



Changing the food industry making it sustainable

Long Range Plan 2011 – 2013

Fairfood International
Head office:
Damrak 83A
1012 LN Amsterdam
The Netherlands
www.fairfood.org
info@fairfood.org

Table of contents

Table of contents	2
Reader	4
Introduction	5
Mission, vision and central objective	7
Mission	7
Central objective	7
Vision	8
Mandate	8
Quality Management.....	8
<i>Quality Policy</i>	9
<i>Quality objectives</i>	9
Positioning	9
Outcomes.....	10
Strategy	11
Introduction	11
Analyzing contexts, trends and developments in the food industry.....	11
Encouraging food and beverage brand owners to be responsible	11
Emphasizing implementation of sustainability policies and plans	12
Proactively recommending Solutions.....	12
Communicating genuine sustainability progress	13
Applying public pressure.....	13
<i>Basic Leverage</i>	13
<i>Active Leverage</i>	13
<i>Global Constituency</i>	14
Establishing Partnerships with organisations	14
Unique Selling Points	15
Introduction	15
Advocacy focus directly on food companies.....	15
Large number of food companies – standardized approach	15
Inclusive agenda – based on international conventions, agreements and norms.....	15
Crowd sourcing – Facebook and Twitter – Global movement.....	15
Centralized one entity model	16
Sustainability Agenda	17
Introduction	17
Fairfood Sustainability agenda	17
Relationship to sustainability concepts	18

Governance structure	21
Introduction	21
Supervisory board.....	21
Advisory board	21
Executive board	22
Employee representative body	22

Reader

Fairfood's long range plan provides its stakeholders with insight into how it intends to work towards realising its mission and vision in the coming years. This document specifically describes Fairfood International's strategic plans for the next three years commencing in 2011.

In order to stay responsive to the rapidly changing world, and in particular the food industry, Fairfood strategically chooses to evaluate and update its long-range plan on an annual basis. Please visit www.fairfood.org for the latest version of Fairfood's long-range plan.

Fairfood International is an independent non-governmental organisation and has been certified for quality management based on the ISO 9001-2008. This document supports Fairfood's quality standards and is central to all other plans and policies within Fairfood International.

Introduction

Global hunger and poverty are still high and although food security is a basic human right that should be affordable to all, over 900 million people around the world still suffer from a lack of food¹. For many more, the issue is not only the lack of food but the lack of access to nutritious food. The effects of climate change on global agricultural systems create an immense challenge for feeding the projected global population growth of 9 billion people in 2050. Unfair terms of international trade, i.e. trade patterns that do not follow fair international principles and do not include social, environmental and economic sustainability, are known to partly cause and exacerbate poverty, having a strong negative impact on the development potential of poor countries². According to the UN Conference on Trade and Development (UNCTAD), these practices rob developing countries of US\$ 700 billion a year, particularly in the agricultural sector³.

Political instability and food insecurity have also been catalysts in the recent protests in Tunisia, Egypt and Algiers as citizens demand fair access to food, and the resources for its production. It is very likely that future wars will be fought over water and food instead of oil, while protests of rising food prices will increasingly become an integral part of the catalyst for change.

The demand for food and beverage products globally reached \$11.6 Trillion in 2009 and is likely to reach \$15 Trillion in 2014⁴; unsustainable agricultural practices and unfair business practices engaged by the food industry in order to meet market demands over the last century have contributed to widespread ecological damage and negative socioeconomic impacts⁵. Many companies in the food industry increasingly seek cheap labour and manoeuvre around lax environmental and economic regulations; workers are constrained to live and work in almost slave-like conditions, often being paid less than what is required to survive and are denied the right to form unions and other necessary benefits. Supply chains of food and beverage companies still exploit children while about 70 percent of child labour in the world is used in the agri-food industry, representing approximately 132 million girls and boys aged 5 to 14⁶. Furthermore, the production of our world's food is far from safe; from the farmer growing the food to the end consumer, food safety is an increasing global concern.

The above global challenges make it imperative for a change in the food and beverage industry towards sustainability. Whereas, lobbying government for enhanced global regulation of business practices in favour of the sustainability and safety of public goods over the interests of businesses is important, an equally necessary approach is the direct engagement or lobbying of the private sector. Recent announcements by some of the world's largest food and beverage companies towards increasing their commitments in sustainable production, sourcing and trade, seem to indicate that sustainability for business is entering into a new era.

¹ 2010 World Hunger and Poverty Statistics- <http://www.worldhunger.org/articles>

² UNDP, 2005, *Human Development Report 2005: International cooperation at a crossroads - Aid, trade and security in an unequal world*, p. 31 / Stiglitz and Charlton, 2005, *Fair Trade for All*

³ UNCTAD, 1999, *Trade and Development Report 1999*, p. IX

⁴ Frost & Sullivan (2010): 2020 Vision Global Food & Beverage Industry Outlook

⁵ Atkinson et al., 2004

⁶ UN Report: Agribusiness and the right to food <http://www.srfood.org/index.php/en/areas-of-work/agribusiness>

Some business arguably no longer see sustainability as a passing trend but as a lasting imperative that must be mainstreamed into core global operations. By acknowledging the power and responsibility that private companies have in social, environmental, and economic sustainability, advocacy groups can directly encourage them to make the right decisions that have the potential to change the industry sustainably. This is indeed the strategy that Fairfood International is taking.

In the last decade, besides government regulations, consumers and other international advocacy groups have increasingly played complementary roles in stimulating companies to take greater responsibility for the impacts of their business operations on the environment and society. Fairfood International supports this role by actively advocating for change towards a sustainable food industry while building a global movement of people passionate about this.

As a central objective towards its mission, Fairfood's advocacy work seeks to ensure that food and beverage companies understand the crucial role they play in addressing sustainability concerns relating to their products and that they take responsibility for the impacts of their global production and trade practices. This unique approach is based on the understanding that the private sector's impact on global social, environmental and economic issues in the food industry is crucial and that while it is apparent that government regulation of business is essential in the construction of a more just world, there is a need to facilitate the required change in the industry through a variety of complementary approaches and solutions. Fairfood International intends to be the leading voice of the global food sustainability movement by the year 2020, advocating for sustainability towards thousands of food and beverage companies globally.

Mission, vision and central objective

Mission

Over the last decade unsustainable agricultural practices and unfair business practices within the food industry have contributed to widespread ecological damage and negative socio- economic impacts. Supply chains of food and beverage companies still exploit workers and children as well as violate international environmental and economic regulations and conventions. The production of our world's food is still far from safe while global hunger and poverty is still high. And although food security is a basic human right that should be affordable to all, over 900 million people around the world still suffer from a lack of food; and the effects of climate change on global agricultural systems and vice versa create an immense challenge for feeding the projected global population growth of 9 billion people in 2050.

With such global challenges and many more, the need for change in the food and beverage industry towards sustainability becomes crucial. Fairfood's mission therefore is to actively facilitate **change in the food industry making it sustainable**.

Central objective

To accomplish its mission, Fairfood has set a clear central objective: *Increasing the level of sustainability of food and beverage brand products using brand owners as the main targets.*

Fairfood's advocacy work seeks to ensure that food and beverage brand owners understand the crucial role they play in addressing sustainability concerns relating to their products and that they take responsibility for the impacts of their global production and trade practices.

This direct approach towards food and beverage brand owners is based on the understanding that companies have an immense influence on the global food industry. Fairfood recognises the significance of all 30 articles enshrined in the 1948 UN Declaration of Human Rights (UNDHR) and believes that, although nation states are the main bearer of human rights obligations, the declaration refers to "*every individual and every organ of society*", which includes companies as vital organs of our modern society.

Fairfood believes that the UN Declaration of Human Rights (UNDHR) and its reference to the UN Norms on the Responsibilities of Transnational Corporations and Other Enterprises with regard to Human Rights, not only strikes the right balance in distinguishing between the obligations of states and companies, but also clearly and succinctly highlight what the international community expects of businesses with regards to human rights. The norms rightly note that transnational corporations and other business enterprises have the capacity to foster economic wellbeing, development, technological improvement and wealth, as well as the capacity to cause harmful impacts on the human rights and lives of individuals, as a result of their core business practices and operations⁷.

⁷ UN Economic and Social Council E/CN.4/Sub.2/2003/12/Rev.2 (2003) http://ap.ohchr.org/docs/E/E-CN_4-Sub_2-2003-12-Rev_2.pdf

Vision

Fairfood envisions in the near future, an economically vibrant and sustainable global food industry in which food and beverage brand owners around the world have fully acknowledged their responsibility towards sustainability and have taken adequate measures to address social, environmental and economic concerns associated with their brand products. By the year 2020, Fairfood International intends to be the leading voice of the global food sustainability movement, actively advocating for sustainability towards over 10.000 food and beverage companies globally and increasingly influencing them to engage in sustainable and fair business practices. In addition, Fairfood expects to be actively engaged and recognised by every international food and beverage brand owner and to build genuine partnerships with other NGOs based on complementarities and genuine respect, while continuing to grow its citizen support worldwide.

Mandate

Fairfood concentrates mainly on carrying out activities, developing partnerships, programmes and collaborations that relate to encouraging brand owners in the food and beverage industry to increase the sustainability of their brand products. To ensure the legitimacy of its work, Fairfood only focuses on sustainability discourses, and mainly participates in joint actions that are backed up by international conventions, agreements and norms. To this end, Fairfood's entire sustainability agenda is based on such conventions, agreements and norms. For more information, see the Sustainability Agenda section.

Fairfood encourages brand owners to certify their products with reliable sustainability certification labels, or to show how the level of sustainability of their brand products is guaranteed in other ways. Fairfood may also recommend sustainability certifications, labels and initiatives (solutions), but does not implement or certify these initiatives. Fairfood puts the final responsibility of increasing the sustainability of products directly on the brand owner.

Fairfood understands that sustainability is not a static goal but rather a dynamic spectrum that varies depending upon the exact product type. Therefore, Fairfood strategically focuses on the level of sustainability of a particular brand product instead of on the companies themselves. Fairfood only approaches brand owners of brand products and not the retailer. Unilever, for instance, is the brand owner of Magnum ice creams and can be the producer of house brand ice creams as well. However, Fairfood will only approach Unilever for its Magnum ice cream and approach the brand owner, the supermarket for instance, for its private label brand ice creams.

Quality Management

In order to realise the central objectives in the most efficient and effective way, Fairfood International is managed in a professional way. In 2009, Fairfood International set up a Quality Management System to assure that the organisational structure, management of procedures and working culture of Fairfood provide the maximum possible contribution to reaching the overall objectives of the organisation. The Quality Management System's aim is to improve Fairfood's accountability towards industry stakeholders and the public at large by proving that it is transparent, efficient, and effective in its operations. It is now more imperative than ever that an organisation such as Fairfood – often

critical of the actions of corporate and governmental actors – is able to demonstrate the quality of its operations beyond any doubt. The intrinsic nature of Fairfood as a continuously improving organisation also provided motivation for establishing this system.

Quality Policy

Fairfood has a general Quality policy (see Quality policy document). This policy is based on the following organisational values:

- Transparency: Creating the highest level of transparency within the organisation;
- Self-critical: Being self-critical stimulates learning and fosters continuous improvement;
- Effectiveness: Striving to reach our objectives in the most effective manner;
- Accountability: Being accountable for our work towards our stakeholders;
- Compliance: Complying with customer and regulatory requirements;
- Efficiency: Striving to reach our objectives in the most efficient way with regard to the available time and resources

Achieving this policy involves all (paid and unpaid) employees of Fairfood International being individually responsible for the quality of their work- resulting in a continuously improving performance level. The Manager Quality Assurance outlines the quality policy to each employee. The Director of the Operations Department is appointed as the formal Quality Manager within Fairfood International.

Quality objectives

The ultimate quality goal of Fairfood International's is to develop a professional organisation that realises its objectives in the most efficient and effective way. This is done by means of an effective Quality Management System that complies to (and is certified against) the ISO 9001:2008 International Standard and other relevant statutory and regulatory requirements.

By the end of 2011, the following quality objectives will be achieved by a system of policy documents and procedures that reflects the organisation's competence to existing customers, potential customers, and independent auditing authorities;

- An analysis of the impact on poor people as a result of positive changes in brand owner behaviour within the supply chain;
- A high level of brand owner satisfaction by which brand owners evaluate our relationship with a minimum of 7.0 out of 10 (based on brand owner satisfaction surveys);
- A high level of financier satisfaction by which financiers evaluate our relationship with a minimum of 8.0 out of 10 (based on financier satisfaction surveys);
- A high level of employee satisfaction by which employees of Fairfood evaluate their satisfaction with a 7⁺ out of 10 (based on employee satisfaction studies);

To achieve and maintain the required level of quality, the Board of Directors is responsible for the Quality Management System with routine operational controls executed by the Manager Quality Assurance.

Positioning

Several NGOs are also working on making businesses embrace sustainable practices, as well as making international trade become fairer. The current fair trade movement was shaped in Europe in the 1960s. Fair trade during this period was often seen as a political gesture against neo-imperialism: radical student movements began targeting multinational corporations and concerns started to emerge that traditional business models were fundamentally flawed. The slogan at the time, "Trade

not Aid”, gained international recognition in 1968 when it was adopted by the UNCTAD to put the emphasis on the establishment of fair trade relations with the developing world⁸.

Unfortunately, trade is still far from sustainable. At the current rate of improvement, it may take decades to make trade sustainable and fair. Fairfood believes that joint efforts may speed up the process and therefore intends to work constructively together with other NGOs to make this happen.

NGOs working in this cause play different roles depending on their chosen intervention strategies: Some, such as Fairfood, Greenpeace, Both Ends, focus on only one intervention medium whereas others, such as Oxfam, International Trade Centre (ITC), Action Aid, ICCO, and Solidaridad combine two or all three intervention strategies. There are also other organisations that engage in sustainability product certification and labelling, such as Fairtrade International (FLO), Utz Certified and Rainforest Alliance.

Fairfood believes that its mission cannot be successful without strategic relationships and collaborations with NGOs applying other intervention strategies and strengths. Therefore, when Fairfood recognises compatibility, it initiates collaborative partnerships based on commonalities and shared values. Fairfood also often acts as a facilitator, bringing brand owners into contact with other NGOs, companies⁹ and institutes who can offer better practical assistance and know-how to enhance businesses’ sustainable practices.

Outcomes

Fairfood considers its advocacy to be successful when food and beverage brand owners become aware of their responsibility towards the sustainability of their products and change their unsustainable behaviours. Therefore in its active advocacy trajectories with brand owners, Fairfood expects outcomes such as changes reflected in the transparent communication, sharing or publication of brand owners’ sustainability efforts; changes in existing policy documentation or other statements of their sustainability commitment (e.g. codes of conduct, CSR reports); compliance to certification schemes, audits and evaluations through which the brand owners demonstrate their commitment towards increasing the level of sustainability of their brand products.

Fairfood uses the Outcome Mapping system as an internal tool to document and monitor its contributions towards the steps made by brand owners to increase the level of sustainability of their brand products. For more information about Outcome Mapping, see policy ‘Outcome Mapping Policy’.

⁸ Source: International Fair Trade Association. (2005). Where did it all begin?
http://www.ifat.org/index.php?option=com_content&task=view&id=10&Itemid=17&limit=1&limitstart=1

⁹ Companies, such as KPMG Sustainability, have often helped food and beverage brand owners to implement more sustainable trading and producing practices as well.

Strategy

Introduction

Fairfood utilizes a holistic strategy to towards actualising its mission and central objective. The pillars on which Fairfood's strategy is based are the following:

- Analysing contexts, trends and developments in the food industry
- Encouraging brand owners to be responsible
- Stimulating brand owners to establish and implement sustainability policies
- Proactively recommending viable solutions to brand owners' sustainability challenges
- Communicating genuine sustainability progress made by brand owners
- Applying public pressure on brand owners, if needed
- Establishing partnerships with relevant organisations

Analyzing contexts, trends and developments in the food industry

The food and beverage industry is comprised of millions of companies. Some are very small and others are giant multinational corporations like Nestle, Kraft and Unilever. Surprisingly, there is little adequate data available on the size and influence of the food industry on society and the environment. To be able to meaningfully bring about change in the food industry, more research is needed. Besides information about the size and composition, data is needed on the trends in the food industry and its influence on sustainability. For example, RFID (Radio Frequency Identification) will have a huge influence on traceability, however research is still needed to analyze the impact such traceability may have on the level of sustainability of food and beverage products. Accordingly, Fairfood will invest the next three years in analyzing the food industry in order to produce reliable data to better inform and refine our advocacy efforts.

Encouraging food and beverage brand owners to be responsible

Fairfood focuses on brand owners in the food industry because the brand owner not only understands best the intangible value of their brand name but also has the power and responsibility to make products sustainable. Moreover, many established multinational companies increasingly accept that involvement in corporate responsibility enhances their brand reputation. Indeed, brands with large market recognition are beginning to respond to the budding global food sustainability movement, often engaging NGOs willingly as valued stakeholders

With several front offices world wide, Fairfood is presently in contact with about 2000 brand owners in almost 80 countries. As a strategic matter, Fairfood only engages in sustainability dialogues with the ultimate decision makers within a given company's head office, i.e. the top level management and those responsible for implementing sustainable initiatives and policy. In this way, Fairfood ensures its efforts are focused on actors who have the genuine capacity to implement any necessary reforms or policy initiatives.

Another central part of Fairfood's strategy is to approach decision makers of brand owners in a neutral way without prior assumptions. Fairfood extends to each food and beverage company the benefit of the doubt when engaging in pro-active dialogues with them. It is ultimately a brand owner's responsibility to become transparent about the current state of its production and trade practices and

its plans for improvement (i.e. the ultimate burden of proof therefore rests with the brand owner). Although individual cases may vary, placing the final responsibility largely on the brand owner helps ensure critical buy-in from the senior management within a given company.

The food and beverage industry is a truly global industry with food and beverage brand owners headquartered all over the world, from Norway to South Africa and from the USA to China. But because of the slow, yet constant shift of power from the west towards emerging markets, in combination with the faster population growth in those countries and the resulting need for food, Fairfood's focus will shift more and more to emerging markets like China, India, Brazil and South Africa. In 2010, Fairfood opened offices in Sao Paulo, Johannesburg and New Delhi. As part of Fairfood's strategy towards bringing about change in the food industry and become *the* leading champion of the sustainability food movement, more offices will be opened in the coming years.

Emphasizing implementation of sustainability policies and plans

Fairfood focuses on the implementation of holistic, integrated policies and plans from food and beverage companies rather than one-off company actions because it believes that within those integrated plans, real change and impact is possible. A basic step towards implementation is for brand owners to identify the main sustainability issues relating to the production of their products. Fairfood can suggest some applicable major chain issues to brand owners based on its internal research.

In addition, Fairfood emphasises that transparency to all stakeholders (including Fairfood) should be an essential component of any company's implementation plans as a pre-condition to be sustainable. Not only is structural transparency imperative, but also the transparency about a company's global impacts. However, Fairfood avoids capitalising on such transparency to focus on scandals and challenges associated with companies, rather, Fairfood takes the approach of encouraging companies to think about and implement solutions that may address such challenges throughout their operations.

Proactively recommending Solutions

As part of its advocacy work, Fairfood constantly works to facilitate progress especially in the area of implementation. To assist brand owners in implementing sustainability measures, Fairfood International analyses several available initiatives and recommends them as possible solutions to brand owners during its conversations with brand owners. Fairfood believes that a proactive action such as recommending potentially viable and well-researched solutions to brand owners will provide necessary support towards brand owners as they work towards increasing the overall sustainability of their brand product. Fairfood also studies best practices in the field and is willing to recommend some suitable customized solutions to brand owners as well as implementation partners.

Although Fairfood's advocacy work does not include direct implementation of sustainability solutions, many organisations who are Fairfood's partners do and will be recommended to brand owners on request. Fairfood encourages brand owners to engage the services of such expert NGOs and challenges brand owners to, in general, consider paying for the services of NGOs and internalise such costs.

Communicating genuine sustainability progress

As part of its strategy, Fairfood is willing to generate attention for genuine sustainability progress; for example when brand owners successfully improve the sustainability of their products. Fairfood uses its website, written blog-posts, articles, etc, to bring this to the attention of its global constituency. This can be perceived as a gesture of reward for improved sustainability actions. In addition, Fairfood participates in B2B communications, using phenomenal social media tools such as Twitter to strengthen relations with brand owners and to follow their sustainability progress.

Applying public pressure

Fairfood prefers to encourage brand owners to increase the level of sustainability of their brand products through proactive dialogues. Ultimately, it is a company's responsibility to become transparent about the current state of sustainability and its plans to improve on them. Fairfood will be generally supportive; however, in some cases additional pressure could be used to change the behaviour of brand owners. Therefore, Fairfood's communication strategy makes use of online social media tools such as Facebook and Twitter to further fortify the effect of our advocacy work. Such tools are targeted towards Fairfood's main constituency of global citizens as well as partner organizations. When leverage is needed, for example because a brand owner neglects responsibility towards sustainability or is not transparent, then the action in response must also have a global scope. In today's tech-driven economy, the ultimate global 'tools of the trade' to create pressure on brand owners are Facebook and Twitter. Such powerful tools allow for non-country specific yet targeted communications campaigns. Facebook, with its 500 million users, can be seen as the third biggest "country" in the world (after China and India). The true potential of utilizing Facebook and similar online social networking sites lies in the fact that users most often voluntarily choose transparency in their online communications. (Yes, Fairfood is concerned about the privacy issues too!)

Basic Leverage

In order to create a climate in which Fairfood's advocacy towards the food industry will have greater and greater impact, Fairfood actively participates in the public debate via Facebook, mobilizing its constituency and participating in direct B2B communications as well. By raising awareness about sustainability and changing the terms of debate with regard to this topic, Fairfood through communications lays the foundation for effective advocacy work.

Active Leverage

When a specific brand owner does not respond sufficiently to the efforts undertaken during Fairfood's advocacy, Fairfood uses "active leverage" as a support towards that specific company with campaigning tools via Facebook and Twitter.

Fairfood's focus on brand products allows our constituency to capitalize on the fear of reputation damage, which is consistently a significant concern for brand owners. Therefore global citizens on Facebook are the most important intermediary target group for Fairfood. Citizens rallying against any brand product believed to be unsustainable can generate negative (media) attention for the brand owners of such a product. Citizens are more cost-effective to mobilize than consumers because campaigning against unsustainable practices is much easier than changing consumers' shopping behaviour.

Global Constituency

Fairfood International is in contact with brand owners in almost 80 countries and most brand owners are at least active in more than one country. To influence brand owners' decisions around the world, Fairfood is aiming to build a global support base of Facebook fans. Fairfood will actively interact with its fan base all over the world, to inform them about sustainability and thus create a large network of people whom Fairfood can call upon to support its advocacy work, via participating in actions and campaigns that are developed as basic or active leverage.

Establishing Partnerships with organisations

Fairfood aims at creating partnerships in order to improve the quality of its work, to scale up and expand its advocacy work or to increase its access to funding. Therefore, Fairfood partners with organisations, institutions, agencies, local authorities or business that have shared goals, as well as common values and principles with it.

Such partners may include ones that work on sustainability and related issues in case of implementation of projects or knowledge exchange on local or global sustainability issues; or ones that have capacity to increase Fairfood's chances of access to funding or in-kind sponsoring for its advocacy work. In the next three years, Fairfood will actively invest in partnerships and business development with such organisations following defined points of cooperation and clear action plans.

Unique Selling Points

Introduction

From its inception, Fairfood International was created to fill a clear gap in the market. Consequently, Fairfood enjoys a unique market position vis-à-vis other NGOs. In this paragraph, the most unique elements of Fairfood International are described. See also the paragraph entitled “Positioning” above.

Advocacy focus directly on food companies

In order to bring about change in the food and beverage industry sustainably, Fairfood has chosen a unique approach that focuses squarely on the engagement or lobbying of the private sector. This innovative advocacy model calls for direct, proactive dialogues with the world's leading food and beverage companies for the sole purpose of encouraging them to increase the level of sustainability of their products. Fairfood maintains this focus without wavering and fortifies its strategy regularly in order to successfully achieve its objectives and mission. Fairfood neither engages in commercial consultancy nor in the certification of products.

Large number of food companies – standardized approach

Fairfood International's advocacy and campaign work utilizes a standardized approach. Although individual food and beverage companies differ a lot, many aspects of Fairfood's work can be standardized. This standardization enables Fairfood to be highly efficient and effective, thereby utilizing the funds granted by our financiers in the most optimal way. This standardized way of working enables Fairfood to approach approximately 2,000 food companies in almost 80 countries with an operating budget of only 2 million Euros. Moreover, our standardized way of working connects well with the predominant working style of our young workforce. Of course, proper Information technologies and infrastructure is crucial to facilitating a smooth, standardized approach within the organization.

Inclusive agenda – based on international conventions, agreements and norms

Fairfood's sustainability agenda is very much inclusive in that Fairfood focuses not only on social and environmental issues, but also on 'forgotten' economic issues, such as tax evasion, market distorting subsidies, and corruption. All issues on Fairfood's Sustainability Agenda are based on international conventions, agreements and norms; this affords the organization legitimacy and insulates Fairfood from unfounded criticisms.

Crowd sourcing – Facebook and Twitter – Global movement

Fairfood International is specialized in crowd sourcing, mainly via Facebook and Twitter. Aided in part by our young workforce, Fairfood International can easily utilize Facebook and Twitter in order to mobilize constituents and promote sustainability action. In building our base of support, Fairfood chooses to strategically focus on people with a Facebook or Twitter account. While this may limit some potential constituents that are not on-line, with more than 500 million Facebook users and 200 million Twitter users, Fairfood can effectively leverage the power of its online constituency. Also, continuing to build an online constituency will further promote a truly global movement and make Fairfood International one of the leaders in utilizing social media for social good.

Centralized one entity model

Fairfood International is a centralized organisation with a head office in Amsterdam and front offices all over the world. Fairfood International has one supervisory board, one executive board, one directors' team, one central database and one strategy. As distinguished from decentralized organizations, Fairfood's centralized entity model allows Fairfood to stay nimble and adaptable on a global scale. This centralized approach also contributes to the efficiency and effectiveness of Fairfood. One key advantage of the centralized approach is that when dealing with international food and beverage companies, Fairfood can maintain a united and consistent position regardless of geographic location or with whom the sustainability dialogue takes place.

Sustainability Agenda

Introduction

Fairfood international has adopted a holistic definition of sustainability. Therefore, Fairfood's sustainability agenda is inclusive, covering social and environmental sustainability issues as well as the so-called "forgotten" economic issues. This gives Fairfood the framework to discuss issues such as tax avoidance, corruption and market distorting subsidies that are considered equally essential to achieve more sustainability and fairness in international trade but are often left out of mainstream concepts of sustainability. This section outlines Fairfood's sustainability agenda and some sustainability concepts that are related to Fairfood's agenda, i.e. Corporate Social Responsibility; People, Planet and Profit; Sustainable Supply Chain Management; Voluntary Sustainability Certifications; Public-Private Partnerships; Millennium Development Goals and Fair Trade.

Fairfood Sustainability agenda

Fairfood Sustainability Agenda acts as a roadmap which outlines the most pressing social, environmental and economic issues in the production, sourcing and trade of food and beverage products. Fairfood encourages brand owners to address these issues in order to demonstrate their commitment towards increasing the level of sustainability of their brand products. Fairfood's sustainability agenda comprises issues that are rooted in three conceptual aspects of Sustainability, i.e. Social, Environmental and Economic. All the issues are based on international conventions, agreements, and norms. See also Mandate section. Below is an overview of Fairfood's sustainability Agenda issues.

Social issues:

- Insufficient Income and Income Insecurity
- Child Labour
- Unreasonable Working Hours
- Forced Labour
- Lack of Freedom of Association
- Unhealthy and Unsafe Working Conditions
- Discrimination
- Violation of Land Rights

Environmental issues:

- Restricted Access to Natural Resources
- Water Mismanagement and Contamination
- Harmful Agricultural, fishing or Aquafarming Practices
- Air pollution
- Degradation of Natural Ecosystems
- Lack of Animal Health and Welfare

Economic issues

- Unclear Agreements
- Insufficient Market-related Infrastructure
- Lack of Access to Financial Services
- Tax Avoidance
- Corruption
- Abuse of Dominant Position
- Market Distorting Subsidies
- Discriminatory Standards
- Unfair Import Tariffs and Quotas

Fairfood International bases its Sustainability Agenda on multilateral, international standards, norms and agreements. Therefore, Fairfood does not dictate the terms of its Sustainability Agenda, but rather works to ensure that the food and beverage industry does not violate such existing conventions, agreements or norms. In this way, Fairfood sees itself as complementing governments' efforts in the area of enacting or enforcing such international agreements and norms. For more information, see the "Strategy" section above.

Relationship to sustainability concepts

People, Planet and Profit

People, Planet and Profit is one of the most customary approaches to sustainability, which correlates to the social, environmental and economic pillars of the Fairfood Sustainability Agenda. Conceptually, 'People' relates to the social aspects of sustainability, often focusing on working conditions and human rights issues. Similarly, 'Planet' refers to the expectation that companies and governments are expected to undertake sustainable use and management of environmental resources. The economic aspects of sustainability (Profit) go beyond the right of companies to make a profit, to address business practices that set the conditions for pro-poor growth and show accountability for the effects of business' activities on the wider economic community. Fairfood's broad sustainability agenda can be traced back to these fundamental aspects.

Public-Private Partnerships

Partnerships between companies and NGOs/governments are becoming increasingly popular and can operate as a bridge between the profit and non-profit sectors. Fairfood supports this and contributes to public-private partnership by demonstrating that it can work successfully with brand-owner companies to achieve results that help to increase food and beverage product sustainability.

Millennium Development Goals

In 2000 the UN took up the Millennium Development Goals (MDGs), a blueprint agreed on by the 192 member countries of the United Nations as well as some of the world's leading development institutions, consisting of 8 goals with specific targets that aim to "meet the needs of the world's poorest"¹⁰ by 2015. Fairfood's commitment and emphasis on this concept is on MDG 1, 3, 7 and 8:

- MDG 1: Eradicate Extreme Poverty and Hunger
 - Fairfood's Sustainability Agenda directly addresses several of the targets set within this goal by focusing on creating decent working conditions for the millions of workers involved in food and beverage supply chains, as well as more specifically advocating for fair wages, which in turn reduce poverty.
- MDG 3: Promote Gender Equality and Empower women
 - The Sustainability Agenda is a tool to support gender equality and the empowerment of women by addressing some of the main discriminatory practices which undervalue women's roles in the production, sourcing and trade of food and beverage products.
- MDG 7: Ensure Sustainable Development

¹⁰ The UN Millennium Development Goals <http://www.un.org/millenniumgoals/>

- Through the Sustainability Agenda, Fairfood is able to advocate for economically sustainable and environmentally friendly agriculture and fishing, to integrate these principles into business practices.
- MDG 8: Develop a Global Partnership for Development
 - Fairfood supports this effort by advocating for a non-discriminatory trading system which fairly addresses the needs of poor economies and engaging the private sector in their impact on fair and sustainable trade.

Corporate (Social) Responsibility

Currently, the term Corporate Social Responsibility (CSR) is an established part of food and beverage companies' vocabulary often referring to a holistic, self-regulation approach for companies to show their commitment to all its stakeholders, as well as the society in which it operates. Recently, the term Corporate Responsibility (CR) is becoming more common as it is a bit broader to encompass a broad range of issues. However, how companies define and use CR varies depending upon each company's own practices. For example, some see CSR/CR as a marketing tool, others as an integral prerequisite for a successful and profitable business. Nevertheless, it is undeniable that CSR and CR are quickly becoming common place discussions in the board rooms of the world's food and beverage companies. Therefore, Fairfood directly addresses these issues in its sustainability dialogues with food and beverage companies.

Sustainable Supply Chain Management

Sustainable supply chain management (SSCM) is arguably one of the most important topics in today's discourse on CSR/CR business strategies and one which companies are increasingly paying attention to. Supply chains are inherently very complex, and today's strategies to manage supply chains are similarly complex. However, supply chain management decisions are increasingly influenced by environmental, social, and economic sustainability concerns. Several of these concerns, such as ill-treatment of workers and labour exploitation on farms and in factories, toxic waste production and emissions, soil and water contamination, use of hazardous chemical substances, deforestation, bribery and corruption, discrimination and other forms of human rights violations, all involve the supply chain and can easily be traced back to the companies engaging in business with them. Therefore, Fairfood advocates to food and beverage companies to ensure that any proposed business practice or programmes designed to address sustainability extend beyond their internal operations and are sufficiently integrated into their supply chains and distribution channels by engaging in SSCM.

Voluntary Sustainability Certifications

Voluntary sustainability certification schemes are mechanisms for ensuring that a product or programme meets certain standards that may be set by government, the international community or agreed to by the private industry sector. In the agro-food sector, certification is used primarily to check on how aspects of food safety, economic, ecological and social sustainability issues are addressed during the production, processing, sourcing and or trading of agro-food and beverage products. Most voluntary sustainability certifications have 5 basic components, which include:

- Voluntary participation by companies;

- Sets of criteria and standards;
- A process of auditing and assessment;
- Label or logo use; and
- Compliance monitoring systems.

Fairfood analyses available certifications schemes and recommends relatively reliable ones to brand-owner companies during its advocacy dialogues.

Fair Trade

Fair Trade is a trading partnership based on dialogue, transparency and respect, which seeks greater fairness in international trade (not to be confused with Fairtrade labelling – FLO). It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers – especially in the Southern hemisphere. Fair Trade organisations, backed by consumers, are actively engaged in supporting producers, raising awareness and in campaigning for changes in the rules and practice of conventional international trade.¹¹

Fairfood supports the Fair Trade concept and movement, and demonstrates this by working with other NGOs working in this field and in the agro-food sector to increase the products' level of sustainability.

¹¹ European Fair Trade Association (2006) <http://www.european-fair-trade-association.org/efta/Doc/What.pdf>

Governance structure

Introduction

Fairfood International is a centralized organisation with its head office in Amsterdam, the Netherlands.

Fairfood International is divided into 5 departments, each with its own focus and responsibilities:

- **Advocacy:** Advocating sustainability towards food and beverage brand owners.
- **Research:** Providing knowledge and advice on sustainability to strengthen Fairfood's advocacy work.
- **Communications:** Creating public pressure on brand owners to strengthen Fairfood's advocacy work.
- **Business Development:** Providing advice on partnerships/expansion to other departments.
- **Operations:** Providing ICT, HR, finance, legal and quality control services to other departments.

All staff is located in Amsterdam, except the staff of the advocacy department. The Advocacy Managers are based at a front office in their region to be in better and direct contact with the food companies in their own region. Together with a team of volunteers, the Advocacy Managers advocate sustainability towards the food companies in their region. Fairfood International currently has offices in Amsterdam, London, Berlin, San Francisco, Sao Paulo, Johannesburg and New Delhi. The front offices receive back-up from the head office when needed, for instance when public action is needed (communications department) or knowledge and advice is required (research or business development department). The operations department serves the organisation with ICT, HR concepts, quality control and legal advice. Since Fairfood is one legal entity, there is need for only one financial administrator at the head office in Amsterdam. Local staff at the front office is hired on local contracts. Fairfood staffs currently 26 different nationalities.

Supervisory board

The Supervisory Board supervises the performance of the Executive Board and approves and monitors the implementation of the general strategy of the organisation. The Supervisory Board of Fairfood international consists of five individuals with an international orientation and background, whose selection is based on their knowledge, experience and background on supervision. All the members of the Supervisory Board work on a volunteer basis for Fairfood and do not receive a salary and/or other compensation. The Supervisory Board solely focuses on supervision and does not function as an advisory board of the Executive Board. The Supervisory Board functions as the employer of the Executive Board and hires, appoints and dismisses the Executive Director.

Advisory board

Fairfood is in the midst of establishing an Advisory Board. The Advisory Board will advise the Executive Board on strategic issues which are connected to the content of the organisation. The Advisory Board of Fairfood international will likely consist of 15 to 20 individuals with an international orientation and background. Selection will be based on their knowledge, experience and background on sustainability and related issues. All the members of the Advisory Board will work on a volunteer basis for Fairfood International and therefore will not receive a salary and/or other compensation and are expected to reside in various parts of the world. The Supervisory Board will take the advice of the

Advisory Board into consideration when judging the general strategy as drafted and written down by the Executive Board in the long range plan. The Advisory Board will play no formal role in hiring, appointing or dismissing the Executive Director.

Executive board

The Executive Board consists of one individual: the Executive Director. The Executive Director is in charge of managing Fairfood International together with the directors of the five departments. The Executive Director is responsible for the delivery of the long-range plan including the general strategy, the annual report and the financial statements, in accordance with the applicable guidelines of the Dutch Accounting Standards Board.

Employee representative body

The Employee Representative Body consists of 3 employees, chosen by the paid staff (at head and front offices) and represents the voice of the total organisation (paid and unpaid). The Employee Representative Body fulfils a consultative role in the decision making process of the organisation. The Employee Representative Body is regularly informed and consulted by the Executive Director, especially in relation to decisions directly affecting the employees and their functions. The functioning principle of the Employee Representative body is constructive consultation. The Employee Representative Body meets once a year with the Supervisory Board in the presence of the Executive Director.