

Newsletter #1 - Q1 / 2010



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AIM-PROGRESS sets ambitious targets for 2010

To be globally recognised as the FMCG forum for responsible sourcing:

- Membership: 30 active sector members representing the core of AIM
- Sedex: 2/3 of members choose SEDEX as their database platform
- Mutual Recognition: 4000+ supplier audits are available for sharing between 2/3 of the participating members
- Supplier Awareness: 500 suppliers are engaged through 4, A-P workshops
- Sector Initiatives: BSI engaged to align their assessment/accreditation protocols

AIM-PROGRESS expands membership

AIM-PROGRESS is pleased to welcome for new companies to the task force: Anheuser-Busch Inbev, Colgate-Palmolive, Heineken and Hershey's. This brings the number of AIM-PROGRESS members to a total of 25.

AIM-PROGRESS joins the Better Sugar Cane Initiative (BSI)

AIM-PROGRESS joint membership in BSI is now confirmed – contributors are: Diageo, Unilever, Kraft Foods, PepsiCo, Nestlé, Britvic. This was announced to the BSI membership on Thursday 21st January and has been welcomed by the BSI as a giant step forward!

The target is to have the BSI Standard recognized as the global sugar-cane standard. Subject to final consultation the BSI Standard should be ready to be used for audit by the end of March or early April 2010. The engaging and training of internationally recognized audit houses will follow this step.



Supplier Training taking on momentum

Building on the success of its first training seminar in Turkey in November last year, AIM-PROGRESS is now establishing a regular supplier awareness & training program with the objective to

1. Establish a common understanding of what responsible sourcing means across AIM-PROGRESS members' supply chains
2. Reinforce concept of 'mutual recognition' & drive consistency in messaging
3. Pool our efforts and reduce redundant, individual training by companies

Target countries for 2010 training seminars were agreed to be India, China, Brazil, and Russia. A special webinar will be organised for North-American suppliers during the first half of 2010.

Remediation Workstream Targets Best Practices

The Remediation Workstream is focused on two priorities during this year. The first is to share general experiences and best practices related to resolving Responsible Sourcing issues in key countries. Our first working session focused on Mexico, and led to the creation of a one-page survey of common issues and resolution strategies. The group has decided to devote the remainder of the year to conducting similar sessions on each of the countries that where AIM-PROGRESS plans to conduct supplier training workshops: North America, Brazil, Russia, India and China.

Our second priority is to create a benchmarking document comparing approaches taken by SMETA and individual companies in categorizing the type and severity of Responsible Sourcing issues. We believe that this document may identify gaps and best practices that will assist all of us as we individually remediate Responsible Sourcing issues.

Mutual Recognition of audits: "Done for One – Done for All"

The AIM-PROGRESS Mutual Recognition workstream aims to drive efficiency and evaluation consistency in member supply chains and to reduce audit duplication through a framework by which participating companies agree to accept social compliance assessments conducted on behalf of other participating companies. Recognizing social compliance assessments conducted on behalf of other companies helps reduce the audit fatigue and cost burden on suppliers, reduces the time investment of buyers and shifts the focus from assessment to performance. To date 16 companies have signed on to the Mutual Recognition framework. Metrics on audits avoided will be tracked to measure program effectiveness.

A list of 4000+ audited suppliers has been compiled and will continue to be maintained at least on an annual basis. In order to ensure compliance with EU Competition Law and US Anti-Trust legislation, participating companies submit names of audited suppliers to an independent third party which has agreed to aggregate the audited supplier lists and remove the 'buying' company identities together with any other information specific to the commercial relationship. This aggregated and anonymous list is then made available to the participants as a reference tool to eliminate redundant audit activity. The second version of the audited supplier list is due out in March.

Progress-Sedex Pilot Audit Program



The Progress Sedex Working group (PSWG) represents about half the membership of AIM-PROGRESS who are members of Sedex and collaborate to drive synergies for themselves and their suppliers. One such collaboration is to use a common set of briefing

materials to suppliers who are required to undertake an audit to the Sedex Members Audit protocol - SMETA - and help establish the principle of "an audit for one is and audit for all" amongst common suppliers.

The SMETA audit protocol has been extended by PSWG members to cover, for the first time, additional elements to assess environmental compliance and business integrity, and is now being piloted with approximately 60 suppliers. The programme is being coordinated by Jo Webb of Sedex on behalf of PSWG members and will be reviewed in Q2/3 when the overall results of the programme are evaluated. The data will be collated by Jo Webb to ensure only the general effectiveness of the pilots is evaluated and that supplier-specific information is not shared by the group.

GMA Reconnect

Stephen A. Sibert, Senior Vice President, Industry Affairs, Grocery Manufacturers Association in the US, enthusiastically supports our AIM-PROGRESS initiative and has reserved a "coffee with" slot at the GMA Executive Conference this summer in Colorado Springs, CO on Monday, August 30th at the Broadmoor. Panel participants will include: John Scott, Petar Sobic, Stuart Kyle and others to be determined.



Stephen also agreed to host a US meeting of AIM-PROGRESS in their Washington, DC facility.

