

**Sustainability Requirements in Canada and the US:
*Increasing Momentum***

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OVERVIEW

North America

- A different approach than the EU on sustainability in the biofuels sector

Result

- Food sector in North America has not relied on sustainability criteria in the biofuels sector (and often is not aware of these criteria)

Both agricultural suppliers and retailers

- Trying to establish the way forward
- Lots of uncertainty and different approaches being considered

Canadian Momentum

Major national initiative in Agriculture:

- Canadian Roundtable on Sustainable Crops

All crop groups part of the dialogue

- Getting ready for markets
- Developing a common metrics “Platform”
- Dialogue with retailers and processors

Some commodities like canola are “sustainability-ready”

Crop groups in province of Alberta

- Conducting a large sustainability “readiness” study

Canadian Momentum

Canadian Roundtable on Sustainable Crops



CHALLENGE

- **Wide range of common metrics**
- **Different customers using a different “mix” of these metrics**
- **ISCC has been part of the dialogue in Canada**

Canadian Momentum

New marketplace “sustainability” coalition established

- The “Provision Coalition” (food and beverage)
- Canada’s largest food retailer involved
- Sustainability questions the coalition will ask from suppliers

Where are you sourcing from?

Are your products sustainably made?

Are you collecting meaningful data?

Can you verify it?

Also many activities by the Canadian Government:

- Research studies, satellite imagery work, conferences

USA Momentum

Big market, many different and large commodity groups

More and more sustainability activity. Examples:

- **More sustainability conferences**
 - Sustainable Brands Conference had 4,000 (!) attendees last year
- **More US consultants involved (e.g. PWC, Deloitte)**
- **California will require EU type sustainability criteria for biofuels**
- **More big US companies actively involved**
 - Wal-Mart Sustainability Expo April 29, 2014
 - 400 companies attended representing over \$500 billion in annual sales
 - All signed a sustainability action “pledge”

USA Momentum

Most important sustainability “selfie” ever taken!

- Taken by Wal-Mart CEO after each CEO signed sustainability pledge



CEO's from Cargill, Pepsi, General Mills, Kellogg's, Proctor and Gamble, Johnson & Johnson, Unilever, and NGO Environmental Defense Fund

SUMMARY

- **Lots of sustainability momentum in North America**
- **Very different than three years ago**
- **Canada**
 - Recognition - sustainability will be an important future factor in the market
 - Agriculture sector actively involved
 - Big concerns about different criteria applied by different markets
- **USA**
 - Many different parties involved
 - Different criteria and “schemes” being developed by different parties, so concerns about that
 - Retailers will have an important impact on supply chains
- **ISCC**
 - An established system for markets that want verification and certification
 - How many markets will be looking for this level of certainty? Not yet clear, some will
 - Provides opportunities for ISCC in North America

Thank You

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