SUSTAINABILITY: ALIGNING WITH FOOD MANUFACTURERS’ NEEDS FOR THE FUTURE

ROOM 314 | DECEMBER 4, 2018
Continuing Education Units (CEU’s)

• What type of CEU’s are offered at conference?
  – Tuesday – Certified Crop Advisor (CCA)
  – Wednesday – Certified Crop Advisor (CCA)
  – Thursday – Certified Crop Advisor (CCA) and Department of Pesticide Regulations (DPR)

• Where are the CEU sign in sheets?
  – CEU sign I sheets will be in the back of each session
  – There are separate forms on Thursday for the CCA and DPR credits

• Special instructions for Thursday
  – PCA’s will need to pick up their scantrons in the morning before the first session of the day. They will also need to return the scantron at the end of the day to the CEU booth. This is in addition to signing in and out of each session.
SUSTAINABILITY: ALIGNING WITH FOOD MANUFACTURERS’ NEEDS FOR THE FUTURE
WELCOME

BUDDY KETCHNER
President
Brand K Strategy

WHITNEY DAILEY
Vice President
Marketing/CSR
Research & Insights
Cone

ATHANASIOS MANDIS
Sustainability Consultant
Innocent Drinks

DARIELA ROFFE-RACKIND
Director, Europe & Global Public Relations
ABC
CONSUMERS’ EXPECTATIONS OF RESPONSIBLE BRANDS
$267.4B
86%

EXPECT COMPANIES TO DO MORE THAN MAKE A PROFIT

Source: 2017 Cone Communications CSR Study
HERSHEY’S
Investing in sustainable cocoa
81% SAY IT IS IMPORTANT FOR COMPANIES TO IMPLEMENT PROGRAMS TO IMPROVE THE ENVIRONMENT

Source: 2018 Nielsen: Sustainable Shopper Survey
Our ambition is to reduce the environmental impact of the average UK shopping basket by half.
85% WANT COMPANIES TO TELL THEM WHAT THEY ARE DOING TO OPERATE MORE RESPONSIBLY

Source: 2017 Cone Communications CSR Study
Innovating responsible agriculture sourcing solutions
# How Will We Thrive in a Changing Environment?

The demands on resources for food production from the world's populations have never been greater.

To meet these challenges and secure the future of food, we must better manage the relationship between agriculture, energy generation and demand, water usage, and the effect of all of these on climate.
65% WILL DO RESEARCH TO SEE IF A COMPANY IS AUTHENTIC IN ITS STANCE ON SOCIAL AND ENVIRONMENTAL ISSUES

Source: 2017 Cone Communications CSR Study
LAND O’LAKES
Amplifying farmland stewardship
91%

BELIEVE IT IS OKAY IF A COMPANY IS NOT PERFECT, AS LONG AS IT IS HONEST ABOUT ITS EFFORTS

Source: 2017 Cone Communications CSR Study
Dive into the story of your seafood

Knowing the origin of the food we eat is a key part of a healthy and sustainable diet, and Chicken of the Sea is committed to providing you with as much information as possible. Trace your tuna from ocean to plate by entering your can code below.

Enter Your Can Code

CHICKEN OF THE SEA
Increasing transparency of sustainable fisheries
89% WOULD SWITCH TO A BRAND ASSOCIATED WITH A GOOD CAUSE, GIVEN SIMILAR PRICE AND QUALITY

Source: 2017 Cone Communications CSR Study
WHEN A COMPANY SUPPORTS A SOCIAL OR ENVIRONMENTAL ISSUE...

- 92% of consumers have a more **POSITIVE IMAGE** of that company
- 87% would be more likely to **TRUST THE COMPANY**
- 88% would be more **LOYAL TO THE COMPANY** (continue buying the company’s product/services)

Source: 2017 Cone Communications CSR Study
45% have told a friend or family about a company’s corporate responsibility efforts in the last 12 months

55% bought a product or service associated with a social and/or environmental benefit

74% would volunteer for a cause supported by a company they trust
INNOCENT DRINKS

Buy One Get One Bee
A BRAND’S PERSPECTIVE ON SUSTAINABILITY
things we make
a brief history of time

1994  1999  2008

annus horribilis
a brief history of time

2009

2013

2018

‘connected but not integrated’
our values

natural
entrepreneurial
responsible
commercial
generous

innocent values
sharing our strategy & ambitions with others

guarding one or more of our commitments, holding us accountable

responsible for delivering an element of the strategy

on the look-out for how to do things better
Sustainability Strategy

Californian Almond Sustainability

Future Trends
sustainability strategy

leaving things better than we find them

good to the core
- making sure every supplier meets international sustainability standards
- innovate innocently by sticking to our sustainability commitments
- grow a green business by using less energy, water and stuff generally

protected futures
- invest in the future of our growers through innovative agriculture projects tackling global issues
- do our bit to keep climate change below 2 degrees warming
- transform lives by committing 10% of our profits to charity

heroes of change
- lead the use of recycled and plant-based plastic for our bottles
- transform the way we move our products to reduce road miles
- champion green bottling in Europe

share our journey
good to the core
All ingredients to meet international sustainability standards
protected futures
sustainability strategy

Investment in continuous improvement projects above and beyond certification
sustainability strategy

Brand Protection
Consumer Expectations
Business Resilience
Values
Sustainability Strategy

Californian Almond Sustainability

Future Trends
approach to sustainable agriculture

In case of Californian almond, many of the issues seemed to need a landscape approach
sustainability recommendation

- monitor
- conditioning
- intervention
- stop

seek innocent-fit supplier
<table>
<thead>
<tr>
<th>Topic</th>
<th>Status (Pre-Trip)</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Field with water]</td>
<td>![Red dot]</td>
</tr>
<tr>
<td>![Beehives in field]</td>
<td>![Yellow dot]</td>
</tr>
<tr>
<td>![Field with yellow flowers]</td>
<td>![Yellow dot]</td>
</tr>
</tbody>
</table>
sustainability issue #1 – water

Agricultural Land (16%)
- Almond
- Other

Water Usage (11%)
- Almond
- Other
sustainability issue #1 – water

overdraft

Change in Groundwater
(1986 - 2015)

refill

net withdrawal
THE SUSTAINABILITY GROUNDWATER MANAGEMENT ACT (SGMA)
Communities required to bring their groundwater basins into balance by 2040

- Manage groundwater reserves (reduce, recharge)
- Expand usable supplies (increase capture and storage)
- Reduce demand (water trading, reduce land under production)
With over 2M beehives involved in almond pollination, the almond sector is responsible for the largest movement of livestock in the world.
sustainability issue #2 – bee colony collapse disorder

POLLINATION PARTNERS

ALMOND TREES need cross-pollination, and honey bees help move pollen from tree to tree, setting the crop.

BEE HIVES consistently leave almond orchards stronger than when they came in because almond pollen is very nutritious to bees and is their first natural food source of the year.
sustainability issue #3 – biodiversity

Agricultural landscape devoid of wildlife corridors, wildflowers and hedgerows
<table>
<thead>
<tr>
<th>Topic</th>
<th>Status (Post-Trip)</th>
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</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Image 21x472 to 938x532" /></td>
<td><img src="image2.png" alt="Image 178x305 to 371x413" /></td>
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<tr>
<td>AIIC, SGMA</td>
<td></td>
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<tr>
<td>close partnership, but issues remain</td>
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<tr>
<td><img src="image3.png" alt="Image 177x183 to 370x291" /></td>
<td><img src="image4.png" alt="Image 807x12 to 918x64" /></td>
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<tr>
<td>lack of natural vegetation and genetic biodiversity</td>
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What does this mean?

- We are not walking away from the challenges
- We believe we have found a great partner in the ABC to engage with us, but . . .
- We also need our handlers to engage with CASP and continuous improvement
Sustainability Strategy

Californian Almond Sustainability

Future Trends
Where do we go from here?

- Demands on sustainability performance will not go away
- Sustainability not a luxury, a necessity
- Move towards legislative framework, i.e. SGMA, carbon neutrality

What does this mean for the Californian almond sector . . ?
THE ROLE OF THE ALMOND INDUSTRY
Q&A
THANK YOU
What’s Next

Tuesday, December 4 at 3:00 p.m.

• Innovating Almonds for New Plant Protein Formulations – Room 314
• Maximizing Almond Quality and Shelf-Life – Room 306-307
• What Will California's Change in Leadership Mean for the Almond Industry? – Room 312-313
• Almond Sustainability: Join The Journey! – Room 308-309
Join the social media conversation at #AlmondConf
What’s Next

Tuesday, December 4

• State of the Industry – Hall C at 4:15 p.m.

Be sure to join us at 5:30 p.m. in Hall A+B for Dedicated Trade Show Time and Opening Reception, sponsored by FMC Agricultural Solutions