

## Case Examples for the Value Driver “Risk Minimization”

Initiative	Result
<p><b>Value driver: Avoiding environmental scandals</b></p> <p>The British Petroleum’s (BP) oil spill incident in April 2010 contaminated a large area of the marine environment along the Gulf of Mexico, and is the biggest off-shore oil spill in U.S. history.</p>	<p>BP’s stock price dropped from \$59.5 on the 10. April 2010 to \$28.9 by the end of June 2010. Pension funds lost around \$39 million.<sup>7</sup> (2010)</p>
<p><b>Value driver: Implement strict guidelines</b></p> <p>Due to an erroneous assessment of lead content used by Tier-2 Suppliers Mattel had to recall nearly one million toys in the United States (2007)</p>	<p>Mattel spent US \$110 million on recall expenses and a communication campaign. In addition the stock value of Mattel dropped 18% between August and December 2007.<sup>8</sup> (2007)</p>
<p><b>Value driver: Avoid supply chain scandals</b></p> <p>In 2006, Retailer Wal-Mart has faced allegations, in addition to its non-conform local working standards, of using child labor in overseas suppliers.</p>	<p>A Norwegian fund sold €414mn in Wal-Mart. The additional exclusion from the Norwegian sovereign fund led to a share drop of 11% between 1 June and mid-July 2006.<sup>9</sup> In addition 2-8% of customers had stopped shopping at Wal-Mart as a result of the controversy.<sup>10</sup> (2006)</p>
<p><b>Value driver: Secure supply</b></p> <p><b>OLAM</b> buys commodities from 3.5mn smallholder farmers. In Ivory Coast Cashew Nut Project they help 40,000 farmers (10% of the countries cashew nut production) to increase their yields sustainably from 300kg per hectare to 500kg per hectare by 2015, by moving away from fragmented, small-scale production and using higher quality crop, the Bouaké plant.</p>	<p>4000 jobs were created, giving an uplift to the local economy<sup>11</sup> by using the plant carbon emissions from the cashew processing stage are cut by 80% (by weight), avoiding the transport of shells to India and Vietnam. Any bio-waste is used as fuel for the boilers. (2012)</p>
<p><b>Value driver: Avoid social compliance cost</b></p> <p><b>IMPACTT</b> is a consultancy specializing in ethical trade. The £880,000 project was supported by eight leading retailers, including Marks &amp; Spencer, Sainsbury’s, Tesco and Mothercare. The project involved 66 garment factories in Bangladesh and India employing over 100,000 workers. A range of innovative training to improve efficiency, quality and working conditions was carried out.</p>	<p>Turnover of workers fell by 65% and absenteeism by almost a third, demonstrating better job satisfaction. At the same time, factory efficiency increased by 30%. On average, workers’ monthly income increased by 12.5% – in total £4.8mn over a year.<sup>12</sup> (2013)</p>

## Exemples de réductions des risques