DOING BUSINESS WITH FOOD AND DRINK INDUSTRY IN EUROPE
LEVERAGE ON SKYMINDER SOLUTIONS

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Food and Drink Industry in Europe Overview

The Food and Drink industry is one of the oldest industries on the planet and includes all the companies involved in transforming raw agricultural goods into consumer food products. Considering overall supply chain, it includes food processing, packaging, and distribution.

This industry includes fresh food, packaged food, and beverages (both alcoholic and non-alcoholic). From food sold at the grocery store to cooked meals served at restaurants, institutions, and events, this industry serves a huge variety of retail outlets.

This industry is taking care of innovation. From new products to higher-volume, lower-cost production techniques, this industry is always looking for new ways to produce the food consumers want at the best possible price. And vital equipment is there every step of the way. How to preserve food and drinks is one of the most important challenges, requiring constant activity in R&D.

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Any product meant for human consumption, aside from pharmaceuticals, passes through this industry. Deriving from the agriculture industry, the Food and Drink industry is divided into two major segments. Those two segments are the production and distribution of edible goods. Production includes the processing of meats and cheeses and the creation of soft drinks, alcoholic beverages, packaged foods, and other modified foods. The production segment of this industry excludes foods that were directly produced via farming and other forms of agriculture, as those are encompassed by our definition of the agriculture industry. Distribution involves transporting the finished food product into the hands of consumers. The industry is much more focused on technology and mechanical manipulation of raw foods to create more value-added food products than the agricultural industry. Under our definition of these industries, grocery stores are excluded as they are considered retail stores. Distribution includes companies that ship food to retail outlets, restaurants, or directly to consumers.

Source: US Commercial Service

Food and Drink is one of Europe's largest manufacturing industries, generating millions of jobs and playing an integral part in driving the EU economy.

Here's a breakdown of the industry in numbers:

- The EU food and drink industry employs 4.5 million people
- It generates a turnover of €1.1 trillion
- It generates €222 billion in value-added
- In half of the EU's 27 Member States, the food and drink industry is the biggest manufacturing employer
- The EU is the largest exporter of food and drink products in the world with exports reaching €145 billion and a trade surplus of €67 billion

Source: FoodDrink Europe

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Facts and Figures

CONTRIBUTION TO EU ECONOMY

This industry has a profile of stability, robustness and resilience.

1.9% - Contribution of the food and drink industry to EU gross value added
14.2% - Share of food and drink turnover in manufacturing
14.6% - Investment in food and drink industry considering overall manufacturing sector

SMALL AND MEDIUM ENTERPRISES CONTRIBUTE TO FOOD AND DRINK MARKET

Turnover: 40.5%
Persons employed: 58.4%
Number of companies: 99.2%

OVERVIEW ON COUNTRIES

France, Germany, Italy and Spain are the largest EU food and drink producers by turnover

Source: Eurostat

WORLD MARKETS TRADE FIGURES

Overall EU food and drink export is increasing for the 11th consecutive year

Around 40% of total drink and food export from EU countries is sold in non-EU markets

It is reported an increase year on year related to extra-EU export

It is reported a decrease in intra-EU export.

Export to China reached a double-digit growth

USMCA countries (US, Canada, Mexico) remain the EU's largest trading partners

Sectors with the highest growth in export are: animal feeds, oils and fats, and meat products

Sectors with the highest growth in import are: animal feeds, grain mill and starch products, prepared meals and dishes

Source: Eurostat

INNOVATION AND RESEARCH AND DEVELOPMENT

INNOVATION

Drivers for innovation are divided into 5 areas and ranked as follow:
1. Pleasure
2. Health
3. Convenience
4. Physical
5. Ethics

Soft drinks are the world leader in innovation, as second frozen salted products then third dairy products

Source: World Food Innovation Barometer by ProteinesXTC

GLOBAL TRENDS IN R&D

Considering top 2,500 companies in R&D, 60 are in food and drink industry and 11 of them are based in EU (3 in Netherlands, 2 in France, Ireland and Germany, 1 in Belgium and Denmark)

EU food and drink industry has a low intensity in research and development if compared to other countries

Source: Eurostat

Towards Fooddrink Europe

1982 - UNICE (the Union of Industrial and Employers' Confederations of Europe) founded the CIAA (Confederation of Food and Drink Industries of the EEC) to replace the Commission of Food and Drink Industries.

Registered as an international association under Belgian law, CIAA's creation provided Europe's food and drink industry with its own independent organization. Since then, CIAA became a key stakeholder, working with European and international institutions on issues impacting on the food and drink industry.

June 23rd, 2011 - CIAA became FoodDrinkEurope and continues to speak for the industry, representing both the industry's traditions and potential.

Mission and Vision

The food and drink industry is committed to achieving more sustainable food systems by focusing on the triple challenge of delivering on economic, social and environmental sustainability.

All consumers to enjoy a safe, sustainable and healthy diet and promote the ideas and policies that enable the European food and drink industry to make products that are not only safe but also contribute to a greener planet, healthier living and a thriving economy.

Members and Structure

FoodDrinkEurope represents the interests of food and drinks companies, national food and drink federations, and specific sectoral associations based in Europe. FoodDrinkEurope has structured as follows in addition to a President.

- Board of Directors: composed of 17 Directors, all of whom are CEOs of food and drink companies. The Board defines FoodDrinkEurope's vision, policies and priorities in accordance with the Roadmap, which it submits to the General Assembly for approval.

- General Assembly: composed of all FoodDrinkEurope members (national federations, European sector associations and large food and drink companies). It approves the annual accounts, adopts the Roadmap and establishes internal rules of procedure.
- Committee of Directors General (CDG): composed of representatives from each national federation and European sector association. It ensures smooth communication between the secretariat and its members.
- Liaison Committee (LC): composed of large food and drink companies established in Europe. It is a direct member of FoodDrinkEurope.

Source: FoodDrink Europe

SUSTAINABILITY APPROACH

It's a critical time of history. It is necessary to avoid a damaging rise in global temperatures and loss of biodiversity, while continuing to provide safe, affordable, high quality and nutritious food to a growing population. Some good progress has been made, but it's necessary to accelerate our efforts to improve the way we grow, manufacture and consume our food and drink products.

As the largest manufacturing sector in Europe, buying some 70 percent of all EU farm produce, the food and drink industry has an important role to play in the transition towards more sustainable food systems.

Tackling climate change is front of mind for the sector. FoodDrink Europe supports the Paris Agreement efforts to keep global temperature rises to less than 1.5°C above pre-industrial levels and will take a lead in supporting Europe's ambitious target to become the first climate-neutral continent in the world by 2050.

As a major user of packaging, a circular economy approach to plastic is also a top priority. As part of the Circular Plastics Alliance, FoodDrink Europe is working together with the plastic value chain to achieve the EU target to ensure that 10 million tons of recycled plastic make their way into new products by 2025.

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FoodDrink Europe members will also continue to limit the number of plastics and packaging we use and to find sustainable alternatives.

Biodiversity loss is another great challenge. The natural world is an important benchmark of planetary health and it is worrying to see the rapid loss of biodiversity both in Europe and globally. It's necessary to protect forests and strengthen policy for sustainable land-use practices. As major buyers of raw materials, it's also important to work closely with farmers to ensure that the supply of farm produce is sustainably sourced. At the EU level, FoodDrink Europe wants a robust Common Agriculture Policy that can support the demand for safe, affordable food, while also protecting our environment.

Food and drink products are a necessity, but also a pleasure. Today in Europe, there is access to a variety and quality of safe food and drink.

The food and drink industry is determined to accelerate its actions to encourage balanced and more sustainable diets and an active lifestyle. Innovation is central to further optimizing the nutritional content of products, developing new nutritious food products and responding to consumer demands.

Also, identifying ways to further enhance clear and correct food information to consumers, including through digital means, will continue to be an important area for the industry.

When food and drink businesses thrive, they also help provide the jobs and skills needed for the EU economy to grow and maintain a decent standard of living for all. The food and drink industry has a good story to tell, providing jobs to over 4.8 million people. The industry is also diverse, with almost 50% of sector turnover generated by more than 290,000 small and medium-sized enterprises across the continent.

It's a global industry. The EU is the world's largest exporter of food and drink, with exports having almost doubled over the past decade. Given we also rely on ingredients from farmers around the world – cocoa from West Africa for example – FoodDrink Europe is working to carry out due diligence to ensure global supply chains are fair and sustainable.

Source: FoodDrink Europe

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SKYMINDER SOLUTIONS

SkyMinder is the worldwide CRIF platform helping you to take decisions based on high-quality information. If you are required to evaluate a business partner playing in Food and Drink Industry, a customer or a supplier, in a risk evaluation process or for compliance requirements or a cyber risk assessment, SkyMinder is the right solution.

Requirement	SkyMinder Solution	Description
Know business partners and risk level - have on board new suppliers - understand in depth customers creditworthiness	Full Report and Slim Report	Information, with different level of details, related to all companies in the world, including firmographics, credit limit, risk indicator, management, shareholders, negative events etc.
Receive immediate notification with related details if a change affects a company	Full Monitoring	Detailed information about changes affecting a company as soon as happened. Combined possibility to request for free updated report.
Be alerted if there is change in company's information	Alert	Information related to the area involved by a change as soon as an event happened.
Periodically checks if there are changes involving companies	Planned Revision	Scheduled revision with updated report including company's changes if applicable
Obtain documents from Official Registry and LEI repository	Official Registry and LEI	Product range including documents coming from public sources or from LEI Registry
Understand overall risk	SkyMinder Dashboard	Analyze Business Partners by risk level, identifying critical situations at a glance.
Company ownership overview	Verification Report	List of shareholders to understand company's structure
Compliance requirements and fraud checks	Compliance Report and Extended Check Report	Anti Bribery and Money Laundering lists checks related to financial crimes.
Risk of Cyber attack	Cyber Risk Report	Assess the level of risk related to a business partner in being involved in a cyber attack
Understand overall value of intangible assets of a company	Patent Due Diligence Report	Patent Asset Overview with geographical coverage, remaining life of active patent assets, high-value patent assets, technology and patent deployment, technology timeline, peer comparison, key inventors.

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