





FOOD



Decreasing the Food sector's negative climate and nature impact

31% of global emissions caused by humans can be linked to activities in the food and agriculture sector.¹ Decarbonising the sector is urgent and challenging because agricultural production is expected to grow by 50% by 2050 to meet increased food demand.² Additionally, the business processes related to the food industry are identified as the biggest direct drivers of nature and biodiversity loss, primarily because of land use change.³

Key climate-related requests

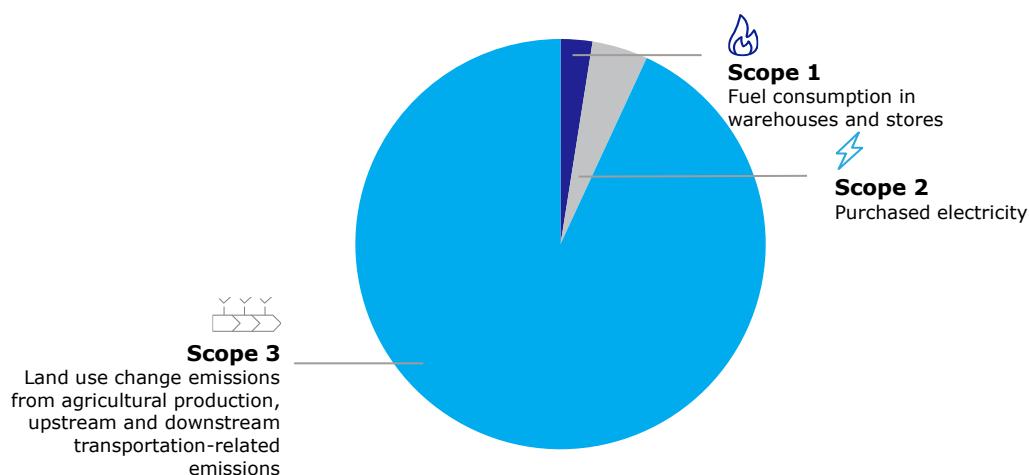
Category	Requests
Targets 	<ul style="list-style-type: none"> Near-term (2030-2035) and long-term (2050) emission reduction targets covering all material scopes 1, 2, and 3 emissions, in line with the Paris Agreement's goal. Externally verified, if possible. Adopt a no-deforestation target that encompasses all relevant commodities. Set targets outlining expectations and requirements for suppliers to decarbonise.
Strategy 	<ul style="list-style-type: none"> Disclose the levers for reaching emission reduction targets, including an estimated contribution of each lever. Disclose a capital and operating expenses plan that supports decarbonisation targets. Disclose the strategies related to waste management and packaging. Disclose how the company traces and labels its key commodities, such as through certification, satellite data, and third-party partnerships. Disclose the reliance on offsets to meet emission reduction targets and provide a report on the quality assessment of such offsets.
Risk analysis 	<ul style="list-style-type: none"> Disclose an assessment of the company's resilience to transition and physical climate and nature risks using a scenario analysis. Provide information on how this risk assessment is incorporated into the company's targets and strategy.
Engagement 	<ul style="list-style-type: none"> Align climate policy engagement with the company's decarbonisation and deforestation goals. Have a clear mechanism in place to deal with any incidents of deforestation in its supply chain, including a transparent process to deal with the requirements of the company and stopping business with non-compliant suppliers. Demonstrate that the company is helping its customers and suppliers decarbonise.

¹ United Nations. (2021). New FAO analysis reveals carbon footprint of agri-food supply chain. Available at: <https://news.un.org/en/story/2021/11/1105172>.

² WRI (2019). Creating a Sustainable Food Future. Available at: https://research.wri.org/sites/default/files/2019-07/WRR_Food_Full_Report_0.pdf

³ United Nations Environmental Programme. (2021). Our global food system is the prior driver of biodiversity loss. Available at: [Our global food system is the primary driver of biodiversity loss \(unep.org\)](https://www.unep.org/our-global-food-system-is-the-prior-driver-of-biodiversity-loss)

Emissions sources for food retail



Levers to decarbonise

- Precision farming, soil management practices, and nature-inclusive agriculture.
- Adoption of food waste and loss reduction strategies.
- Reduce the amount of packaging used and favour recycled materials and circular design.
- Adopting a 'no-deforestation' target for relevant commodities.
- Decreasing emissions from company-owned food processing and manufacturing locations by increasing efficiency in energy use and operations.



Threats

- Increasing demand for agricultural products.
- Complex supply chains, making it difficult to trace products.
- Geopolitical tensions leading to disruptions in business and supply chains.
- Climate change impacts on agricultural productivity.

Opportunities

- Regenerative agricultural practices.
- Increased preparedness for tightening regulation.
- Increased resilience to the impacts of climate change on agricultural productivity.
- Public and private incentives for using low-carbon solutions (e.g. government subsidies for regenerative agriculture practices adoption).

Supporting factors

- Regulatory developments (e.g., the EU Regulation on Deforestation Free Products, and nature restoration law).
- International cooperation.



Companies under engagement

Companies can be selected for several reasons (e.g., size, emissions, geography, etc.). Therefore, selected companies should not necessarily be seen as laggards compared to peers.

- **Bunge Limited**
- **Costco Wholesale Corporation**
- **Danone SA**
- **Kerry Group plc**
- **Koninklijke Ahold Delhaize N.V.**
- **McDonald's Corporation**