

#### 'Planting Seeds' for 'Good Growth': Sustainability Discourses in Multi-National Agrifood Companies

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### 'Planting Seeds' for 'Good Growth'

Sustainability Discourses in Multi-National Agrifood Companies

- Allison Loconto, PhD
- Researcher, French National Institute for Agricultural Research









### PLANTING SEEDS FOR THE FUTURE OF FOOD



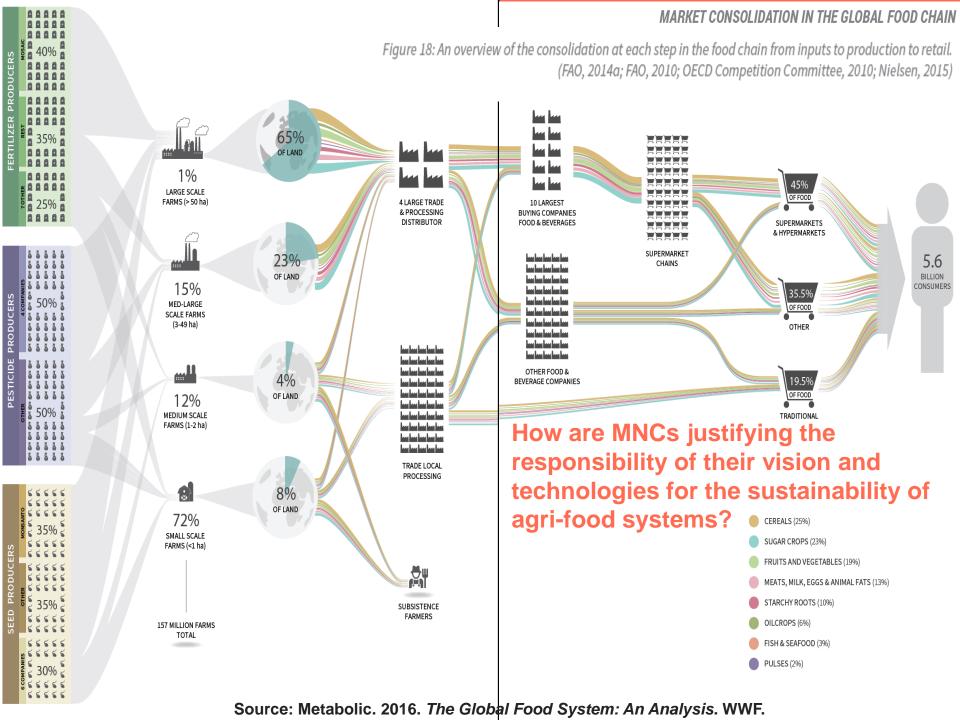
THE AGRICULTURE, NUTRITION AND SUSTAINABILITY NEXUS

Nestlé Research Center Lausanne, Switzerland June 2–3, 2015



"An overarching challenge across these three perspectives is how to bring new science and technologies to farmers and enable them to adopt good agricultural practices and seeds to produce high yielding, high quality plants, now and in the future. To resolve this, an integrated approach is necessary at the nexus of Agriculture, Nutrition and Sustainability.

Feeding in excess of 9 billion people in the future will require more than another green revolution; it will require a metamorphosis of classical agriculture into a system that integrates a range of scientific tools with sustainable agricultural practices to provide the optimal nutrition to foster human and environmental health now and in the future."



### Private investment = > 50% of all spending (public and private) on Food & Ag R&D

world rank	Name	Country	Industrial sector (ICB-3D)	R&D 2013 (€million)
56	BASF	Germany	Chemicals	1849,0
67	DUPONT	US	Chemicals	1561,2
80	DOW CHEMICAL	US	Chemicals	1265,3
89	MONSANTO	US	Chemicals	1111,6
106	SYNGENTA	Switzerland	Chemicals	997,8
75	NESTLE	Switzerland	Food Producers	1371,3
98	UNILEVER	The Netherlands	Food Producers	1040,0
272	MONDELEZ	US	Food Producers	341,5
308	VILMORIN	France	Food Producers	289,1
327	DANONE	France	Food Producers	275,0

Source: The 2014 EU Industrial R&D Investment Scoreboard

# Responsible Research & Innovation: Quest for collective responsibility?

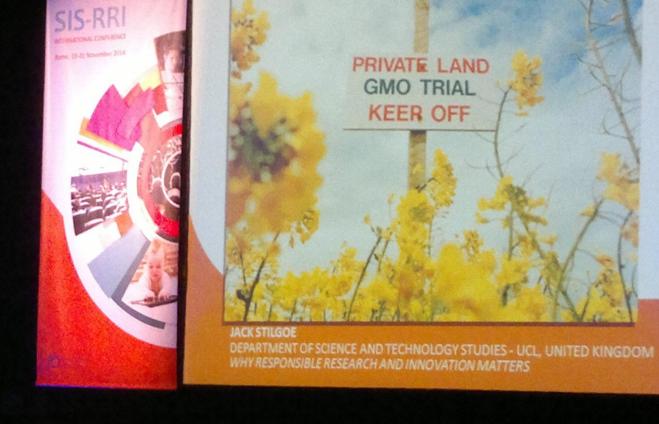


- "Responsible Research and Innovation (RRI) is a transparent, interactive process in which societal actors and innovators become mutually responsive to each other with a view on the ethical acceptability, sustainability and societal desirability of the innovation process and its marketable products."
  (von Schomberg 2011)
- "European Institutions, EU Member States and their R&I Funding and Performing Organisations, business and civil society to make Responsible Research and Innovation a central objective across all relevant policies and activities, including in shaping the European Research Area and the Innovation Union." (Rome Declaration, 2014)

### RRI and the paradigms of responsibility

Paradigm	Principle	Time	Responsibility meanings	Mean of realisation	Nature	Relevant responsibility dimensions
Responsibility	Fault	retrospective	Liability (fault)	sanction	individual	Ascription sanction
Solidarity	Risk	prospective/ retrospective	Liability (causality)	compensation	systemic	Ascription assumption
Safety	Precaution	Prospective (anticipative)	Role Virtue	Consultation (expertise)	collective	Assumption
RRI	Proaction	Prospective (proactive)	Virtue Role	participation (deliberative fora)	collaborative	Exercise

Simone Arnaldi, Guido Gorgoni, Elena Pariotti, University of Padova



# "RESPONSIBLE INNOVATION MEANS TAKING CARE OF THE FUTURE THROUGH COLLECTIVE STEWARDSHIP OF SCIENCE AND INNOVATION IN THE PRESENT."

(JACK STILGOE, RICHARD OWEN, PHIL MACNAGHTEN, DEVELOPING A FRAMEWORK FOR RESPONSIBLE INNOVATION, RESEARCH POLICY 42 (2013) 1568-1580.)

### Data collection (2007 – 2015)

- Participant Observation
  - Agri-food Task Force of the FAO/UNEP 10YP on Sustainable Consumption and Production,
  - UN Global Compact's Food and Agriculture Business (FAB) Principles,
  - Sustainability standards conferences
  - Invitation only events on sustainable value chains (5)
- "Interviews"
  - 7 at Syngenta
  - 5 at Unilever
  - 3 at Nestlé
- Analysis of tools and documents

Governance Arrangements (Edler et al. 2013)	R&I = research and innovation characteristics, P: purpose, PI: policy instrument, SE: system of enforcement, WGL: wider governance landscape,
Actor Landscape (Loconto & Fouilleux 2014)	Internal Alliances (within the company) External Alliances (outside of the company)
De facto Governance Practices (Rip 2010)	DF: definitional frame S: solution, SI: spaces of interaction, AM: actor mobilization, RC: responsibility construction, IU: instrument used.

### Governance Arrangements



- Fall within the framework of Corporate Social Responsibility
- EU Multi-Stakeholder Forum on CSR communication (2006) – recognized existing private approaches:
  - Guidelines for Multi-National Enterprises from the OECD
  - Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy by the International Labour Organisation (ILO)
  - Fairtrade Labelling International
  - International Social and Environmental and Accreditation and Labelling Alliance Standards Code
  - EU's Eco-Management and Audit Scheme
  - ISO 26000 standard for CSR
- No specific policies about Responsibility in Research or Innovation processes



Code of Business Conduct



"integrity, honesty, fair dealing and full compliance with all applicable laws"





"The GGP ties these to the key performance indicators of employees and to awards for the employee who has been the most successful in implementing activities that contribute to meeting the 6 Good Growth Plan commitments."



Company Actor Landscape	Nestlé	Syngenta	Unilever
Internal	Innovation, Technology, R&D (including significant consumer	Research & Development (including regulatory affairs) Human Resources	R&D (including consumer research) Human Resources
Enrolments	research) Human Resources Corporate Relations	Corporate Affairs	Marketing & Communication Supply Chain
External	National & International Regulators UN Global Compact	National & International Regulators UN Global Compact	National & International Regulators UN Global Compact
Alliances	FAO/UNEP Sustainable Agri-food Task Force Scientific community Standard-setting organisations (4C) Donors (GIZ) SAI Platform Nestlé Foundation Suppliers Start-ups	The Joint FAO/WHO Meeting on Pesticide Residues (JMPR) and Specifications (JMPS) Scientific community Standard-setting organisations (GlobalGAP) Crop Life International Syngenta Foundation for Sustainable Agriculture World Business Council for Sustainable Development (WBCSD) Suppliers Start-ups	FAO Partnership Scientific community (Oxford and Cambridge Universities) Standard-setting organisations (Rainforest Alliance) SAI Platform Sustainable Food Labs The Unilever Foundation Suppliers Start-ups























































































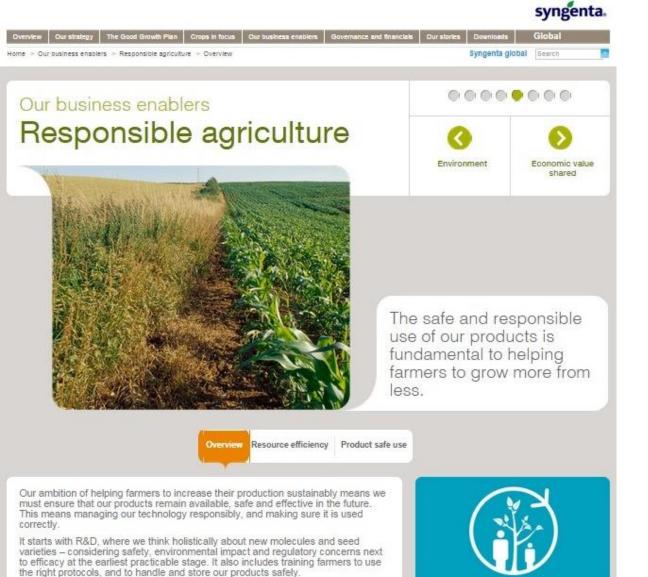


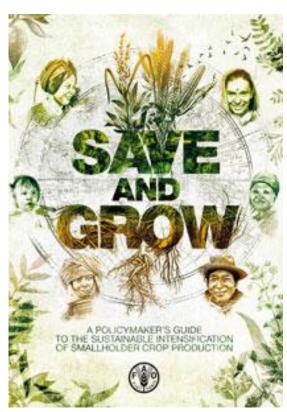




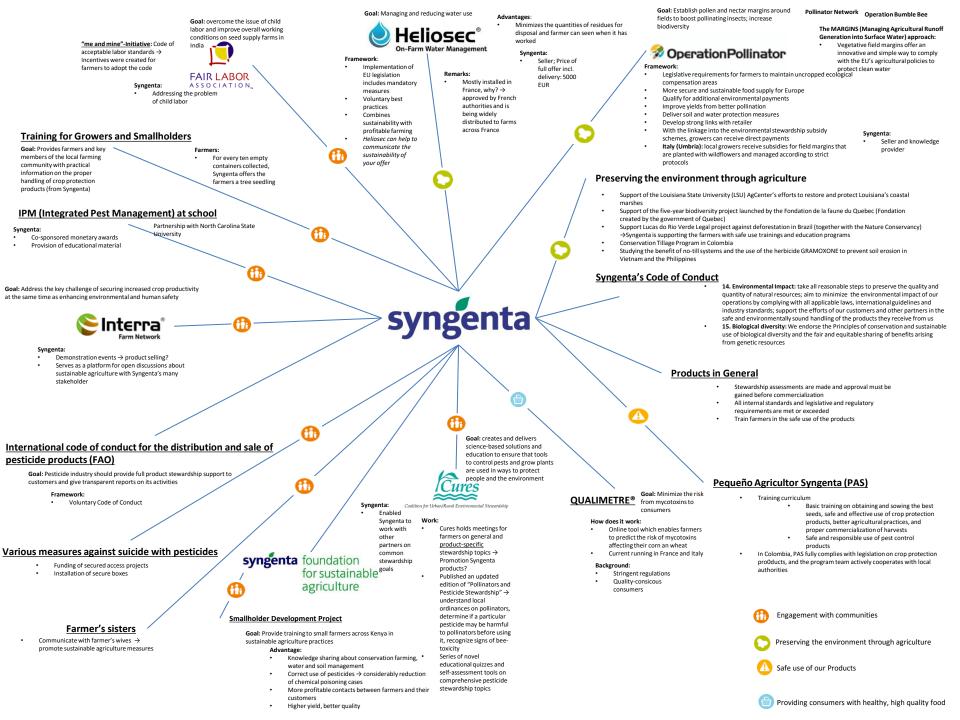
"The Declaration of Abu Dhabi is a global collaboration to develop [and] a common set of good agricultural practices (Good Agricultural **Practices)** criteria that defines safe, environmentally sustainable, socially responsible agriculture and aquaculture. The criteria will draw existing standards and upon assessment tools. Additionally, the collaboration will establish system for uniquely identifying every farm, and a public reporting mechanism for supply chains. Combined. the Good Agricultural Practices. criteria, unique farm identification, and the reporting system will serve as a upon which foundation diverse training, assessment and verification programs may be adapted and built, and impacts may be measured. The Declaration of Abu Dhabi is a unifying force that will bolster existing initiatives, shape future ones, and enable a more rapid and efficient transition to productive, safe and sustainable agriculture around the world."

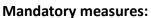
### Responsibility is: Regulatory compliance





"With the publication of *Save* and *Grow*, FAO proposed a new paradigm of intensive crop production, one that is both highly productive and environmentally sustainable."





Situation, in which legal obligations require

- the company to comply directly (own operations) or indirectly (through their customers)
- the customers of a company to fulfill certain regulations which translates in a market potential for the company

#### Flexible/early compliance:

Situation in which a future regulation seems possible due to an increased interest of the public and/or the public sector in the specific subject.

The company can react with voluntary standards or projects to

- Pre-comply with upcoming regulation
- Shape possible regulation
- Increase investor confidence
- Get in contact with (local) authorities

### Voluntary investment in ES – linked to input factor

Situation in which a company participates independent from legislation. The motivation is rather emerging through reasons located in the production chain of a product such as

- Reduce production costs
- Secure long –term availability/ quality of production factors
- Enhance R&D

### Voluntary investment in ES – de-linked from input factor

Situation in which a company invests in ES through green and social investment opportunities without having any direct connection between the investment and the daily business operations.

- Generate financial return
- CSR engagement to manage reputation and customer satisfaction
- Improve customer loyalty

- Operation Pollinator (Italy)
- Heliosec

- Syngenta's Code of Conduct
- International Code of Conduct for the distribution and sale of pesticide products (FAO)

- Preserving the environment through agriculture
- Me and mine Initiative
- Interra Farm Network
- Smallholder Development Project
- CURES
- · IPM at school
- Training for Growers and Smallholders
- Farmer's sisters
- Pequeño Agricultor Syngenta



### Responsibility is:

### Making the "Business Case" for Sustainability



HOW to integrate sustainability across
the entire value chain?

Source: Christian Detrois (Nestlé)

#### Requirements for a product ecodesign tool:

"We have certainly not stopped here and our activities include identifying various means to improve the nutritional status of smallholder farmers within our supply chain in collaboration with Solidaridad and other partners. At the end of 2015 we included for the first time biofortified maize in one of our commercial products in Nigeria and have reserved larger quantities for 2016."



Impacts on ecosphere (PDF×m²×year)





se,



#### How does it work:

Promotes responsible farming in four main ways

- Training
- · Visits from sourcing staff
- Farmer connect: Purchasing green coffee locally in an efficient way
- Ensuring the future of coffee farms: investing in improving coffee trees through plant science



#### Framework:

- Increasing consumption
- Challenges: volatile prices, declining yields, strong competition for raw materials, alternative crops considered by growers as better commercial prospects

#### The Nestlé Policy on Environmental Sustainability

Supported by The Nestlé Environmental Management System (NEMS)

Educational activities have been undertaken. For example farmers were made aware of the damage that certain practices can have on the park and its water resources. The advantages of sustainable, environmentally-sound farming methods were presented.

Joint project between Nestle and the local authorities

#### Preserving Balaton National Park

Goal: preserve the Balaton National Park in Hungary

The park logo is featured on all labels of Theodora water bottles sold in Hungary.

Nestle analyzed its plant's water flows and investments were made to save energy and water

#### Baraka (bottled water), Egypt

Local authorities were concerned to optimize industrial water consumption

#### Préfèrence approach

**Goal:** set up and implement best agricultural practices – protection and careful use of water and appropriate field irrigation

**Goal:** training farmers to help them to increase yields, reduce disease, respect the environment and produce a better quality crop which attracts higher prices



Part of action in the course of the International Cocoa Initiaive (ICI), set up specifically to eradicate the worst forms of child labour

> Co-founded The World Cocoa Foundation (WCF) to deal with issues such as ineffective farming techniques and poor environmental management

government organizations such as the Centre National Ivoirien de Recherche Agronomique to improve the sustainability of cocao farming

Partner

Co-founded the UTZ Certified Cocoa Programme Support industry-wide organizations such as The Sustainable Tree Crops Program, which has increased income by over 20% for nearly 80 000 West African families through farmer training

Value to Nestle: provision of "fine cocoa" varieties for use in premium chocolate brands: the Cocoa Plan logo will serve as a reference

cocoa used within Nestle's confectionery

for consumers supporting the sustainability of

In all case studies on the website is mentioned

Framework:

Fast-growing breakfast cereals business

(mycotoxin) produce

Grains and legumes in Central and West Africa

have access to a healthier diet

Nestle

Rural farmers receive higher price for contaminant-free

Goal: Three-year sustainable

agriculture strategy to target

designed to ensure a steady

supply of raw materials

specific priorities across Africa,

Food companies, retailer and wholesalers will become more

aware of the health implications of mycotoxin-contaminated

grains and legumes, while an estimated 150 million people will

which UNMDG the project serves

**UN Millenium Development Goal** 

#### Framework:

- Project is run by the Swiss Agency for Development and Cooperation (SDC)
- Has brought together Nestle, Clariant, Holcim, Syngenta and seven Colombian companies

**Goal:** test the draft international standard for water footprinting, ISO 14046 Water Footprint

#### SuizAgua Colombia

 Value to Nestle: improving technical knowledge about water footprinting and promoting better water management

**Goal:** Encourage Farmers to change their farming practices in order to reduce the nitrate level

#### The Agrivair Initiative

Value to Nestle: Increased quality of Vittel and Contrex water springs

#### Framework:

- French legislation on the quality of "natural mineral waters" is very strict and, unlike in other countries such as the UK or the US, prohibits any treatment
- 1988: Nestle proposed to farmers to transform their intensive dairy farming system into extensive, hay-based dairy farming with no pesticides and chemicals →reluctance of farmers led to the development of a set of incentives to encourage farmers to permanently change their farming practices
- The impairment of the water quality would have eventually led to the closing down the natural mineral water business in the region

EU CAP: To receive subsidies, farmers must commit to adopt environmentally friendly agricultural practices for at least five years

**Goal:** Providing coffee farmers with support, training, financing and technical assistance to continuously improve quality, sustainability and productivity

#### Nespresso AAA Sustainable Quality™ Program

Partnership with Rainforest Alliance and Sustainable Agriculture Network (SAN)

Stakeholders involved (coffee grower, coffee supplier, development agencies, academic institutions, NGOs, local and national coffee organizations and others) work together to identify solutions for specific challenges and also to identify new approaches to on-farm practices, new coffee varieties and coffee replanting programs, and harvesting techniques that can lead to market innovation and growth

Value to Nestle: Ability to secure enough coffee of a specific quality and aroma profile to meet Nestles growing needs

#### Framework:

- Coffee growing is challenged by alternative crops considered by growers as better commercial prospects
- · Voluntary Initiative
- Nespresso pays a premium price
- Improving productivity, quality and yield
- Requirements on "Fair treatment and Good Working Conditions for Workers" cover the fundamental ILO standards
- Program is compliant with national laws and relevant conventions

Founded in 2002 by Nestle, Unilever and Danone

Joint project with ECOM Atlantic

#### Sustainable Agriculture Initiative

Goal: a non-profit organization to facilitate sharing, at precompetitive level, of knowledge and initiatives to support the development and implementation of sustainable agriculture practices involving the different stakeholders of the food chain.

#### Example of Nestle's engagement: Sustainable coffee production in Nicaragua

Goal: Develop, support and document a socioeconomic sustainable coffee production model with small and medium size producers by educating them and providing extended technical assistance



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The Agrivair Initiative

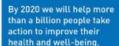
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- Nespresso AAA
- SuizAgua Colombia
- The Nescafé Plan
- Cocoa Plan
- Grains and legumes in Central and West Africa
- UN Millennium Development Goal Participation
- Preserving Balaton National Park



# Responsibilty is: Mainstreaming Sustainability

### THE UNILEVER SUSTAINABLE LIVING PLAN

#### IMPROVING HEALTH AND WELL-BEING





#### REDUCING ENVIRONMENTAL IMPACT

By 2020 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.\*



By 2020 we will enhance the livelihoods of hundreds of thousands of people as we grow our business.



#### HEALTH AND

or o'co we wat regimere than a billion people to improve their lygisne habits and we will bring safe drinking water to 500 million people. This will help reduce the incidence of life-threateness like dispares like this process.



#### NUTRITION

We won continuously work to improve the basta and mutritional quality of all our products. By 7020 with we doubte the proportion of our perfishio that meet the highest mutritional standards, based on gloopily recognised mutrary qualetimes. This will help haundroots of millions of process to cachieve a treather all processors.



#### GREENHOUSE GASES

Halve the greenhou gas impact of our products across the



#### V

Halve the water associated with the consumer use of our products by 2020.\*\*



#### WASTE

Haive the waste associated with the disposal of our produc to 2020 \*



#### SUSTAINA SOURCING

By 2020 we will source 100% of our agricultural raw materials sustainal



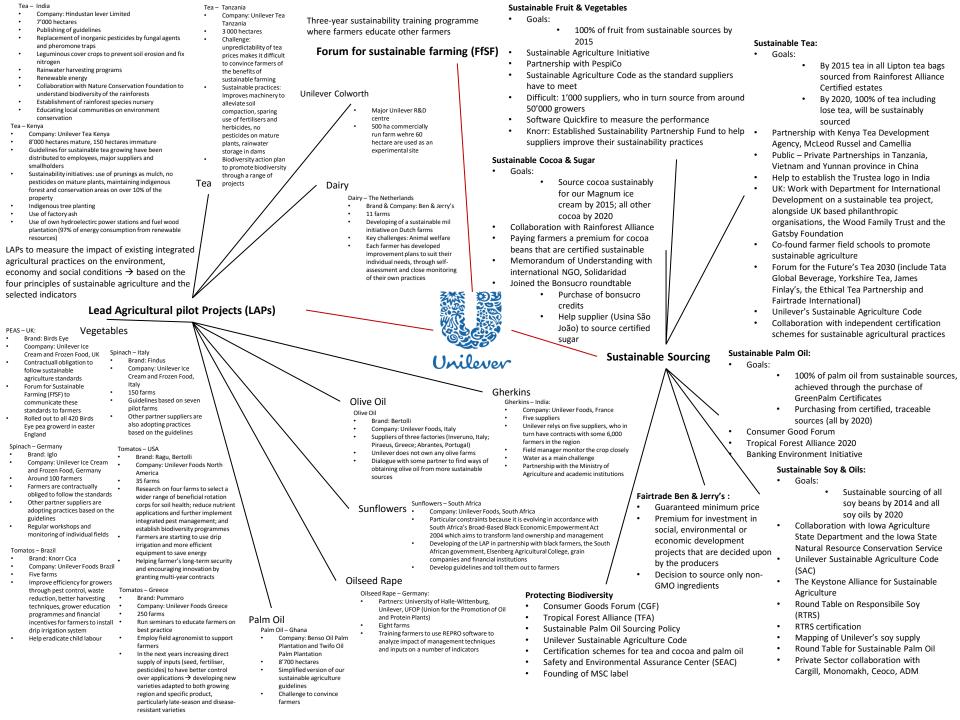
By 2028 we will engage with at least 500,000 smallholder farmers and 75,000 small-scala distributors in our supply network.

#### PEOPLE

Healthy employees and better workplaces.



"We believe that as a business we have a responsibility to our consumers and to the communities in which we have a presence. Around the world we invest in local economies and develop people's skills inside and outside of Unilever. And through our business and brands, we run a range of programmes to promote hygiene, nutrition, empowerment and environmental awareness."





#### **Mandatory measures:**

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- Consumer Goods Forum (CGF)
- Tropical Forest Alliance (TFA)
- Sustainable Palm Oil Sourcing Policy
- Unilever Sustainable Agriculture Code
- Certification schemes for tea and cocoa and palm oil
- Safety and Environmental Assurance Center (SEAC)
- Founding of MSC label

- Sustainable Tea
- Unilever Colworth
- Sustainable Soy & Oils
- Sustainable Cocoa & Sugar
- Sustainable Palm Oil
- Sustainable Fruit & Vegetables
- Sustainable Tomatoes
- · Sustainable Gherkins
- Fairtrade Ben & Jerry's

 Forum for sustainable farming (FfSF)



### Evaluating 'Well-Doing' in RRI

	Constructive (input requirements)	Productive (transformation)
Responsibilisation	<ul> <li>Actor inclusion</li> <li>Robustness of the knowledge base</li> <li>Capacities for learning</li> <li>Embedding of responsibility</li> </ul>	<ul> <li>Actors change behavior / attitude in line with new understandings of responsibility</li> </ul>
	Syngenta Nestle	Unilever
Managing contestation	<ul> <li>Procedures and 'rules of the game'</li> <li>Transparency</li> <li>Trust in the de facto governance process</li> </ul>	<ul> <li>Governance arrangements align with or are changed towards input requirements (constructive)</li> </ul>
	Syngenta	Nestle Unilever

# RRI – Provides a frame for responsibility that Industry likes

"Responsible Research and Innovation (RRI) is a transparent, interactive process in which societal actors and innovators become mutually responsive to each other with a view on the ethical acceptability, sustainability and societal desirability of the innovation process and its MARKETABLE PRODUCTS."

(von Schomberg 2011)

### Conclusions

- Reliance on two core approaches to responsibility
  - Scientific Ethic controlled by the Scientific Community
  - Voluntary Standards controlled by the Multi-stakeholder Initiative Industry
- Each company relies very strongly on their own internal codes of conduct
  - "of course there are 'fireable' activities"
- But companies also utilise the regulatory uncertainties and inconsistencies to their advantages by strategically positioning their research programs within more permissive regulatory environments (e.g., research on biotechnology takes place outside of Europe)
  - Strong responsibility towards science that can improve sustainability through technological solutions?
  - Pre-emptive tactic to avoid citizen and public controversy over socially unsustainable practices and thus shirk the responsibility of responding to the needs of society?

### Risks to sustainability posed by RRI

- Fashionable discourse within the European Commission
  - "has become an acronym"
    - Ìs "pervasive" in Horizon 2020
- RRI is taken up by addtional actors, in particular funding agencies and research consortia and institutes – for their own reasons
  - Macro level: societal discourse (e.g., Ideas about future world; roles/repertoir division of moral labour. EU Code of Conduct for Responsible NanoST Research)
  - Meso level: funding agencies, branch organizations consortia (New Networks)
  - Micro level: Micro-level: scientists (in the lab), Industrialists/firms (e.g., "relevance", 'fictive script', Corporate Social Responsibility, Transparency)
- Provides MNCs a 'new frame' to justify how responsible they are being in for the sustainability of agri-food systems

