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Press release

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Keystone urges foodservice distributors to go green now

Foodservice operators and suppliers believe that the distribution industry has failed to take the sustainability agenda seriously, according to a new study published today by Keystone Distribution UK. And Keystone warns that waiting for government legislation to force sustainability practices could be damaging to business.

Keystone's detailed study 'Chain Reactions' is the result of in-depth interviews with 40 foodservice chains and a further 40 food manufacturers. It looked at the impact of recent developments in the foodservice supply chain; how operators and manufacturers are responding and the effect on supply chain partnerships.

The study found that almost half of suppliers (46%) and over a third (36%) of operators cited that many companies do not take the issue of sustainability seriously. Three quarters (73%) of foodservice operators believe that the industry must hold up its hands and take responsibility.

Paul Pegg, Vice President of Keystone Distribution Europe and the author of the study says: "In the future, there will be major changes in terms of sustainability and the wider agency of corporate social responsibility. In five year's time, sustainability and environmental issues will come to the fore and all companies will be obliged to have policies."

He continues: "It can be risky to enter into a three to five year contract today if the supply chain partner doesn't have a sustainability plan in place for tomorrow. It's important to seek out a supply chain partner who can use innovation to create an advantage for customers in the fields of sustainability and efficiency."

The 'Chain Reactions' study identified three major barriers to implementing sustainability practices:

- Industry collaboration was cited as a route through which sustainability issues could be addressed. However, 'Chain Reactions' found that almost two thirds (64%) of operators claim that *reluctance to work together* is a major barrier to the creation of a sustainable industry. A further third (36%) felt that collaborative partnerships lead to a loss of competitive advantage.
- More than half (55%) of the operators questioned highlighted prohibitive costs as another barrier to the implementation of sustainable solutions.
- Finally, close to half (46%) of all foodservice operators claim that their supply chain partner is ineffective at helping them to improve the sustainability of *their* business.

Paul Pegg says: "Despite the barriers that the study revealed, it's vital that operators and suppliers look at the sustainability practices of their supply chain partners – especially in today's recessionary environment."

He says: "Companies *can* work together for the greater good and add to both their bottom lines. Collaboration is the key to long term sustainable success."

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About Chain Reactions

Keystone commissioned Vanson Bourne Consultancy to carry out in-depth telephone interviews with senior executives from 40 foodservice chains and a further 40 food manufacturers. The interviewees had responsibility for managing the supply chain at their organisation. The 'foodservice operators' in this document are all foodservice chains with a turnover of more than £1 million, including hotels, pubs, restaurants and sandwich and coffee shops; manufacturers all food suppliers to the foodservice industry; and supply chain partner refers to the distributors and wholesalers transporting goods and/or managing the supply chain on foodservice operators' behalf.

The study looked at the impact of recent developments in the foodservice supply chain; how operators and manufacturers are responding and the effect on supply chain partnerships.

Notes to Editors

Keystone Distribution UK is a world leader in the end-to-end supply chain business. Keystone uses purpose built, multi-temperature trailers to deliver frozen, chilled and ambient products so that each foodservice outlet receives a complete order in one delivery.

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