



# BEHIND THE BRANDS

## Food justice and the 'Big 10' food and beverage companies

Over the past century, powerful food and beverage companies have enjoyed unprecedented commercial success. But these companies have grown prosperous while the millions who supply the land, labor and water needed for their products face increased hardship. Now, a rapidly changing environment, affected communities and an increasingly savvy consumer base are pushing the industry to rethink 'business as usual'. In this report, Oxfam assesses the social and environmental policies of the world's ten largest food and beverage companies and calls on them to take the critical next steps to create a just food system.

To view the full 'Behind the Brands' briefing paper, go to [www.behindthebrands.org](http://www.behindthebrands.org)

In Pakistan, rural communities say Nestlé is bottling and selling valuable groundwater near villages that can't afford clean water.<sup>1</sup> In 2009, Kraft was accused of purchasing beef from Brazilian suppliers linked to cutting down trees in the Amazon rainforest in order to graze cattle.<sup>2</sup> And today, Coca-Cola is facing allegations of child labor in its supply chain in the Philippines.<sup>3</sup>

Sadly, these charges are not anomalies. For more than 100 years, the world's most powerful food and beverage companies have relied on cheap land and labor to produce inexpensive products and huge profits. But these profits have often come at the cost of the environment and local communities around the world, and have contributed to a food system in crisis.

Today, a third of the world's population relies on small-scale farming for their livelihoods.<sup>4</sup> And while agriculture today produces more than enough food to feed everyone on earth, a third of it is wasted;<sup>5</sup> more than 1.4 billion people are overweight, and almost 900 million people go to bed hungry each night.

The vast majority of the hungry are the small-scale farmers and workers who supply nutritious food to 2–3 billion people worldwide,<sup>6</sup> with up to 60 percent of farm laborers living in poverty.<sup>7</sup> At the same time, changing weather patterns due to greenhouse gas emissions<sup>8</sup> – a large percentage of which come from agricultural production – are making farming an increasingly unreliable occupation.

Adding to the vulnerability of poor farmers and farm workers, food prices continue to fluctuate wildly, and demand for soy, corn, and sugar to feed affluent diets is on the rise. And to top it off, the very building blocks of the global food system – fertile land, clean water, and reliable weather – are growing scarce.

These facts are not secrets; companies also realize that agriculture has grown risky and are taking steps to guarantee future commodity supplies and to reduce social and environmental risks along their supply chains.

Today, food and beverage companies speak out against biofuels,<sup>9</sup> build schools for communities and cut back on water usage in company operations. New corporate social responsibility programs are proliferating and declarations of sustainability are now ubiquitous. The CEO of PepsiCo, Indra Nooyi, in fact noted in 2011, 'It is not enough to make things that taste good. PepsiCo must also be "the good company." It must aspire to higher values than the day-to-day business of making and selling soft drinks and snacks.'<sup>10</sup>

But such claims of better environmental and social behaviour have thus far been extremely difficult to assess, despite rapidly growing consumer demand to know the truth of these claims.

Now, Oxfam's **Behind the Brands campaign** evaluates where companies stand on policy in comparison with their peers and challenges them to begin a 'race to the top' to improve their social and environmental performance. By targeting specific areas for improvement

450 million men and women labor as waged workers in agriculture. In many countries, up to 60 percent of these workers live in poverty.

along the supply chain, the campaign pinpoints policy weaknesses and will work with others to shine a spotlight on the practices of these companies.

Behind the Brands is a part of the GROW campaign. Oxfam's GROW campaign aims to build a better food system: one that sustainably feeds a growing population (estimated to reach nine billion people in 2050) and empowers poor people to earn a living, feed their families and thrive.

Oxfam's campaign focuses on 10 of the world's most powerful food and beverage companies – **Associated British Foods (ABF), Coca-Cola, Danone, General Mills, Kellogg, Mars, Mondelez International (previously Kraft Foods), Nestlé, PepsiCo and Unilever** – and aims to increase the transparency and accountability of the 'Big 10' throughout the food supply chain.

The Big 10 generate revenues of more than \$1.1bn a day and employ millions of people directly and indirectly

At its core, the campaign features the **Behind the Brands scorecard**. The scorecard examines company policies in seven areas critical to sustainable agricultural production, yet historically neglected by the food and beverage industry: **women, small-scale farmers, farm workers, water, land, climate change, and transparency**.

According to the scorecard rankings, **Nestlé** and **Unilever** are currently performing better than the other companies, having developed *and* published more policies aimed at tackling social and environmental risks within their supply chains. At the other end of the spectrum, **ABF** and **Kellogg** have few policies addressing the impact of their operations on producers and communities.

Yet the scorecard also clearly shows that all of the Big 10 – including those which score the highest – have neglected to use their enormous power to help create a more just food system. In fact, in some cases these companies undermine food security and economic opportunity for the poorest people in the world, making hungry people even hungrier.

Behind the Brands reveals that the social responsibility and sustainability programs which companies have implemented to date are typically tightly focused projects to reduce water use or to train women farmers, for example. But these programs fail to address the root causes of hunger and poverty because companies lack adequate policies to guide their own supply chain operations.

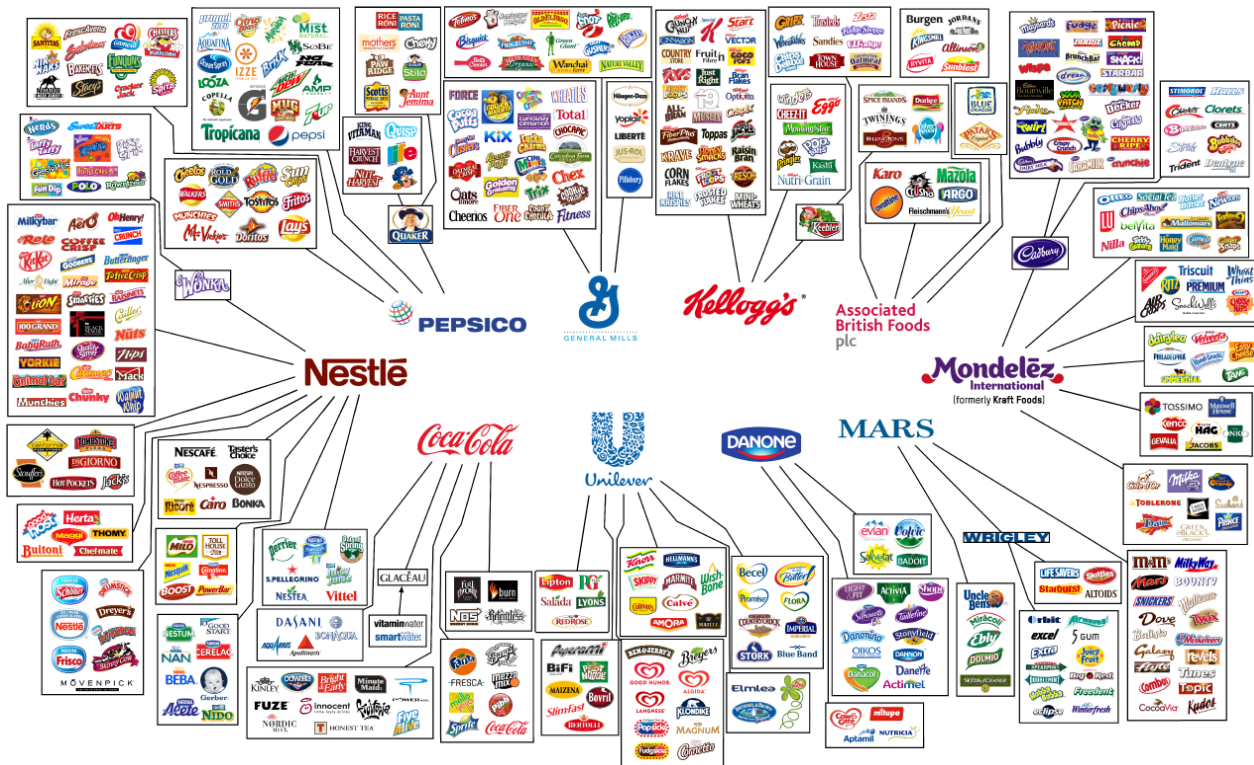
Women make up 43 percent of the agricultural workforce.

Important policy gaps include:

- **Companies are overly secretive about their agricultural supply chains, making claims of 'sustainability' and 'social responsibility' difficult to verify;**
- **None of the Big 10 have adequate policies to protect local communities from land and water grabs along their supply chains;**
- **Companies are not taking sufficient steps to curb massive agricultural greenhouse gas emissions responsible for climate changes now affecting farmers;**

- Although the Big 10 food and beverage companies consider themselves limited by fiscal and consumer demands, they do in fact have the power to address hunger and poverty within their supply chains. Paying adequate wages to workers, a fair price to small-scale farmers, and assessing and eliminating the unfair exploitation of land, water and labor are all steps which clearly lie within the means of these hugely powerful companies.

## Which brands do the big food and beverage companies own?



4

# NOTES

- 1 <http://www.worldcrunch.com/poisoning-well-nestl-accused-exploiting-water-supplies-bottled-brands/business-finance/poisoning-the-well-nestl-accused-of-exploiting-water-supplies-for-bottled-brands/c2s4503/>
- 2 <http://www.savingiceland.org/2009/09/plundering-the-amazon/>. Purchases were made by Kraft Italy.
- 3 <http://www.cnn.co.uk/2012/05/01/world/asia/philippines-child-labor/Index.html>. In response, Coke noted the following to Oxfam in 2012: "Similarly, while we are not aware of any instance of child labor in our direct supply chain, the Company acknowledges that child labor exists in sugar cane fields in Philippines and other countries around the world. We are working, along with governments, NGOs, civil society and others, to help address it. We believe the issue requires both a global and a local approach. By enabling the creation of a school in Bukidnon, The Coca-Cola Company is providing not only an alternative to working in the fields, but also an opportunity for the children to get an education so that they have the potential to rise out of poverty and to enjoy a better future."
- 4 [www.ifad.org/operations/food/farmer.htm](http://www.ifad.org/operations/food/farmer.htm)
- 5 FAO (2011), 'Global food losses and food waste: Extend causes and prevention.' <http://www.fao.org/docrep/014/mb060e/mb060e00.pdf>
- 6 [www.ifad.org/operations/food/farmer.htm](http://www.ifad.org/operations/food/farmer.htm)
- 7 P. Hurst (2007) 'Agricultural Workers and Their Contribution to Sustainable Development'. A collaborative report by the FAO, International Labor Organization and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers Association, [http://www.fao-ilo.org/fileadmin/user\\_upload/fao\\_ilo/pdf/engl\\_agricultureC4163.pdf](http://www.fao-ilo.org/fileadmin/user_upload/fao_ilo/pdf/engl_agricultureC4163.pdf) (last accessed November 2012).
- 8 P. Smith and D. Martino (eds.) (2007) 'Agriculture' in B. Metz, O.R. Davidson, P.R. Bosch, R. Dave and L.A. Meyer (eds) (2007) Climate Change 2007: Mitigation of Climate Change, Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, Cambridge: Cambridge University Press, [http://www.ipcc.ch/publications\\_and\\_data/ar4/wg3/en/ch8.html](http://www.ipcc.ch/publications_and_data/ar4/wg3/en/ch8.html) (last accessed November 2012).
- 9 The world's appetite for biofuels is pushing up global food prices and driving people off their land, resulting in deeper hunger and malnutrition in poor countries. Nestle, Unilever and PepsiCo have publically called on world leaders to no longer 'divert food for fuel' as 'the demand for biofuels has contributed to food shortages and competition for land and scarce water, disproportionately affecting the most vulnerable people', while often having a negative greenhouse gas balance'. See: [www.oxfamamerica.org/press/pressreleases/global-food-and-beverage-companies-call-for-g20-action-on-biofuels-high-food-prices](http://www.oxfamamerica.org/press/pressreleases/global-food-and-beverage-companies-call-for-g20-action-on-biofuels-high-food-prices)
- 10 J. Seabrook (2011), 'Snacks for a fat planet: Pepsi, snack foods and the obesity epidemic', The New Yorker. See: [http://www.newyorker.com/reporting/2011/05/16/110516fa\\_fact\\_seabrook#ixzz2EJ5HSf](http://www.newyorker.com/reporting/2011/05/16/110516fa_fact_seabrook#ixzz2EJ5HSf) of

© Oxfam International February 2013

This paper was written by Beth Hoffman. Oxfam acknowledges the assistance in its production of Shen Narayanasamy, Andrea Maksimovic, and Rohit Malpani, as well as numerous Oxfam staff members and external contributors. It is part of a series of papers written to inform public debate on development and humanitarian policy issues.

For further information on the issues raised in this paper please e-mail [advocacy@oxfaminternational.org](mailto:advocacy@oxfaminternational.org)

This publication is copyright but the text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. E-mail [policyandpractice@oxfam.org.uk](mailto:policyandpractice@oxfam.org.uk).

The information in this publication is correct at the time of going to press.

Published by Oxfam GB for Oxfam International under ISBN 978-1-78077-251-6 in February 2013.

Oxfam GB, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK.

## OXFAM

Oxfam is an international confederation of 17 organizations networked together in 94 countries, as part of a global movement for change, to build a future free from the injustice of poverty:

Oxfam America ([www.oxfamamerica.org](http://www.oxfamamerica.org))  
Oxfam Australia ([www.oxfam.org.au](http://www.oxfam.org.au))  
Oxfam-in-Belgium ([www.oxfamsol.be](http://www.oxfamsol.be))  
Oxfam Canada ([www.oxfam.ca](http://www.oxfam.ca))  
Oxfam France ([www.oxfamfrance.org](http://www.oxfamfrance.org))  
Oxfam Germany ([www.oxfam.de](http://www.oxfam.de))  
Oxfam GB ([www.oxfam.org.uk](http://www.oxfam.org.uk))  
Oxfam Hong Kong ([www.oxfam.org.hk](http://www.oxfam.org.hk))  
Oxfam India ([www.oxfamindia.org](http://www.oxfamindia.org))  
Intermon Oxfam (Spain) ([www.intermonoxfam.org](http://www.intermonoxfam.org))  
Oxfam Ireland ([www.oxfamireland.org](http://www.oxfamireland.org))  
Oxfam Italy ([www.oxfamitalia.org](http://www.oxfamitalia.org))  
Oxfam Japan ([www.oxfam.jp](http://www.oxfam.jp))  
Oxfam Mexico ([www.oxfammexico.org](http://www.oxfammexico.org))  
Oxfam New Zealand ([www.oxfam.org.nz](http://www.oxfam.org.nz))  
Oxfam Novib (Netherlands) ([www.oxfamnovib.nl](http://www.oxfamnovib.nl))  
Oxfam Québec ([www.oxfam.qc.ca](http://www.oxfam.qc.ca))

Please write to any of the agencies for further information, or visit [www.oxfam.org](http://www.oxfam.org).