



Demand as driver for a mainstream sustainable coffee sector



February 27, 2010

Agenda for today

- Introduction to Sara Lee
- Our efforts in sustainability
- Certified coffee and the role demand plays
- A model to help coffee sustainability grow



Sara Lee at a glance

Each and every day, Sara Lee (NYSE: SLE) delights millions of consumers and customers around the world. The company has one of the world's best-loved and leading portfolios with its innovative and trusted food, beverage, household and body care brands

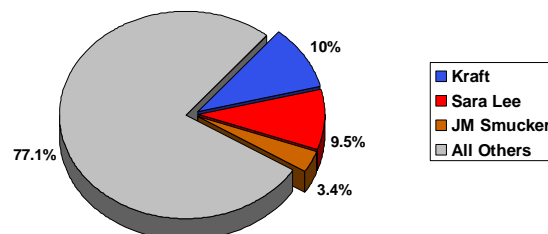
- Fiscal Year 09 net sales \$12.9 billion
- Products sold in nearly 180 countries
- Global headquarters in suburban Chicago, USA
- Operations in more than 40 countries
- 41,000 employees worldwide



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A strong global coffee business

- \$3.0 Billion Net Sales FY09
- Number 2 in roast and ground coffee worldwide
- Leading market positions in Europe and Brazil



Share of roast & ground coffee worldwide based on retail market volume in 2008 Source: IMIS Euromonitor



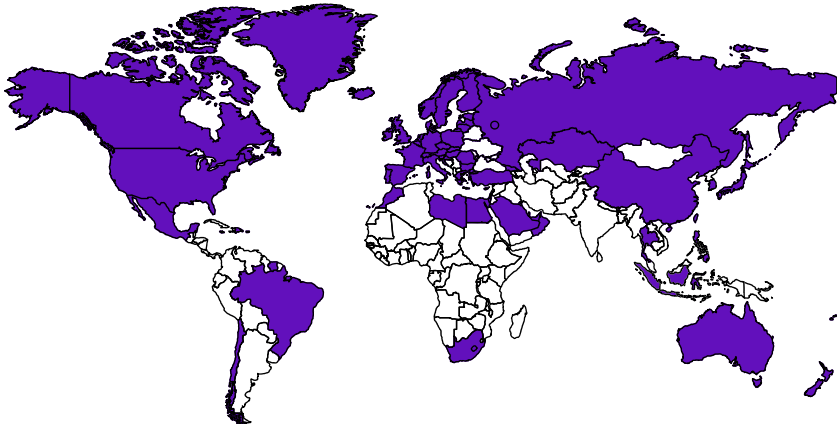
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International Beverage leading brands

The collage features 18 distinct brand logos for coffee and beverages. The logos are arranged in a grid-like fashion. Brands include Café Píllão (Brazil), Marcilla (Spain), Café de la Olla (Mexico), Pickwick (UK), Douwe Egberts (Netherlands), Natreen (India), Hornimans (India), Café Prima (Brazil), Piazza D'Oro (Italy), Jacquemotte (France), Moccona (Netherlands), Maison du Café (France), Café Caboclo (Brazil), Merrill (USA), Café do Ponto (Brazil), Senseo (Netherlands), and Bravo (Greece). Each logo is presented in its original color scheme and design.


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A diversified global presence



A world map with countries colored purple to indicate where Sara Lee coffee is sold. The purple countries include Canada, the United States, Mexico, Brazil, Argentina, Chile, Peru, Colombia, Venezuela, Ecuador, and the Caribbean. In Europe, the United Kingdom, Ireland, France, Germany, Italy, Spain, Portugal, and the Benelux countries are purple. Russia and China are also purple. In Asia, India, the Philippines, and Indonesia are purple. Australia and New Zealand are purple. Most of Africa, South America (except for the listed countries), and parts of Europe and Asia are white.

■ Countries selling Sara Lee coffee



The Sara Lee logo, featuring the brand name in a red, cursive script font, enclosed within a red rectangular border.

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Sara Lee's approach to sustainability

- **Three focus areas**

- Wellness and nutrition
- Supporting our communities
- Protecting our planet



- Translated into priorities & actions by division
- Decentralized execution, but coordinated



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Sara Lee & sustainable coffee sourcing

Strategy build on three pillars:

1. Direct support to farmers: Douwe Egberts (DE) Foundation
2. Leading buyer of certified coffee
3. Actively partner with stakeholders to help make the worldwide coffee sector more sustainable



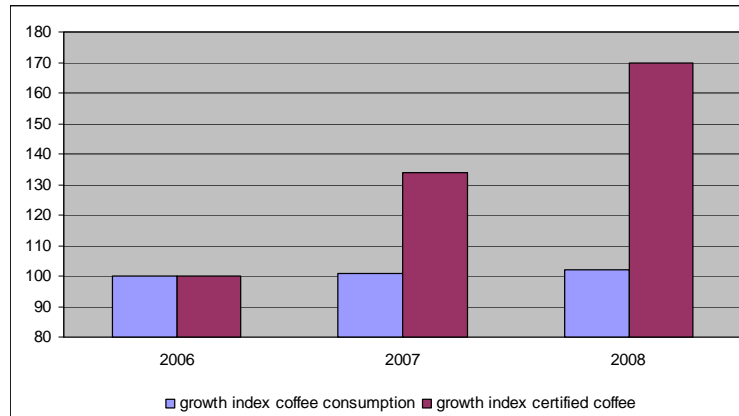
Solidaridad

Oxfam Novib



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Demand for certified coffee as an indicator of success in sustainability



Sources: F.O. Lichts International Coffee Report Vol. 23, No.14, 2008, annual reports Fairtrade, Rainforest Alliance, UTZ Certified, ICO, Daniele Giovannucci



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Trends in the market

- **Consumers:**
 - Consider the environmental impact of the products they buy (four out of five Europeans) *
 - Perceive 'quality', 'a well known brand' and 'ethical and sustainable products' as premium aspects of a product**
 - Want to be associated with good, responsible brands and reject 'evil' companies**
- **Customers and retailers:** demand a clear CSR positioning of brands and the company
- **(European) Governments:**
 - set the example with green buying policies (f.e. the Netherlands: in 2010 all procurement 100% sustainable)

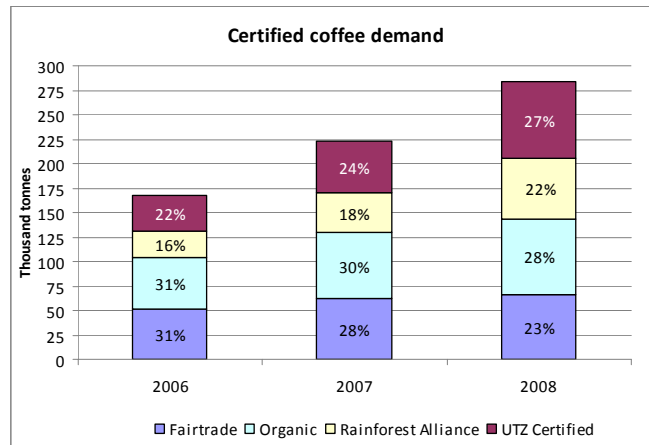
* Eurobarometer survey 2009 (by order of the EC)

** IGD research 2008



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Strongest contribution to growth by mainstream oriented programs



Sources: annual reports Fairtrade, Rainforest Alliance, UTZ Certified, ICO, Daniele Giovannucci



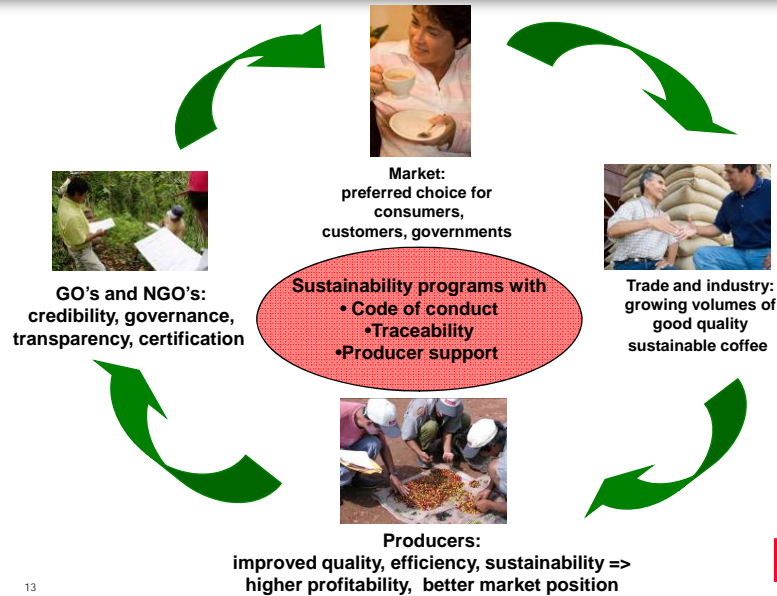
Characteristics of certification programs that drive demand

- **Fit with consumer requirements**
 - Can stay with their favorite brands
 - Same, trusted quality
 - No major price increase
- **Address producer needs**
 - Support efficiency and productivity
 - Reward quality
 - Improve profitability
- **Fit within business context**
 - Inclusive of all origins and production systems
 - Market mechanism for pricing
 - Transparent/accountable chain of custody

=> mainstream sustainability becomes possible!



Creating self-sustaining growth dynamics in sustainable markets



Conclusion

- Mainstream consumer demands drives growth in certified coffee demand
- Certified coffee growth is a key driver for the development of a sustainable coffee sector

Link the stakeholders in the value chain and get the dynamics to work for all producers in all regions!

SanaLee

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Thank you

**"Coming together is a beginning.
Keeping together is progress. Working
together is success."**

Henry Ford, American industrialist (1863 – 1947)

