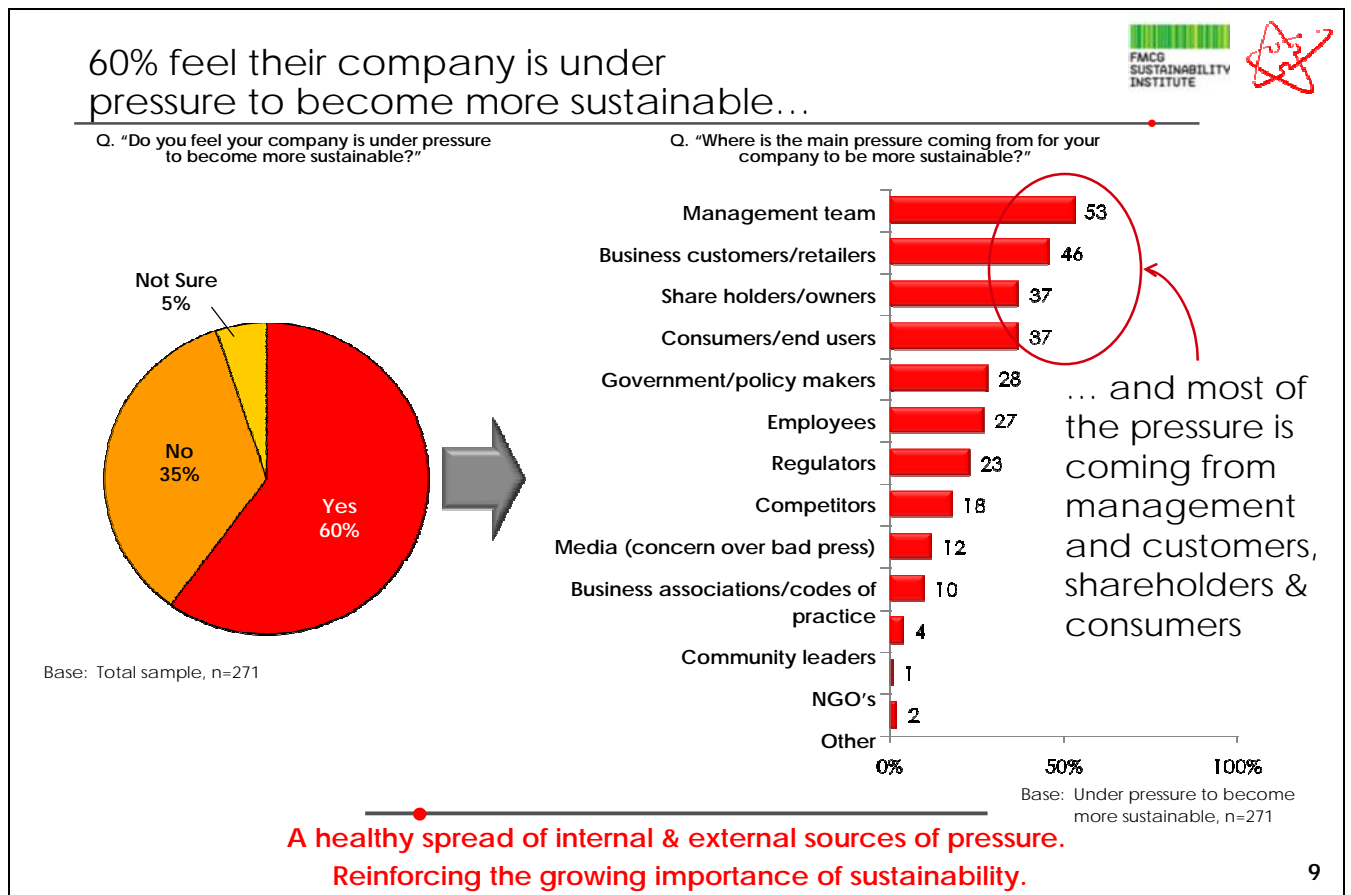


Research Findings

Key findings

1. Sustainability pressures rising
2. Strategic responses vary
3. Cost vs. benefit? Jury still out
4. Pioneers are forging ahead
5. Sustainability is achieving real benefits
6. Sustainability is not a top priority
7. Barriers to progress
8. Future Directions

Sustainability pressures rising



8 out of 10 say that the importance of Sustainability is going to increase over the next 2-3 years.

Strategic responses vary

Motivations for progressing on a sustainability journey are varied, but the most commonly cited reason is good corporate citizenship. There is a lower degree of recognition regarding the potential business benefits.

A large number of respondents (82) believed that “companies should play a role in improving the communities in which they operate.” 70 participants believed that “companies should play a role in mitigating climate change”, whilst 60 believed that “companies that cannot demonstrate sustainable practices will become increasingly uncompetitive.”

The economic benefits of sustainability are less commonly understood. Less than one in five respondents believed that “investors/shareholders will increasingly reward companies with above average sustainability performance” and only 16% believed “the benefits of sustainability outweigh the costs”.

This last point is likely to change over time, as more reports such as “*Green*” *Winners* (AT Kearney, 2009, www.atkearney.com) demonstrate that companies with sustainability credentials financially outperform their peers, and as more retailers such as Wal-Mart show the benefits to their bottom line.

When asked ‘what are the biggest benefits companies are likely to derive from adopting sustainable practices?’ the most commonly cited benefits centred on customer attraction / retention and brand / reputation. ‘Innovation’ benefits were the next most popular, followed by risk and compliance, people, and ‘profitability’ benefits, which were cited by only 16% of respondents, highlighting an industry lack of understanding regarding the economic performance of sustainable business practices.

For those companies with sustainability strategies in place, the main motivation was not economic, and the CEO was the key. The top three reasons companies had developed a sustainability strategy were:

- 1) “To help us to be good corporate citizens”
- 2) “CEO is personally committed and drove the change”
- 3) “See that it is where business is going”

Cost vs. benefit? Jury still out

Less than one third of companies with a sustainability strategy cited “help contain/reduce costs” and “help us grow revenues/ margins”, indicating again a low awareness of economic benefits. Interestingly, only 27% indicated that pressure from customers or consumers was a concern. Conversely, for those companies that don’t have a sustainability strategy but plan to develop one, almost half said that customer and consumer pressure was a main motivation.

Almost half of respondents believed a significant minority of customers would pay extra for greener products.

Of those respondents who declared that they held primary responsibility for sustainability in their organisation, approximately half believed that their profitability would increase as a result. However, one in three disagreed, which may indicate how long they have been adopting sustainable practices (often at the beginning companies need to invest to meet compliance requirements and get the basics in place).

Pioneers are forging ahead

Australian companies are using a variety of terms for sustainability, including 'Safety, Health & Environment & Sustainability', 'Corporate Social Responsibility', 'Corporate Responsibility & Sustainability', 'Sustainable Development' and others. Interestingly, 'Triple bottom line reporting' as a term only rated at 6%.

Almost half the respondents indicated that their company has a sustainability strategy. However, less than 1 in 5 have sustainability targets in their business plans and less than one third of those link staff rewards to sustainability achievements. Only 1 in 10 are formally reporting on environmental and social impact and performance.

1 in 3 manufacturing/operations plans have sustainability KPIs, with 1 in 5 or fewer for other plans such as business plans, marketing plans, supply and logistics, and so forth.

It is possible, therefore, that what respondents have called a 'sustainability strategy' in this context are actually occupational health and safety policies, environmental policies and so forth, rather than a fully developed sustainability strategy.

Of those that claimed to have a sustainability strategy in place, half of them are less than 2 years old. Sustainability is still a 'new' discipline in the Australian FMCG and Retail industry. One in five respondents claimed that their sustainability strategy is more than 5 years old.

One in three companies without a sustainability strategy intended to develop one in the future.

Many companies indicated they have policies on various facets of sustainability, including employee engagement, commercial issues, environmental issues, governance and ethics, but awareness of policies on community or social issues was relatively low.

Anecdotally, the FSI has observed that current industry perceptions around sustainability centre on the environment (and current sustainability strategies are focussed on environmental targets).

Universally recognised definitions of sustainability cover three primary aspects: environmental, *social*, and *economic* sustainability. These last two factors currently appear to have less awareness in the Australian FMCG industry.

Nearly half of companies use sustainability credentials in their marketing programs, with 'environmentally friendly' benefits the most used to source or sell products.

A small minority of companies have audited their sustainability credentials, such as conducting an energy, water and waste audit, product lifecycle assessments, greenhouse gas emissions assessments etc.

One quarter of respondents said they had received training about sustainability issues, with training drawing on a broad base of frameworks, more local than global in focus.





Sustainability is achieving real benefits

Of those companies with a sustainability strategy, more than half believe it contributes to the goal of enhancing brand reputation. Approximately half believe it achieves reduction in environmental impact, and risk management.

Respondents also believed their sustainability strategy was contributing to a range of other goals in the areas of customer attraction and retention, innovation and people.

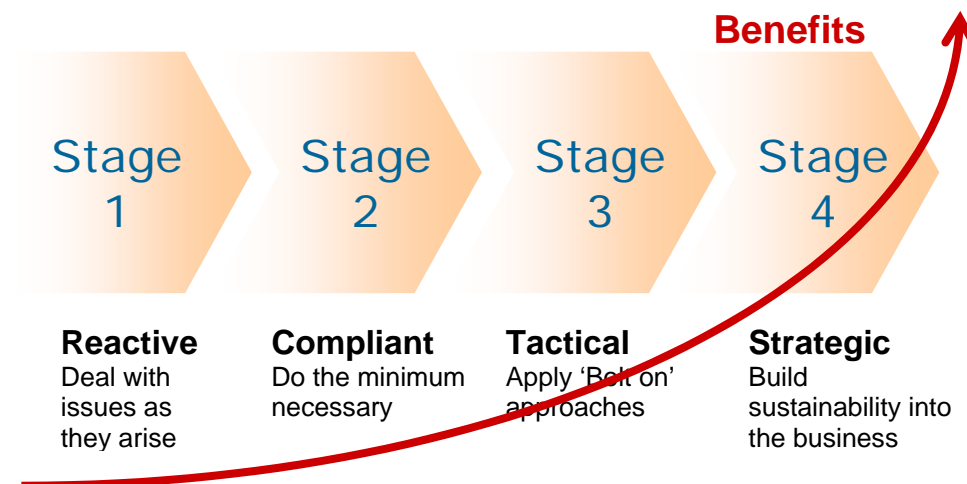
There was a lower awareness of how sustainability was achieving economic goals, with less than one quarter citing economic indicators.

One possible interpretation of this is that respondents assume that enhanced brand reputation, attracting and retaining customers and people and progressing innovation will automatically deliver economic value.

The other interpretation is that respondents primarily see sustainability in non-economic terms, or believe that sustainability is likely to be a net cost.

Organisations often go through stages on their journey to be more sustainable, though the stages usually overlap and blur. In the early stages, unless care is taken to identify 'quick wins', the costs can outweigh the benefits, especially in those organisations that see sustainability as an impost. The benefits from sustainability increase as it becomes more *strategic*.

As discussed in the Executive Summary, the FSI considers strategic sustainability to be an approach that builds *differentiated value and competitive advantage*, rather than 'bolt on' tactical measures that any company can copy.



Furthermore, evidence of the economic benefits of sustainability and the financial health of companies who adopt it (versus their competitors) is increasing year upon year.

In the longer term, perceptions of sustainability as primarily concerned with 'soft' rather than 'hard' measures is likely to change over time.



Sustainability is not a top priority

Whilst 1 in 4 respondents saw sustainability as very important, it was less important than more traditional priorities (such as profitability, brand health, occupational health and safety etc.). Interestingly, sustainability actually encompasses all those factors, but awareness of this was not indicated by the responses.

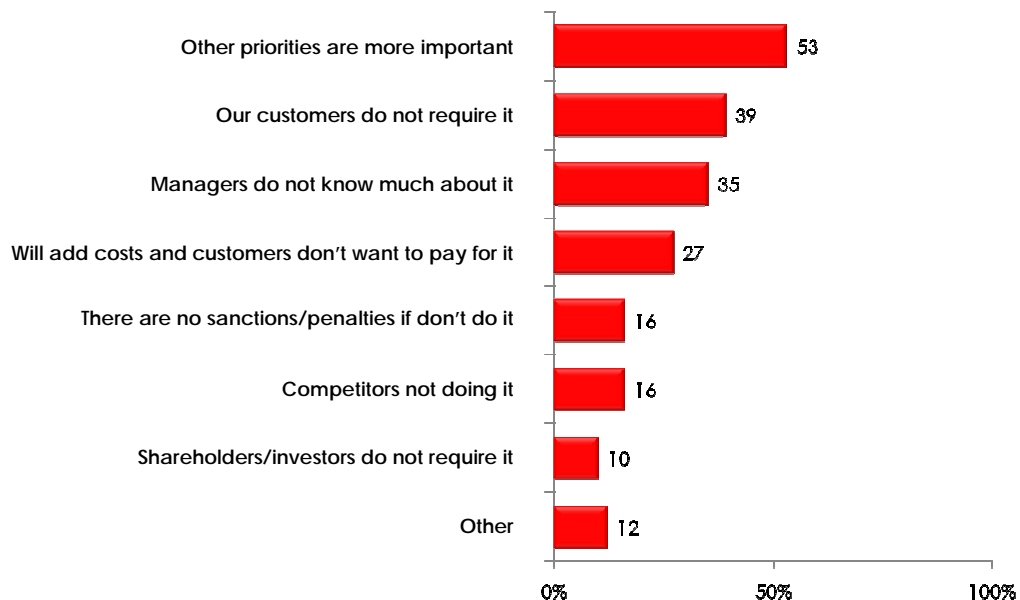
Of the companies without sustainability strategies who had no plans to develop one, several reasons were given, including other priorities (over half), the lack of requirement by customers, and management not knowing much about it (more than one third).

Just over one quarter of respondents thought it would add costs and customers don't want to pay for it, and 16% said there are no penalties for not doing it.

Main reasons for not developing a sustainability strategy: other priorities, customers don't require it



Q. "What is the main reason your company has no plans to develop a sustainability strategy in the near future?"



Base: No sustainability strategy & no plans to develop one, n=49

Room for education of sustainability strategy benefits to play a role.

41

One third of respondents believed that more government intervention is necessary, although 43% felt that voluntary action is more effective.

In terms of responsibility for sustainability within the organisation, the largest number of respondents said it was shared equally across departments. This may partially explain the lack of transference into actual indicators in business plans, people remuneration and reporting – by 'everybody' owning it, potentially, nobody does.



Barriers to progress

Key barriers to progress indicated by respondents include:

- One quarter said they had difficulty funding the sustainability effort
- 24% said they had difficulty in developing targets, measures & controls required to entrench sustainable principles within the organisation
- 23% believed that sustainability would raise their costs in comparison to competitors
- 21% said short term thinking/shareholder/investor pressure to deliver financial progress makes it difficult to focus on the long term goal of sustainability
- Around one fifth said it was difficult to find or allocate the right people to implement sustainability
- 32% said either there was a lack of understanding by management, or it was not seen as important

Other reasons included a lack of systems and tools, difficulty in prioritising and coordinating efforts, lack of clear responsibility and difficulties in aligning with corporate strategy.

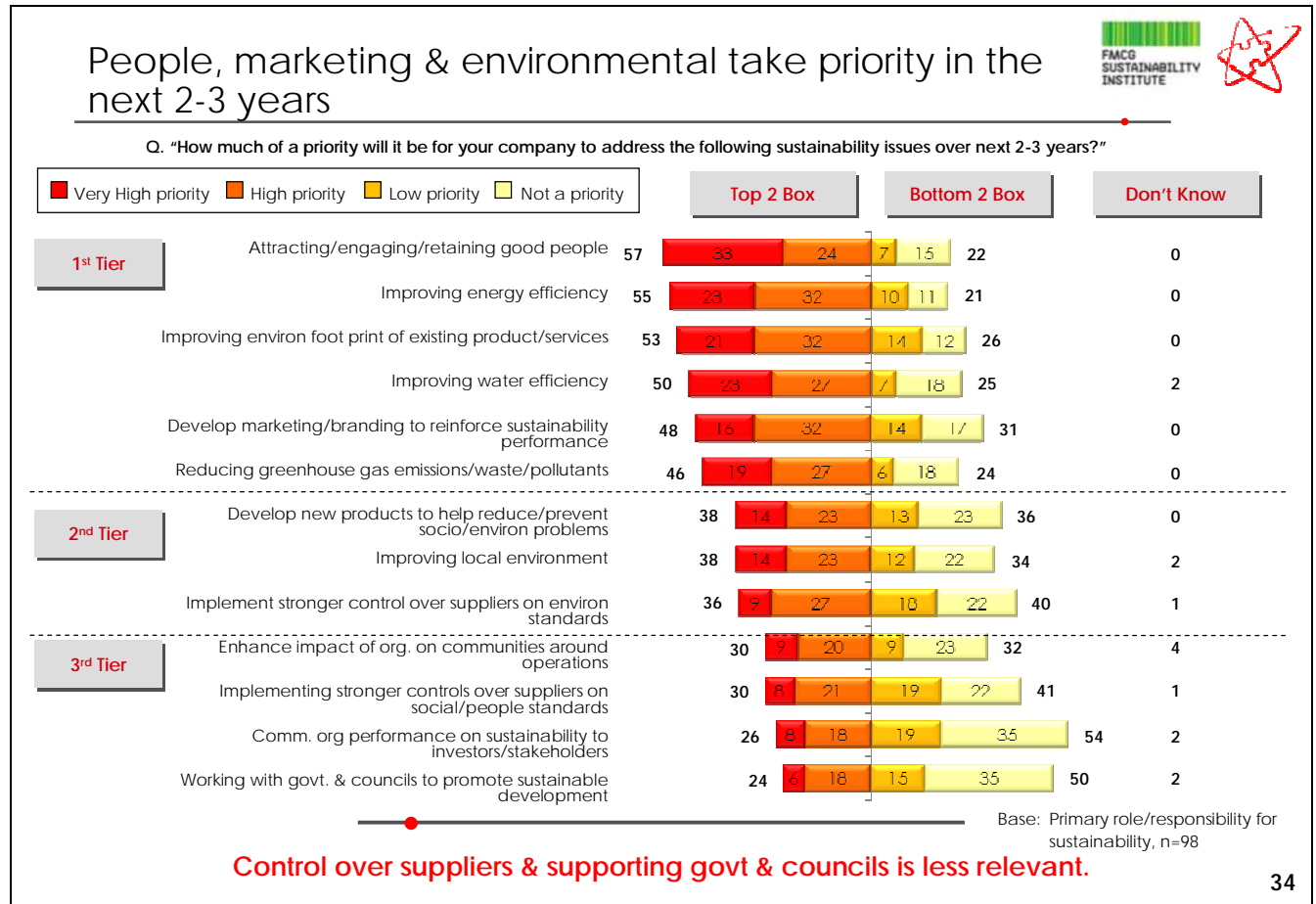
Respondents also indicated that their companies find it hard to establish meaningful benchmarks and KPIs, the availability of relevant internal data relating to sustainability reporting, developing tools to monitor performance, and meeting the reporting needs of various stakeholders.





Future directions

One in three companies without a sustainability strategy intended to develop one in the future. Priorities in the next 2 – 3 years centre on attracting and retaining good people, improving environmental performance and marketing / branding initiatives.



Many companies are also planning to undertake audits (primarily environmental), although a significant number remain unaware of their organisation's audit plans.

For a detailed view of the data, please read the Power Point version of this report available at www.fmcg-sustain.com.au

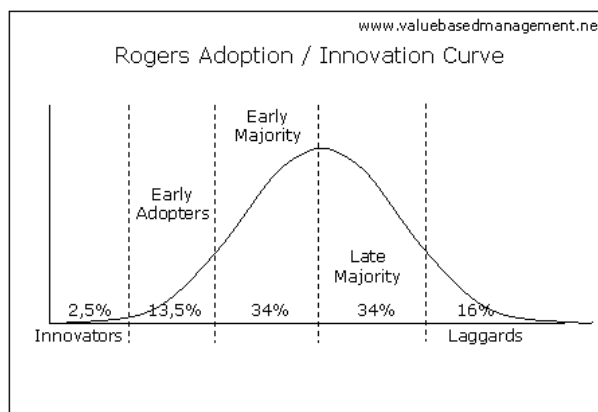


FSI Thoughts & Observations

Overall, the data can be interpreted in two ways. Perhaps they are two sides of the same coin and reinforce each other:

- ▶ **Heads:** One view is that Sustainability is new, but it is being adopted and results are coming through;
- ▶ **Tails:** The other side is a view that Sustainability is not yet delivering 'hard economic' results. When this is coupled with lack of internal & external pressure it means that Sustainability is not a top priority

Taken together, these interpretations suggest that Sustainability is still relatively new, and is being taken up by innovators, early adopters & some early majority organisations (in terms of the innovation curve).



A number of drivers suggest that Sustainability will continue to increase as it travels through the Adoption Curve:

- Large suppliers and retailers like Woolworths, Coles, Unilever and Wal-Mart will continue to drive their sustainability programs;
- Legislation and external pressure will continue to increase; and
- Examples showing economic benefits will become better known.





How this compares globally

In late 2007, the Economist Intelligence Unit surveyed 1254 executives from around the world. Most were from Western Europe, North America & Asia-Pacific. The results were reported in 'Doing Good: Business and the Sustainability Challenge'

Although the questions are not the same in many instances, some comparisons with the 2008 FSI study can be made.

In summary:

- A greater % of the global organisations have/intend to have sustainability strategies than in the FSI study
- Pressure from government, regulators & competitors is stronger in the global sample
- FSI respondents expect 'softer' benefits than the global organisations, but have slightly higher expectations in terms of profitability
- Double the % of EIU respondents formally report on sustainability. Establishing meaningful benchmarks or KPI's is a big challenge in each study
- In both studies, big barriers are around developing targets, measures & controls & perceptions about increased costs. However, funding difficulties were the biggest barrier in the FSI study, but low in the global study

Item	EIU Study	FSI Study
Do you have a sustainability strategy?		
▶ Yes	52%	48%
▶ No, but developing one	23%	14%
▶ No	18%	27%
▶ Don't know	5%	11%

A greater % of the global organisations have/ intend to have sustainability strategies than in the FSI study. Interestingly, 11% of FSI respondents don't know.

Implications for moving forward

Unlocking the Sustainability Benefits

One of the key barriers to sustainability progress in the Australian FMCG industry is a lack of understanding about its potential economic benefits.

A recent study (May to November 2008) showed that "... during the current economic slow-down, companies that show a "true" commitment to sustainability appear to outperform their industry peers in the financial markets."

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So, what should we do?

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- 10) **Set Targets:** Research / develop targets, measures and controls and report regularly.
- 11) **Resource Appropriately:** If you have a sustainability strategy, allocate good people, assign clear responsibilities, clarify priorities, coordinate/simplify the multiple initiatives, and share/replicate successes.
- 12) **Build Capacity:** If you don't have a sustainability strategy, educate managers and seek out best practice (including results), pilot various approaches and demonstrate results, audit key areas to identify improvement opportunities, prepare a strategy to prioritise and coordinate the overall approach.



Appendices

- **About the FSI**
- **Methodology in more detail**
- **Acknowledgements**



About the FMCG Sustainability Institute (FSI)

The FMCG Sustainability Institute (FSI)

Combining more than 50 years of experience in FMCG, Retail and Sustainability

The charter of the FMCG Sustainability Institute is to provide Sustainability thought leadership, research, education and advice to the Australian Retail and FMCG industry.

The FSI was launched in July 2008 and is a joint initiative of two companies:

- [Shoppportunity](#), a specialist FMCG market consultancy comprised of industry leaders with more than 50 years' senior and board level experience with global blue chip FMCG and Retail companies; and
- [EcoSTEPS](#), one of Australia's oldest, largest and most respected Sustainability consultancy firms. EcoSTEPS consults to major Australian government departments and policy makers concerning sustainability thinking and best practice, as well as a wide range of clients.

The *Retail World* FMCG Sustainability Barometer survey is a major contribution of the FSI towards advancing Sustainability in the FMCG industry. It has been conducted at the cost of the FSI and with the support of our major sponsors *Retail World*, Jigsaw Strategic Research and i-Link Research Solutions. It is provided free to the industry.

Our broader research, education and advisory services are provided on a fee-for-service basis.

How we can help you:

- ▶ We audit your business & make recommendations for improvement
- ▶ We help you develop a sustainability strategy
- ▶ We provide a full suite of sustainability tools, templates and checklists
- ▶ We get involved with the 'technical' aspects of implementation
- ▶ We coach and support, via one-on-one sessions and/or workshops
- ▶ We provide education, training and facilitation

Our approach is flexible, based on your needs and preferred way of working.

Please visit www.fmcg-sustain.com.au for more information, or contact us:

▶ **Within Australia**

0414 941 585
(02) 8006 2921

▶ **From Outside Australia**

+61 414 941 585
+61 2 8006 2921

▶ enquiries@fmcg-sustain.com.au

▶ PO Box 856
Lane Cove NSW 1595
Australia



Methodology in more detail

The FMCG Sustainability Barometer Survey was a 10 minute online, self-completion questionnaire conducted 11th September – 1st October, 2008. The questionnaire was developed by the FMCG Sustainability Institute, referencing other similar studies worldwide.

The fieldwork for the study was conducted by major sponsors Jigsaw Strategic Research and i-Link Solutions.

Email invites to participate in the questionnaire were sent to the industry via *Retail World*, ASMI, AACCS, and to members of the FMCG Sustainability Institute's database.

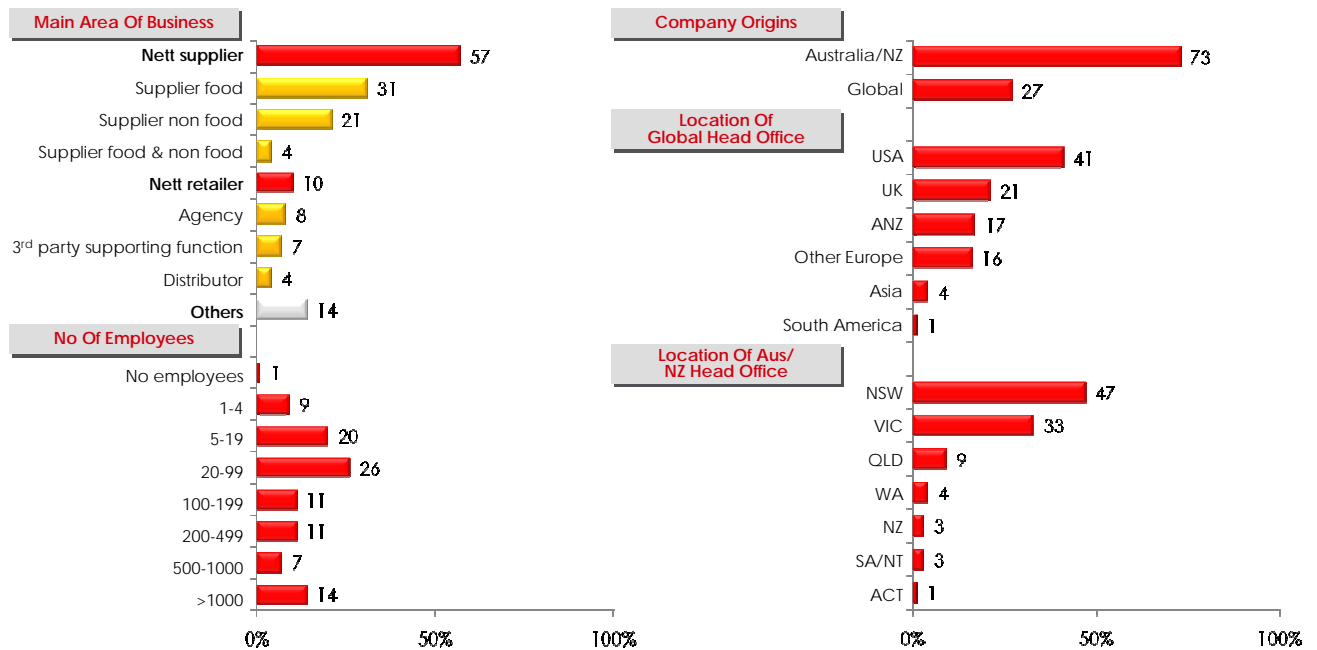
Initial database and access to website link was spread across a national sample.

Participation in the questionnaire was not incentivised.

A total of n=271 members participated in the survey.

Results given in this report are unweighted.

Who we spoke to: Good Mix Of Business Sizes & Industries With An ANZ Focus



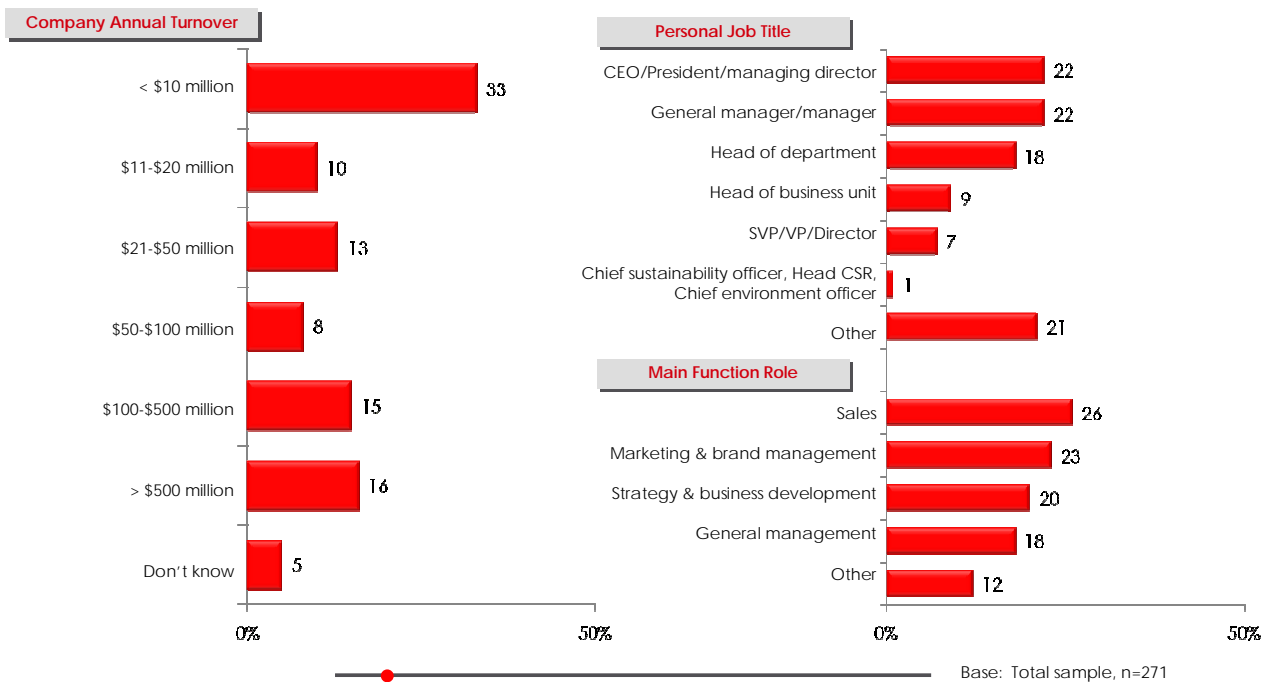
Base: Total sample, n=271

Broad sample.



Methodology (cont.)

Who we spoke to: Even Spread Of Turnover & Participant Positions



Only a small proportion of specialised 'sustainability' positions.

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Approximately one third of respondents had 'primary responsibility for sustainability' in their organisation.



Acknowledgements

Special thanks go to our generous sponsors for making this project possible.

RetailWorld

Major sponsor *Retail World* magazine provided the core email database for the survey and promoted participation in the study via the magazine. *Retail World* is Australia's premier FMCG industry magazine and may be found at:

<http://www.retailmedia.com.au/magazine-retailworld.shtml>



Jigsaw Strategic Research

Research partner Jigsaw Strategic Research provided assistance with the design of the fieldwork component of the study and initial analysis of the data outputs from the survey. Jigsaw Strategic Research regularly conducts major research projects for FMCG industry clients, and may be found at:

www.jigsawresearch.com.au



i-Link Research Solutions

Fieldwork partner i-Link Research Solutions provided the technology and online capability for the survey. Based in Sydney, i-Link is a leader in online research services, and may be found at:

www.i-link.com.au

Affiliated Organisations

Our thanks also go to the following affiliated industry organizations, who promoted participation in the 2008 Retail World FMCG Sustainability Barometer:



AUSTRALIAN
SALES &
MARKETING
INSTITUTE
INCORPORATED

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