Catalyzing Sustainable Trade

Joost Oorthuizen
2 November 2009
One year IDH

- Three lessons
- Results
- Future ambitions
Lesson 1

At the moment we are on a collision course

We need a revolutionary change of our supply chains

If we want human civilization and all life to thrive, sustainability must very soon become a license to operate
Collision Course: the world in 2050...

- 9 billion people, 4 billion middle class
- 1.5 billion in Sub-Saharan Africa
- 2-3 billion face water stress
- 70% more food needed
- Phosphate is depleted
- Ecological footprint at 2.5 planets
- 90% carbon reduction needed
- 1-3 trillion dollar biodiversity loss yearly
- Coral reefs are dead
- Borneo forest is gone
Lesson 2

There is a strong commitment and a great business case for sustainable business
Future supply chain management

Business as usual
- Scarce, insecure supplies
- Non-compliance
- High, volatile prices
- Tough regulation
- Unsatisfied consumers
- Angry NGOs

Sustainable business
- Trustworthy, long-term relations
- Transparency
- Innovation, added value
- Regulation works for you
- Great brand value
- Motivated staff
CSR 2.0

- Sustainability in terms of people and planet is the core of your business
- Sustainability must be profitable
- Go for scale: 100% commitment
100% commitment

Mars
100% sustainable chocolate by 2020

Unilever
100% sustainable tea & palm oil by 2015

IKEA
100% sustainable cotton by 2015

DE/Sara Lee
100% sustainable coffee and tea
100% commitment

Retail (CBL)
100% sustainable fish by 2011
100% sustainable soy

Government
100% sustainable procurement by 2010

FSC
50% certified timber by 2015

Dutch timber traders (VVNH)
75% sustainable timber by end 2009
Lesson 3

The IDH approach seems to be the **right idea at the right moment**
Key ingredients of IDH

• Facilitating acceleration and cooperation
• Public equity sustainability fund
• High ambition: market transformation
• Coalitions of the Willing
• Pre-competitive cooperation
• Endorsed by business, unions and NGOs
• Endorsed by government
## Enlightened self-interest

<table>
<thead>
<tr>
<th>Programme</th>
<th>Importance of the sector for The Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Turnover per Y</td>
</tr>
<tr>
<td>Cocoa</td>
<td>€ 2,5 bln</td>
</tr>
<tr>
<td>Tea</td>
<td>€ 1,0 bln</td>
</tr>
<tr>
<td>Tropical timber</td>
<td>€ 438 mln</td>
</tr>
<tr>
<td>Natural stone</td>
<td>€ 340 mln</td>
</tr>
<tr>
<td>Tourism</td>
<td>Unknown</td>
</tr>
<tr>
<td>Soy</td>
<td>€ 3,2 bln</td>
</tr>
</tbody>
</table>

* travel agencies and tour operators
Running programmes

- Cocoa
- Natural stone
- Soy

Ambition

- Cotton
- Tropical timber
- Tea
- Tourism
- Aquaculture
Accelerating sustainable trade
A congress initiated by IDH, AkzoNobel and NEVI
Monday, November 2, 2009, 12.00 - 17.30 hrs.
Philharmonie, Haarlem

Versnellen en opschalen
IDH werkt aan het versnellen en opschalen van duurzame handel door het samenwerkken van coalities tussen overheden, bedrijven, vakbonden en maatschappelijke organisaties.

MINISTER BERT KOENDERS ONTVAAT EERSTE LADING
Eerste duurzame UTZ cacao
29 oktober 2009
Op zaterdag 7 november neemt minister Bert Koenders de eerste lading duurzame UTZ-cacao in ontvangst, in de cacaohaven van Amsterdam. De aankomst valt samen met de opening van het jaarlijkse chocoladefestival van Amsterdam.

Aanmelden voor de IDH nieuwsbrief
Vul uw e-mail adres hieronder in om regelmatig de IDH nieuwsbrief te ontvangen.

Meer nieuws
• Accelerating Sustainable Trade
• Duurzame thee
• Internationaal mainstream
• Eerste duurzame UTZ cacao
• Philip Snijers
Cocoa programme
Cocoa programme

Results after one year
• Consortium of 50% of world trade and 30% of chocolate production
• 3000 farmers trained, 2000 certified
• 25% production increase
• 5% premium
• 4000 tons in Amsterdam next Saturday

Target for 2012
• 50,000 tons of cacao Utz certified
• 30,000 farmers benefit
Cocoa sustainability leaders

Harold Poelma
Cargill Cacao

Hans Perk
Solidaridad

Bärbel Weiligmann
TCC

Howard Shapiro
Mars

Marcel Vernooij
LNV

Daan de Vries
UTZ Certified
Natural stone programme
Natural stone programme

Results after one year
• Strong European support for label
• Two importers run pilots with 30 suppliers
• Amsterdam, Rotterdam, Den Bosch and Amersfoort keen on procuring sustainable stone

Target next year
• Launch European label on sustainable stone
• Sourcing sustainable stone from 45 suppliers in India & China
• Five municipalities procure sustainable stone
Soy outreach programme

Results after one year
• Round table membership: from 77 to 122
• New members: farmers organizations as well as the 4 main global traders (ABCD)
• 90% of world export represented in round table
• Chinese participation
• European outreach on-going

Target
worldwide support for round table
Soy outreach programme
Tropical timber programme

And many concession holders in Amazon / Indonesia
Tropical timber programme
Tropical timber programme

Results
• Consortium built
• 1st fase 650,000 hectares Borneo and 1,2 mln hectares Amazon

Targets
• 6,7 million hectares to be FSC certified
• increase marketshare FSC tropical timber to 33%
Tea programme
Tea programme

Targets for 2013
• 25% of world export volume certified
• 350,000 farmers benefit
Tourism programme

De Reisspecialisten Groep bv.

Oad GROEP

ECEAT NL

TUI Nederland

www.idut.nl
Initiatiefgroep Duurzaam Uitgaand Toerisme

IUCN National Committee of The Netherlands

Baobab Reizen

KUONI

FOX Vakanties

Plan

Wageningen UR

Centre for the Promotion of Imports from developing co

Cordaid

CBI

ANVR

IDH Dutch Sustainable Trade Initiative

ECPAT

Sawadee Reizen
Tourism programme

Strong consortium (> 50% market share) started programme on:
• Certification of hotel accommodations in 6 countries
• Carbon reduction and compensation
Future ambitions

Upscaling. In 2015:

• Tea:
  - 25% of world export certified
  - 500,000 farmers benefit
  - sustainability license to operate

• Cocoa:
  - 500,000 tons certified
  - 300,000 farmers benefit
  - sustainability license to operate

• Soy:
  - Dutch and Belgian consumption
  - 100% roundtable compliant
New programme aquaculture

Targets for 2015
• Set-up of ASC label next to MSC
• 15% of Tilapia, Pangasius and Shrimp certified
New programme cotton

Targets for 2015
Create mainstream sustainable cotton market
New potential sectors

- Flowers & Plants
- Tropical timber Africa
- Electronics
- Sportswear
- Spices
- Cashew
- Biofuels
- Palmoil
- Fruits & Vegetables
- Gold
There are two kinds of companies:

Those that sell sustainable products...
...and those that will.
dutch sustainable trade initiative