

**CORPORATE SOCIAL
RESPONSIBILITY
CSR CODE OF CONDUCT
7TH IMPLEMENTATION REPORT
**PLENARY SESSION OF THE
SOCIAL DIALOGUE
COMMITTEE FOR SUGAR
26.2.2010****

7TH CSR IMPLEMENTATION REPORT

- I – ECONOMIC AND POLITICAL CONTEXT
- II – MANAGEMENT OF RESTRUCTURING
- III – IMPLEMENTATION OF THE CODE OF CONDUCT
- IV – CONCLUSIONS

I - ECONOMIC AND POLITICAL CONTEXT

Regulatory completion of the reform

Objective of reduction in production reached

=> 96.6 % of initial target

New market balance

the EU is becoming

- a net importer
- the second largest exporter in the world
- depends on supply from third countries
for 25 % of domestic needs

EXTERNAL TRADE POLICY

- **Multilateral negotiations : potential TRQ of 700,000 t if sugar considered as a “sensitive product”.**
- **ACP/LDC : total liberalisation as from 1.10.2009 : reactive management of market balance needed**
 - **Current FTAs negotiations**
With Central America – Latin America
⇒ Any further concessions might harm the viability of the sugar CMO.
Also see the potential impact of the European Emission Trading System

II – MANAGEMENT OF RESTRUCTURING

FROM 2005/06 to 2008/09 (4 campaigns)

- **Loss of 16,500 direct jobs during the campaign**
i.e. About 80,000 indirect jobs
- In total 100,000 direct and indirect jobs affected**
- **Closure of 80 sugar factories**
 - 30 sugar companies left compared to 45 in 2005/06
 - **Production shut down in 5 countries**
(Bulgaria, Ireland Latvia, Portugal, Slovenia)
 - **At least 50 % relinquishment in 5 countries**
(Greece, Hungary, Italy, Slovakia, Spain)

III – IMPLEMENTATION OF THE CODE OF CONDUCT IN 2009

CREATION OF THE EMPLOYABILITY JOINT INTERACTIVE TOOL

and organisation of a main Conference end of October 2009...

**The project will be regularly updated and
complemented...**

**General implementation of the CSR Code
of Conduct drawn up every two years
as from now ?**

CONCLUSIONS OF THE CSR REPORT

2009

- **The sugar reform has resulted in the loss of about 16,500 and closure of 80 factories in 4 years.**
- **From net exporter the EU has become net importer and**
is no longer self sufficient for 25 % of domestic needs.
- **Further concessions in external trade and/or new EU policies (as climate & energy) could endanger the industry's future.**
- **The external policy should remain compatible with the agricultural policy. A clear and concerted vision is key to ensure the real success of the sugar reform so that the industry remains competitive and continue to offer employment and employability to its employees !**