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Assessing Climate Progress for Behind the Brands Companies

Final Evaluation Report



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Behind the Brands Companies
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For Oxfam America

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1. Introduction

Multinational food and beverage companies have a crucial role to play in addressing the climate crisis. The food sector accounts for 37% of global greenhouse gas (GHG) emissions and is responsible for driving much of the destruction of the world's tropical rainforests.¹ A previous assessment by Oxfam found that emissions from the ten largest food and beverage companies equalled the annual combined emissions from Scandinavia.² The majority of emissions from this sector stem, not from production or manufacturing processes, but from activities in the upstream, agricultural activities of the supply chain. These companies generally source their agricultural inputs from global commodity supply chains that circle the globe.

The leading food and beverage companies are uniquely positioned to reduce environmental impacts in the agricultural sector. Their financial power and direct involvement in agricultural commodity production give them strong leverage to drive sustainable changes. Although barriers to sustainable production are both politically and geographically diverse, the policies set by the biggest global players have the power to shape action across the sector. By setting minimum requirements at the bottom of the value chain, they can drive up standards in production and processing, holding their suppliers accountable to sustainable sourcing and procurement practices. Such action subsequently puts pressure on other companies to follow suit, driving progress across the sector and positively impacting climate outcomes around the world.

Sustainable farming interventions have the potential to not only reduce emissions but build the resilience of farmers in the face of a changing climate, which is already impacting agricultural productivity, through changing temperatures, new crop threats and unpredictable harvests. Equipping farmers with the knowledge and resources to adapt to these changes helps to ensure economic security. Additionally, this increased resilience improves supply security for companies, who face financial and operational risks in the case of crop failures in the future. As such, sustainable farming interventions can have positive implications for farmers, business as well as broader sustainable development goals (SDGs) beyond climate action. SDG 2 explicitly acknowledges the link between sustainable agriculture and objectives such as small farmer empowerment, ending rural poverty, the promotion of gender equality and ensuring healthy lifestyles.³

Ten years ago, serious climate action was being demonstrated only by a small number of companies -- largely those whose operations were directly linked to the environment. Today, the expectations

¹ IPCC (2019): Climate Change and Land: IPCC Special Report

² Oxfam (2014): Standing on the Sidelines: Why food and beverage companies must do more to tackle climate change. <https://bit.ly/2H1PW3L>

³ UN Sustainable Development Goals: Goal 2. <https://bit.ly/36WI8yo>

have changed. No company is exempt from taking action, not least those who operate in a sector responsible for over a third of global emissions. Growing public concern and increased awareness of risk have resulted in climate action providing not only reputational benefit, but operational value as well. Food and beverage companies are highly responsive to consumer demands, and as such, have potential to drive significant climate action. At the same time, pressure to implement more solid due diligence processes regarding deforestation and sustainable commodity production is only likely to increase, as evidenced by EU moves to regulate deforestation-free supply chains.⁴

Oxfam's *Behind the Brands* campaign and implementation initiative

Oxfam's *Behind the Brands* initiative is part of its wider GROW programme – which is striving to create a world in which everyone has enough food to eat. Starting in 2013, the campaign set an ambitious agenda for the food industry. It was designed to provide consumers insight into the social and environmental activities of the biggest food and beverage companies; providing them with the information they would need to hold these companies to account. The selected companies represent the ten biggest food and beverage players, based on largest global revenue as well as ranking on the Forbes 2000 list, which assesses companies' sales, assets, profits and market value. They represent some of the best-known brands across the industry, and therefore the interests of millions of consumers worldwide.

The *Behind the Brands* campaign sought to have a direct impact on the social and environmental standards of companies, which would subsequently improve the performance of suppliers, traders and agribusinesses throughout the value chain. By contrast to similar initiatives, *Behind the Brands* did not take a 'name and shame' approach. In 2016, the initiative moved into an implementation phase, focusing on engaging companies to follow through on their commitments. *Behind the Brands* uses engagement and consumer advocacy to create change. A detailed scorecard has been used to assess company policies on a range of environmental and social issues, in particular relating to the sourcing of agricultural commodities from developing countries. The assessment is based on publicly available company information, which encourages active engagement and transparency from companies, in the interest of not only corporate responsibility, but also consumer satisfaction.

Although companies made progress across all social and environmental fronts during the campaign phase of the initiative - particularly in relation to reducing greenhouse gas emissions - gaps remain. Now, five years after the signing of the Paris Agreement, and in the face of a rapidly warming planet, it is vitally important to assess the progress companies have made during this period. It is essential

⁴ European Commission (2020): Public Consultation: Deforestation and forest degradation. <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12137-Deforestation-and-forest-degradation-reducing-the-impact-of-products-placed-on-the-EU-market>



that the biggest food industry players are keeping up with wider corporate action accelerating worldwide, and more importantly, aligning their targets with global climate goals.

Nine of the ten *Behind the Brands* companies have set science-based emission reduction targets (SBTs) demonstrating serious climate ambition. These companies are: The Coca-Cola Company, Danone, General Mills, The Kellogg Company, Mars, Mondelez International, Nestlé, PepsiCo, and Unilever. But while these commitments are commendable, even more crucial is the action taken by companies to realize their goals. Action taken throughout the value chain – such as supplier engagement and setting strong performance standards – is especially important in the food and beverage sector, where the bulk of emissions arise from agricultural commodity production. If companies are to realize their commitments and work to mitigate climate change, action must involve engagement, intervention, and progress at the farm level. This assessment was undertaken to evaluate the progress that *Behind the Brands* companies have made on climate action since 2016, covering the strength of their current activities and future ambition, and to help inform the path forward for the food sector beyond 2020, recognizing the urgency of climate action.

2.

Methodology

This climate assessment was performed by evaluating the extent to which nine of the ten *Behind the Brands* companies are implementing their climate commitments. The nine companies that are being assessed have all made a commitment to reducing emissions in line with the requirements of climate science (see *Table 1*). The one *Behind the Brands* company that has not made a commitment to science-based emission reductions, and therefore was not included in this assessment of implementation of such a goal, is Associated British Foods plc.

Table 1 Companies included in the assessment

The Coca-Cola Company
Danone
General Mills
The Kellogg Company
Mars
Mondelez, International
Nestlé
PepsiCo
Unilever

In keeping with *Behind the Brands* emphasis on publicly available materials, the data for this assessment was sourced from accessible online sources. Data was predominantly obtained from the Science Based Targets Initiative (SBTi), and publicly available responses to the 2019 and 2020 CDP Climate Change and Forests questionnaires, which offer the most comprehensive, comparable and consistent representation of corporate climate action across the companies assessed. Where information was not accessible via these two channels, individual company reports, websites and press releases were used to fill gaps. In practice, the depth of CDP disclosures meant that only a small portion of the overall dataset was obtained from company reports.

Climate Focus developed an assessment framework based on the original *Behind the Brands* scorecard and additional criteria proposed by Oxfam. The goal of the assessment is to evaluate action that has been taken in companies' operations and supply chains to reduce emissions; as well as evidence of capacity building to realize targets – through actions like measurement, reporting and engagement. Six criteria of action were defined, each made up of a handful of indicators of progress (see *Table 2*).

Table 2: Assessment framework

CRITERIA	INDICATOR
	1.1 Company commitment to SBTs is aligned with a 1.5° warming scenario

1. Robustness of the company's GHG reduction target	1.2 Company SBT includes Scope 3 GHG emission reductions
	1.3 Company SBT covers land use change and/or emissions from deforestation
	1.4 Company has set a 'net-zero' target as part of, or in addition to, its SBT
2. Data and disclosure	2.1 Company discloses S1, S2 & S3 emissions data
	2.2 Company discloses emissions data from different agricultural commodities in its supply chain
	2.3 Company sets interim targets and communicates on progress with respect to targets
3. Engagement with suppliers on climate	3.1 Company collects climate change and carbon information at least annually from its suppliers
	3.2 Company supports its suppliers to collect quality GHG data through concrete measures, such as tools or technical assistance
	3.3 Company provides financial incentives to suppliers who reduce emissions
4. Advocating for ambitious climate policy	4.1 Company has a process in place to ensure that all direct and indirect activities which influence policy are consistent with its overall climate change strategy
	4.2 Company membership in key trade organizations
	4.3 Company uses an internal price on carbon
5. Supporting alternative agricultural and land use models that are low emissions and equitable	5.1 Company supports sustainable and resilient agricultural practices
	5.2 Company collects information from its suppliers about the outcomes of any implemented agricultural/forest management practices it has encouraged
	5.3 Company supports or implements projects focused on ecosystem restoration and protection in its supply chain
	5.4 Company tracks non-GHG impacts from regenerative agriculture in its operations and supply chain, such as soil, water or biodiversity

	5.5 Company has a target or policy commitment relating to: living income; preferential sourcing for smallholders; and/or access to credit or technology
6. Progress on implementation of commitments to achieve deforestation and exploitation free supply chains	6.1 Company has a due diligence risk assessment & monitoring system to ensure supplier compliance with its NDPE or No Deforestation commitment
	6.2 Company has a system to address suppliers' non-compliance with its NDPE or No Deforestation commitment

Collectively, these indicators of progress can be thought of as representing a trajectory of action from demonstrating awareness, to making pledges & setting targets, to implementing those goals by changing internal practices of influencing suppliers (*see Table 3*). This action pathway is modelled on many of the guiding frameworks that inform corporate climate and deforestation goals, including the SBTi and the Accountability Framework – both of which encourage companies to understand their impact; set a goal or target; work internally to implement those goals; and then report publicly on progress.^{5, 6} While the goal of this assessment is not to score companies or place them along that continuum, the information that has been assembled helps to demonstrate how one would use this assessment to evaluate progress on the pathway from awareness to action.

Table 3 Types of corporate action and the relevant indicators

TYPE OF ACTION	RELEVANT INDICATORS
Demonstrating awareness	2; 3 (3.1 & 3.2); 5 (5.2, 5.4)
Making pledges, commitments and setting targets	1; 4; 5 (5.5)
Implementation by changing internal practices or influencing suppliers	3 (3.2 & 3.3); 5; 6 (6.1, 6.2)

⁵ Science-Based Targets (2020): Science-based target setting manual. <https://sciencebasedtargets.org/resources/files/SBTi-manual.pdf>

⁶ Accountability Framework (2020): 12 Core Principles of the AFI. <https://accountability-framework.org/the-framework/contents/core-principles/>

3. Analysis and findings

Publicly available information for each company was assessed and evaluated according to each of the above indicators. The findings of the assessment are presented below. Within each criterion, we present general patterns observed across the data, highlight strong and weak performers within each category, where possible, and note any particularly innovative activities being undertaken.

3.1 Criterion 1: Robustness of the company's GHG reduction target

A robust emissions reduction target is essential for any effective climate strategy. A company-wide, quantifiable goal with a clear timeline imposes parameters to ensure business activities remain aligned with longer-term environmental targets. For the *Behind the Brands* companies – some of the largest companies in their sector – possessing such a target is the bare minimum of climate action. The ambition they show has the power to drive standards across the rest of the sector, in addition to being a valuable opportunity to demonstrate strong corporate responsibility.

To measure robustness, this indicator considers target ambition, scope, and intensity through four indicators. As the most basic action a company can take, it comes as no surprise that performance under this indicator was the strongest and most consistent of all indicators assessed.

Indicator 1.1 Company commitment to SBTs is aligned with a 1.5° warming scenario

One of the most crucial aspects of an effective emissions reduction target is alignment with recent, robust climate science. Targets are considered “science-based” if they reflect the action required under the goals of the Paris Agreement to limit global warming to well-below 2°C above pre-industrial levels, and pursue efforts to limit warming to 1.5°C. In 2018 the IPCC warned that the threshold for temperature increases that will result in dangerous climate impacts and humanitarian crises linked to drought, sea level rise, flooding, extreme heat and ecosystem collapse may be closer to 1.5°C rather than 2°C above pre-industrial levels.⁷ Therefore, the Science-Based

⁷IPCC (2018): Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the

Targets Initiative (SBTi) – the body that develops the methodology for science-based target setting, and approves new targets – has likewise shifted its expectations on companies in setting and verifying acceptable targets and is considered a cross-sector benchmark for science-based goal setting.

All nine companies possess a science-based target approved by the SBTi (see Table 4). However, only four of the nine companies – Unilever, Mars, Nestle and General Mills – have committed to the more ambitious, 1.5°C aligned target. With the exception of Mondelez, whose target aligns with a well-below 2°C scenario, the remaining companies have committed to science-based targets which align with a 2°C warming scenario – the least ambitious target that qualifies as being ‘science-based’. Some companies have announced that they plan to set a target aligned with a 1.5°C or well-below 2°C scenario, but do not currently have one in place that has been approved by the SBTi.

Despite this shortcoming, companies across the board do show awareness of the urgency of climate action in the timelines against which they have set their science-based targets. The SBTi recommends that companies set a target that covers a minimum of 5 years and a maximum of 15 years from the date the target is submitted for approval. All companies possess a goal for the year 2030 or sooner, Mars, Nestlé and Mondelez for the year 2025. The Kellogg Company has a fast-approaching 2020 target, but was in the process of updating their target as this assessment was being completed.

Table 4 Companies’ science-based emission reduction targets

Company	Target intensity	Target date(s)
Mars	Aligned with 1.5° scenario	2025 and 2050
Unilever	Aligned with 1.5° scenario	2030
Mondelez	Aligned with a well below 2° scenario	2025
The Coca-Cola Company	Aligned with 2° scenario	2030
Danone	Aligned with 2° scenario	2030
General Mills	Aligned with 1.5° scenario	2030
The Kellogg Company	Aligned with 2° scenario	2020, 2030 and 2050
Nestlé	Aligned with 1.5° scenario	2030 and 2050
PepsiCo	Aligned with 2° scenario	2030

Whilst closer deadlines do not negate the need for ambitious, long-term reduction targets, they do reveal an understanding across the board of the need for short term climate action. Three companies have gone a step further, by gaining science-based verification by



the SBTi for both their longer-term goals and short-term goals. The Kellogg Company, Nestle and Mars have committed to science-based 2050 targets, indicating an understanding of the importance of evidence-based, long-term goals in climate strategy.

While all science-based target setting is commendable, these findings show there remains room for improvement, particularly regarding strategy alignment with a 1.5° warming scenario. Given these companies' potential to set sectoral standards, more ambitious targets are desirable. Moreover, whilst additional climate commitments continue to be made, companies must seek science-based verification for all overarching climate reduction targets. Doing so not only ensures that all strategies designed to realize these are aligned with the Paris Agreement, but also sets the bar for other companies to follow.

Indicator 1.2 Company SBT includes Scope 3 GHG emission reductions

Another critical element of an emissions reduction target is its inclusion of scope 3 emissions – namely, all indirect emissions that occur across a company's value chain, from both upstream and downstream sources. Setting targets and accounting systems for scope 1 and 2 emissions – respectively, direct emissions from owned sources and indirect emissions from the generation of purchased energy – is now commonplace for most large companies. Meanwhile, some have struggled to include Scope 3 emissions in their GHG inventory and reduction targets – especially consumer products companies, for whom emissions from other parts of the supply chain, like agriculture, can make up the lion's share of their impact but be the hardest to reduce through direct action. Many of those who now report on scope 3 emissions do not include them in their GHG reduction targets – restricted by lack of available guidance and accounting measures.

However, all nine of the *Behind the Brands* companies has a SBT that covers scope 3 emissions. Moreover, for three companies, this commitment aims for as much as a 50% reduction in these emissions – which would drive significant climate benefits. Unilever and Danone have committed to a 50% reduction in scope 3 emissions per unit of product by 2030, while the Kellogg Company aims to achieve the same by 2050. General Mills, Mars, Coca-Cola and PepsiCo have committed to reductions of between 20-30% by at least 2030. The two remaining companies, Mondelez and Nestlé, have committed to scope 3 reductions of only 10 and 8% respectively, by 2025.

Best practice: Unilever’s science-based emissions reduction target

Dutch-British transnational consumer goods company Unilever demonstrates the highest ambition of all *Behind the Brands* companies, committing to emission reductions of up to 100% by 2030, across scopes 1, 2 and 3:

“Unilever commits to reduce scope 1 and 2 GHG emissions 100% by 2030 from a 2015 base year. The company also commits to reduce GHG emissions from the life-cycle of their products 50% per consumer use by 2030 from a 2010 base-year.” (SBTi)

Indicator 1.3 Company SBT covers land use change and/or emissions from deforestation

While scope 3 emissions theoretically cover the sourcing of raw materials, in practice, a scope 3 reduction target may not tackle all emission sources within this category. Although emissions arising from land use change and deforestation often represent the largest share of scope 3 emissions, there are currently no sector-specific methodologies supporting their assessment and inclusion in emission reduction targets. As such, whether a company specifically includes a target for such emissions in its SBT is a key indicator of supply chain impact awareness. SBTi is currently undertaking a project to develop guidance for the food, agriculture and forest sectors to set SBTs that cover deforestation and other land-related impacts. The project is expected to be completed by early 2021.⁸

Of the companies assessed, almost all – General Mills, Unilever, Nestle, Mars, Mondelez, PepsiCo and Danone – explicitly indicate that their SBT will address emissions arising from land use change or deforestation activities. Actions identified to achieve this are variable, and include: responsibly sourcing agricultural commodities, through certification or the introduction of NDPE (No Deforestation, No Peat,

Best practice: Mars’ commitment to tackling emissions from land use change and deforestation

Mars’ approach to accounting for deforestation and land use change emissions can be considered a best practice example amongst *Behind the Brands* companies:

"Agricultural and land-use change related GHG emissions represent nearly 25% of global human emissions and 75% of Mars’ value chain emissions. Mars has integrated agriculture-related land use change into our GHG reduction target, establishing a quantitative metric for tracking reductions in deforestation." [...]
"Applying our principle that ‘all GHG emissions count,’ we will strive for a complete picture of our emissions, by exploring emerging areas such as soil carbon dynamics, carbon pricing, and indirect land-use change emissions accounting."
(CDP Climate Change 2019)

⁸ Science Based Targets (2020) Forest, Land and Agriculture. <https://bit.ly/3jivryj>

No Exploitation) commitments; increasing the volume of GHG information collected from suppliers; and improving the quality of GHG accounting through use of external lifecycle assessments. The Kellogg Company's scope 3 target does extend to Tier 1 suppliers, regardless of category; whilst Coca-Cola, despite possessing an SBT that covers Scope 3 emissions, does not yet include land use change and emissions from deforestation within its scope.

Indicator 1.4 Company has set a 'net-zero' target as part of, or in addition to, its SBT

A final noteworthy feature of company SBTs is whether they rest within a wider, more ambitious company goal of reaching net-zero emissions. The scientific community has specified that reaching net-zero emissions by 2050 is essential if we are to remain within the boundaries of a 1.5° warming scenario.⁹ In light of this, the number of companies committing to net-zero targets has accelerated in recent years and accordingly, analysis reveals that six of the *Behind the Brands* companies - General Mills, Unilever, Nestlé, Mars, PepsiCo and Danone - have all made have made such a commitment. Unilever's net zero commitment aims to achieve net zero emissions across the lifecycle of all products by 2039. Mars has set a more limited target to achieve net zero emissions from its operations, by 2040.

Although companies are increasingly demonstrating ambition with net zero targets, analysis by the SBTi reveals that commitments are being approached inconsistently.¹⁰ Commitments vary considerably regarding emission scope, timeline and mitigation approaches, making it difficult to compare strategies and evaluate their relative contribution to overall global goals. In an attempt to address this, the SBTi is currently developing a science-based framework for corporate net-zero target setting, which will aim to provide guidance to companies in designing their net zero strategies. Most crucially, the framework clarifies the relative levels of neutralization and compensation measures necessary for staying within 1.5°C of warming. The framework acknowledges that while compensation measures – such as carbon offsetting outside a company's operations – will be necessary in the transition period towards net-zero, they must be used only for emissions that cannot be directly mitigated from within a company's value chain. Moreover, upon reaching net zero, any residual emissions must be neutralized through carbon removal mechanisms.

⁹ Rogelj, J., D. Shindell, K. Jiang, S. Ffita, P. Forster, V. Ginzburg, C. Handa, H. Kheshgi, S. Kobayashi, E. Kriegler, L. Mundaca, R. Séférian, and M.V.Vilariño, 2018: Mitigation Pathways Compatible with 1.5°C in the Context of Sustainable Development. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty

https://www.ipcc.ch/site/assets/uploads/sites/2/2019/05/SR15_Chapter2_Low_Res.pdf

¹⁰ Science Based Targets Initiative (2020) Foundations for Science-Based Net-Zero target setting in the corporate sector, <https://bit.ly/2VmkY3Y>

The transparency of net-zero targets and their strategies for achievement show room for improvement, in the food and beverage sector and beyond. But developments such as the SBTi framework show potential for helping guide corporate action and driving up net zero ambition.

3.2 Criterion 2: Data and disclosure

Regular emissions disclosure is essential for helping companies track their progress, as well as for maintaining corporate transparency. This indicator assesses the extent to which companies disclose detailed emissions data, as well as their transparency in reporting progress against these targets.

Indicator 2.1 Company discloses S1, S2 & S3 emissions data

CDP's annual climate questionnaire allows disclosure of scopes 1, 2 and 3 emissions data, from all business operations areas. Performance under this indicator was strong, with all nine companies disclosing data for some, if not all areas of their operations.

Indicator 2.2 Company discloses emissions data from different agricultural commodities in its supply chain

All assessed companies disclose data on their absolute scope 1, scope 2 and scope 3 emissions. In addition, the vast majority disclose scope 1, 2 and 3 emissions data for the commodities key to their operations across all major sourcing regions. This finding is significant; companies reporting on all – or the most significant – of their agricultural emissions are well placed to take action on emissions from deforestation or land use change, even if they have yet to explicitly set a target that covers those emissions sources. Quantifying the contribution that agricultural activities make to their overall carbon footprint is a first step towards implementing mitigation actions.

Indicator 2.3 Company sets interim targets and communicates on progress with respect to targets

In addition to regular emissions disclosure, setting interim targets is a key component of effective climate strategy, helping ensure that longer targets are met. Moreover, communicating progress on interim targets is crucial for corporate transparency and allowing companies to be held to account on their commitments. Encouragingly, eight of the nine companies assessed have set interim goals at a halfway point or sooner, and report on progress towards these goals. The single remaining company, PepsiCo, has not yet publicly set interim targets.

3.3 **Criterion 3: Engagement with suppliers on climate change**

Engaging with suppliers is a highly effective way for companies to accelerate their emission reductions. This is particularly true in the food and beverage sector, where companies are often reliant on multiple suppliers for a single agricultural commodity. Sourcing from many different producers – and often multiple processors in between – increases the chance that a company is linked to unsustainable production practices and the emissions associated with them. Engaging with suppliers, right down to the farm-level, can enable companies to address this exposure by tackling scope 3 emissions at their source. Engagement activities may include: contacting suppliers to ensure accurate data collection; supporting suppliers with improved data collection tools; and introducing financial rewards to incentivize better climate behavior by suppliers. Overall, company performance under this indicator was the weakest of all indicators assessed.

Indicator 3.1 Company collects climate change and carbon information at least annually from suppliers

Performance under this indicator is poor. Two thirds of companies collect climate information at least annually from their suppliers, though not one does this for all suppliers in their value chain. For some companies, it should be acknowledged that the data collected reflects the majority of sourcing volumes; Kellogg's, Mars, Coca-Cola and PepsiCo report to collect data covering over 70% of their procurement spend. However, for others, such as Unilever and Danone, the data they collect from suppliers cover only 19% of total procurement spend. Nestlé and Mondelez do not collect information annually. While both companies outline responsible sourcing standards and independent audits to ensure compliance with these standards, they do not specify the frequency or state that information is made available 'upon request'. Nestlé notes that it has started collecting primary data from suppliers, with more information on this action forthcoming.

While the other indicators assessed under this criterion may represent more ambitious action, collecting climate change data at fixed and regular intervals is the bare minimum that should be expected of the *Behind the Brands* companies. All companies should have in place a data collection procedure that is carried out annually or more frequently. Climate data collection is essential for a company to accurately account for their upstream and downstream emissions; set accurate and realistic targets; and ultimately hold their supply chain partners and themselves to account.

Indicator 3.2 Company supports suppliers to collect quality GHG data through concrete measures, such as tools or technical assistance



Technical or capacity barriers can hinder supplier ability to collect and report climate change related data. Companies may provide technical assistance to support this process, to build supplier knowledge and empower them to carry out emissions assessments independently. Barriers to data collection surely exist – especially from smallholders and through multiple layers of a supply chain. Yet not all companies assessed currently provide capacity building measures to facilitate this process.

All companies except for Mondelez provide some support to suppliers. General Mills, Mars, PepsiCo, Nestlé, the Kellogg Company and Danone all provide concrete tools to help their suppliers collect quality GHG data; all are actively working together with farmers to support climate change self-assessment. General Mills and Mars’ strategies involve buyers or third parties working with suppliers to integrate key performance indicators into sourcing contracts or supporting the collection of climate change and deforestation-related data. PepsiCo’s Sustainable Farming Program is used to engage with farms of all kinds to encourage the development of sustainable agricultural practices, including a guided farm self-assessment tool that covers GHG reporting. Nestlé, Danone, Unilever and the Kellogg Company – in addition to providing direct technical assistance – also make use of the innovative ‘CoolFarm Tool’^{11, 12}, detailed below. The Coca Cola Company focuses on knowledge sharing with farmers in its supply chains.

Encouragingly, although Mondelez does not provide concrete tools to suppliers, it does offer extension services designed to build farmer knowledge.

¹¹ The Cool Farm Tool. <https://coolfarmtool.org/coolfarmtool/greenhouse-gases/>

¹² The Cool Soil Initiative. <https://www.foodagility.com/projects/cool-soil-initiative>

Key resource: The CoolFarm Tool and Cool Soil Initiative

The CoolFarm Tool, developed by the Cool Farm Alliance, a cross-sector platform connecting food industries, scientific organizations and NGOs, supports farmers to quantify on-farm GHG emissions and soil carbon sequestration. By inputting crop or livestock data relating to yield size and input usage, farmers can calculate an estimate of their operational GHG emissions. With a user-friendly interface, the tool simplifies GHG accounting and encourages good agricultural practice.

Unilever makes use of the Tool with farmers across multiple agricultural supply chains, whilst Danone and Nestlé use it specifically to assess GHG emissions arising from their milk sourcing operations. Danone also supplements the tool by providing farmers with workshops to raise climate change awareness, and guide mitigation actions.

The Kellogg Company, in partnership with Mars Petcare and others, have employed the Tool in an ongoing project specifically targeting Australian wheat farmers. The Cool Soil Initiative uses tool to effectively track soil carbon levels over time, ensure credible GHG data collection, and engage farmers to work towards long-term soil health and emission reductions.

Indicator 3.3 Company provides financial incentives to suppliers who reduce emissions

A powerful tool for encouraging emission reductions further down a supply chain is the introduction of financial incentives. Offering incentives to suppliers who successfully reduce emissions – for instance, to farmers who effectively introduce sustainable agricultural practices – can set the standard and encourage behavior change on a broader scale. Yet, only a handful of companies financially reward sustainable practices. Nestle, Mondelez and the Kellogg Company provide financial incentives for suppliers who reduce emissions or comply with certain standards, or offer direct payments for environmental services, such as for farmers who protect or restore forests on their land. While these signs are encouraging, all activities are specific to single sourcing programs or commodities. No company shows evidence of implementing such practices across all its agricultural supply chains and as such, highlights a significant gap for intervention.

3.4 Criterion 4: Advocating for ambitious climate policy

While many companies have robust policies for tackling emissions in their own operations and supply chains, in some cases those actions do not align with their external climate policies. Companies interact with climate policy in a variety of ways – some supporting or opposing a position, while others avoid policy debates altogether. In a UN Global Compact Annual Implementation Survey, 60% of the 1,700 companies surveyed said they publicly advocate for action aligned with the Global Compact principles, which are supportive of climate legislation. Only 30%, though, say they align their

government affairs activities and lobbying with their corporate responsibility commitments.¹³

To address this inconsistency We Mean Business, a coalition of organizations working to drive corporate climate action, have asked companies to commit to responsible corporate engagement in climate policy. Specifically, they call on companies to 1) set up internal processes to ensure that all business activities are aligned with overarching climate goals; and 2) work to ensure the actions of trade groups and business associations in which they are members are consistent with the company's stated positions on climate.¹⁴ Meanwhile, We Mean Business also calls on companies to set an internal carbon price, which integrates carbon impacts into business decision making and contributes to an enabling environment for carbon pricing to be adopted as a policy mechanism.

Indicator 4.1 Company has a process in place to ensure that all direct and indirect activities which influence policy are consistent with its overall climate change strategy

Internal processes that ensure a company's direct and indirect activities are consistent with its overall climate strategy can help a company ensure integrity in their approach to environmental issues, and advance – rather than undermine – progress of effective climate policy. Dedicated procedures for evaluating potential business decisions and partners can protect a company from unknowingly financing environmental destruction, a particularly high risk for companies sourcing agricultural commodities. Encouragingly, all nine companies report to have such a process in place, regulated by a dedicated sustainability leadership team or governance committee.

Best practice: Unilever's strategy for maintaining environmental integrity

Unilever's approach for ensuring all activities are aligned with its climate policies relies on external monitoring organisations in addition to dedicated internal teams:

"We use tools such as Influence Map, who track trade association influence on climate change, to check that organisations to which we belong are not – without our knowledge – lobbying against the policies we want to see enacted [...] Where inconsistent positions are uncovered they are discussed by the Global Corporate Affairs Director and the Global Climate And Environment Director and an action plan formed – either to engage with that trade association to seek a change in their policy, a public clarification that on that issue they do not represent Unilever, or to take a decision exit that trade association." (CDP Climate Change 2019)

Indicator 4.2 Company membership in key trade organizations

¹³ World Resources Institute (2013): Guide for Responsible Corporate Engagement in Climate Policy. <https://www.wri.org/publication/guide-responsible-corporate-engagement-climate-policy>

¹⁴ We Mean Business Coalition (2020):

<https://www.wemeanbusinesscoalition.org/commitment/responsible-engagement-in-climate-policy/>

Many companies find it challenging to reconcile their own climate policy positions with those of the trade associations they support.¹⁵ Companies join membership organizations for a wide variety of reasons, which are often unrelated to their stance on climate policy. Yet, companies that are committed to advancing climate action must work to align their own positions to those of their membership organizations.

This sub-indicator examined companies' involvement with relevant trade organizations. The Ceres BICEP (Business for Innovative Climate and Energy Policy) network is a US association advocating for strong climate, clean energy and water policies at state and federal levels. Six of the nine companies are members; only The Coca Cola Company, Mondelez and PepsiCo are not. Meanwhile, some of the *Behind the Brands* companies are also members of the U.S. Chamber of Commerce – which Influence Map has called “among the most influential negative lobbyists on climate policy”.¹⁶ The Chamber does not disclose its membership. The limited information available under this indicator suggests an urgent need for company transparency in order to hold to account those whose wider actions conflict with their environmental commitments.

Indicator 4.3 Company uses an internal price on carbon

Setting an internal carbon price helps companies internalize the costs of transitioning to a low-carbon business model, while also preparing them for future carbon regulation. From a policy standpoint, this is a critical action companies can take to support an enabling environment for effective policy action, because it demonstrates to political leaders that climate policy is not inconsistent with a thriving economy. In fact, there are a number of benefits to companies of adopting these measures: they help companies prepare to do business under a range of climate scenarios, and they help companies make a business case for low-carbon investments.

Only four companies assessed use an internal price on carbon. Mars and Danone have implemented a company-wide price covering scope 1, scope 2 and scope 3 emissions; whilst The Kellogg Company and Unilever's price covers scope 1 and scope 2. Although neither currently utilizes an internal price on carbon, both PepsiCo and Coca-Cola indicate an intention to implement one within the next two years. General Mills, Nestle and Mondelez do not currently use these price mechanisms and state they do not anticipate implementing one over the next two years. Notably, while there are clear benefits to companies adopting internal carbon prices from a policy stand-point, the motivations companies give for using them are

¹⁵Caring for Climate Series: Executive Brief: Are You Engaging Responsibly in Climate Policy? https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2FEnvironment%2Fclimate%2FC4C_ExecutiveBrief_Policy.pdf

¹⁶ Influence Map: Corporate Lobbying: How Companies Really Impact Progress on Climate. <https://influencemap.org/climate-lobbying>

largely internal facing; to drive low-carbon investment; drive energy efficiency; and seize low carbon opportunities.

3.5 **Criterion 5: Supporting alternative agricultural and land use models that are low emissions and equitable**

In order to achieve the goals of the Paris Agreement and the Sustainable Development Goals, it will be critical to transform the world's food and land use systems.^{17, 18} Over the past 50 years the world population has grown precipitously, accompanied by dramatic increases in demand for food, resources and energy. Agricultural expansion has accelerated accordingly to meet this demand, and agricultural activities currently account for around 70% of global freshwater use, as well as 23% of total anthropogenic emissions.¹⁹ As such, interventions in the land use sector hold vast potential to protect the depletion of natural resources as well as support global climate change mitigation efforts.

Supporting sustainable agricultural practices in food production is key to achieving this. Sustainable, resilient, and regenerative agricultural practices seek to promote natural resource management, and some of these practices aim to drive a host of other benefits, including: supporting the livelihoods of farmers and their communities; contributing to the food security of farming communities; supporting improved resilience in the face of a changing climate; and even promising significant carbon reductions for their supply chain partners. Regenerative agriculture techniques – including no-till methods, crop rotation and use of cover crops – help retain organic soil carbon and can help restore overall soil health. Healthy soils are subsequently better able to support ecosystems, and there is growing evidence to suggest they can also better sequester atmospheric carbon.²⁰

Indicator 5.1 Company supports sustainable and resilient agricultural practices

All companies assessed support the uptake of these practices, and they do so in a variety of ways – by providing financing to help farmers in the transition to sustainable systems; providing logistical or operational support to get initiatives off the ground; by providing procurement incentives to suppliers; or by providing educational

¹⁷IPCC, 2019: Summary for Policymakers. In: Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems. <https://www.ipcc.ch/srccl/>

¹⁸ The Food and Land Use Coalition (2019): Growing Better: Ten critical transitions to transform food and land use. <https://www.foodandlandusecoalition.org/wp-content/uploads/2019/09/FOLU-GrowingBetter-GlobalReport-ExecutiveSummary.pdf>

¹⁹ IPCC (2019) Special Report on Climate Change and Land. Available at: <https://www.ipcc.ch/srccl/>

²⁰ E.g. Paustian et al. (2020) Climate Mitigation Potential of Regenerative Agriculture is significant. Available at: <https://bit.ly/37mgtHz>

services to equip farmers with the knowledge to make a sustainable transition independently.

Most companies engage in a variety of these activities to support sustainable land use models (see *Figure 1*). These types of support are used in relatively equal measure, with knowledge sharing and procurement levers employed moderately more often than the other categories of support.

Knowledge sharing often entails educational training, offered on the ground or via digital channels; while procurement refers to companies integrating sustainable sourcing requirements into supplier contracts, or prioritizing suppliers who meet certain sustainability standards. Operational support involves practical or capacity building support for activity implementation. And finally, financial support may involve, for instance, subsidies for more sustainable agricultural inputs.

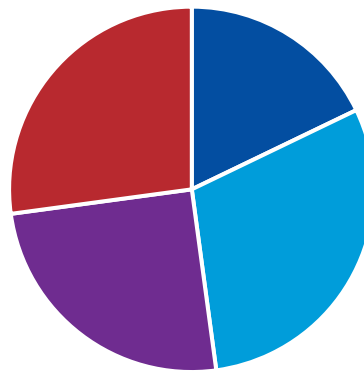


Figure 1: Different support measures used by companies to support sustainable and resilient agricultural practices in their supply chains.

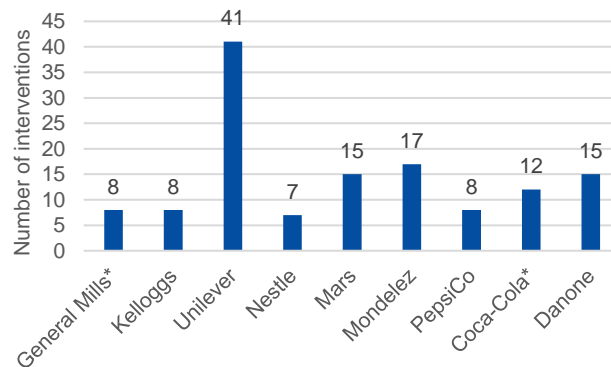
- Financial
- Knowledge sharing
- Operational
- Procurement

Source: CDP Climate Change reports 2020, Indicator 12.2a: "Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice"

**General Mills did not disclose data under this indicator so the value given for this company is approximate, based on publicly available company reports.*

Figure 2: Number of interventions used by each company to support sustainable and resilient agricultural practices.

While the number of activities undertaken is not necessarily an indicator of the quality of the engagements or how widespread their implementation is, Unilever stands out for encouraging their suppliers to engage in a much wider variety of these interventions – 41 total, while all other companies encouraged between 7 and 17 of these specific activities (see *Figure 2*).



Source: CDP Climate Change reports 2020, Indicator 12.2a: “Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice” *General Mills and Coca-Cola did not disclose data under this indicator so the total given for these companies is approximate, based on information provided by company representatives.

Indicator 5.2 Company collects information from its suppliers about the outcomes of any implemented agricultural/forest management practices it has encouraged

Encouragingly, all companies reported to keep track of their progress, by regularly collecting information from suppliers on program outcomes.

Indicator 5.3 Company supports or implements projects focused on ecosystem restoration and protection in its supply chain

All *Behind the Brands* companies possess an overarching commitment to protect and conserve natural habitats, while also supporting projects designed specifically with the aim of protecting natural ecosystems – such as agroforestry, forest and landscape restoration, habitat conservation, and natural regeneration.

Some of these practices are initiated by companies themselves – such as those that fall under General Mills’ Regenerative Agriculture Strategy (see *box below for more details*) -- while others are supported through contributions to larger, existing programs. Companies cited numerous activities, and all *Behind the Brands* companies report engaging in agroforestry and biodiversity protection projects. Unfortunately, we do not have sufficient evidence to evaluate how companies have prioritized their impacts, particularly on other impact areas such as restoration of native species, or prioritization of flood-prone or water-scarce watersheds.

Indicator 5.4 Company tracks non-GHG impacts from regenerative agriculture in its operations and supply chain, such as soil, water or biodiversity impacts

Information made available for assessing this indicator is limited. General Mills, Danone, The Kellogg Company, Unilever, Nestle and PepsiCo all report – at least in part – on soil, water and biodiversity impacts. General Mills and Danone take the lead, both investing heavily in advancing regenerative agriculture implementation and assessment across their supply chains. See the box below for more details on General Mills’ strategy.²¹

For several years, Danone has been initiating regenerative agriculture research and implementation programs across US and EU sourcing regions. The programs support farmers with data collection from farming practices and inform them on impacts to carbon, water, biodiversity and soil health. A core aim of Danone’s Livelihoods Fund for Family Farming is the advancement of regenerative agriculture (*see indicator 5.5 for more information*).

PepsiCo also tracks impacts on soil, water and biodiversity through its Sustainable Farming Program. Meanwhile, Nestle’s Climate Roadmap focuses on collaborating with farmers to enhance biodiversity and soil health in its supply chains. For the Kellogg Company and Unilever, measures are not mandated by a policy or standard, but are reported for select operations. None of the remaining companies -- Mars, Mondelez and Coca-Cola -- show clear evidence of undertaking such activities.

Best practice: General Mills’ Regenerative Agriculture Strategy

In 2019, General Mills committed to advance regenerative agriculture across one million acres of farmland – defining the practise as: “holistic, principles-based farming and ranching that seeks to strengthen ecosystems and community resilience”. The company’s strategy targets agricultural impacts across five key indicators: economic resilience in farming communities, soil health, water, biodiversity, and cow and herd well-being.

The company initiated the strategy with three US-based pilot programmes in key ingredient sourcing regions. The pilots, over a three-year period, are providing selected groups of wheat, oat and dairy farmers with practical tools to implement regenerative agriculture in their operations. The intervention includes one-on-one coaching and technical assistance, soil health testing, access to farmer networks and biodiversity and economic impact assessments, to track progress over time.

By coupling these intervention programmes with investments into regenerative agriculture research and development outside of its own operations, General Mills is a strong example of company awareness and ambition for the wider food and beverage sector.

²¹ General Mills: Regenerative Agriculture. <https://bit.ly/37b4We5>.

Indicator 5.5 Company has a target or policy commitment relating to: living income; preferential sourcing for smallholders; and/or access to credit or technology

This sub-indicator relates to a wide range of sustainable development goals. By prioritizing smallholders in sourcing activities, or supporting their access to quality inputs, companies positively contribute to the broader economic needs and well-being of farmers. Policies that ensure a sufficient living wage and living income; prioritize smallholder products over large businesses; or facilitate access to credit, markets or technology can strengthen farmer livelihoods and food security – in addition to supporting resilience in the face of climate impacts and disruptions.

Evidence provided by companies under this indicator suggests companies recognize the importance of targeting wider sustainable development goals in their climate strategies. Six of the nine companies assessed: General Mills, the Kellogg Company, Unilever, Danone, Mars and Mondelez, have specific commitments to ensuring farmers receive sufficient living incomes, in addition to prioritizing sourcing from smallholders or setting targets for their inclusion. Interventions largely rely on providing farmers with better access to agricultural inputs, credit or technology.

The Livelihoods Fund for Family Farming²², launched jointly by Danone and Mars, is an excellent example of a multi-pronged smallholder support initiative. See the box below for more details. While Coca-Cola does not possess a formal target or policy for these activities, it shows evidence of supporting smallholder farmers with access to markets and technology. By contrast, Nestle and PepsiCo do not show evidence of any of these kinds of activities.

Best practice: Livelihoods Fund for Family Farming

The Livelihoods Fund for Family Farming (L3F) was launched in 2015 by Danone and Mars (later joined by flavour company Firmenich and utility company Veolia). The fund targets smallholder-dominated commodity sectors which are greatly impacted by environmental, social and economic issues – such as cocoa, palm vanilla and sugarcane. The fund invests in large-scale projects that help farmers to produce greater, more sustainable and better quality yields; adopt regenerative agricultural practices; and strengthen connections between family farmers, farmers' groups, and business supply chains.

The Fund's model relies on both private and public finance, as well as technical support – provided by fund advisor Livelihoods Venture – to produce sustainable, marketable, smallholder produce. Farmers and their communities receive market visibility, free training, and resources to implement sustainable agricultural practices that can drive up incomes and improve their livelihoods.

²² The Livelihoods Fund for Family Farming. <https://livelihoods.eu/l3f/>

3.6 **Criterion 6: Progress on implementation of commitments to achieve deforestation and exploitation free supply chains**

The final criterion examines company progress relating to deforestation. Growing consciousness of the urgency to tackle global deforestation has led many companies to make ambitious commitments. For companies sourcing forest-risk commodities (namely beef, palm oil and soy), this often involves a 'NDPE' (No Deforestation, No Peat, No Exploitation) or zero-deforestation commitment, which demonstrates a company's dedication to eliminating deforestation and exploitation from its supply chains.²³ While these commitments offer much hope for halting commodity-linked deforestation, a recent assessment of Goal 2 of the New York Declaration on Forests, a framework for supporting the private sector to eliminate deforestation, found that supply chain efforts have not been successful in eliminating deforestation from the production of agricultural commodities by 2020.²⁴

This indicator assesses the extent to which the *Behind the Brands* companies monitor adherence with their no deforestation policies. Performance under this indicator is mixed; with some companies showing explicit attention to this issue, and others none at all.

Note: Coca-Cola was not assessed under this indicator owing to the low deforestation-risk its sourcing activities pose.

Indicator 6.1 Company has a due diligence risk assessment & monitoring system to ensure supplier compliance with NDPE commitment

Just as important as setting commitments to achieve deforestation and exploitation free supply chains, is implementing due diligence systems to ensure compliance with these commitments. These include plantation spot checks and audits. Although all companies except Mondelez refer to some kind of due diligence system, none have a monitoring system in place for every commodity in their supply chain. Monitoring systems were most common for palm oil and timber, with soy represented just a few times. Due diligence for other commodities significant to food and beverage companies, such as cattle products and sugar, were entirely absent.

Indicator 6.2 Company has a system to address suppliers' non-compliance with NDPE commitment

In addition to having due diligence and monitoring systems, companies also need to have in place a system that allows them to

²³ Proforest (2020): Understanding Commitments to No Deforestation, No Peat and No Exploitation (NDPE). <https://bit.ly/39vGZkp>

²⁴ NYDF Assessment Partners. (2020). Goal 2 assessment: Eliminating deforestation from agricultural commodities. New York Declaration on Forests Progress Assessment. Climate Focus (coordinator and editor). https://forestdeclaration.org/images/uploads/resource/NYDF2020_Goal_2_Assessment.pdf

address instances of noncompliance. At best, such a system might involve engaging with suppliers to identify an issue, with a protocol for addressing it, and ultimately a time-bound risk of exclusion if the supplier is not able to meet the company's expectations. Even without engagement, having some process by which non-compliant suppliers are addressed is essential if a company is to meet its commitments. Encouragingly, all *Behind the Brands* companies have non-compliance procedures for all commodities they report on to CDP; though these commodities may not represent the greatest part of their agricultural procurement spend, or the most likely commodities to see non-compliance with corporate policies.

While any evidence of due diligence is positive, this finding raises concerns about the deforestation risk exposure in the remaining supply chains. For the *Behind the Brands* companies, undisclosed commodities represent a minor share of procurement spend – in many cases under 1%. Still, given the scale of these companies, those supply chains may represent significant volumes of product that is not being actively monitored. In failing to implement specific monitoring systems across all of these supply chains and disclosing data to prove it, companies cannot claim transparency, nor accurately claim progress on their deforestation commitments. Moreover, it is worth noting that whilst monitoring systems were common for palm oil and timber, due diligence for other commodities is less typical. Monitoring of soy supply chains was reported just a few times, and cattle monitoring was not mentioned by any of the companies.

3.7 Data limitations

The research process revealed a number of data gaps which hindered our ability to draw conclusions under a few indicators.

Not all data was publicly available online. Direct contact with all nine companies was required to obtain sufficient information for the analysis. One-off information requests typically rely on anecdotal information, which does not facilitate comparison. Therefore, reporting through a standardized reporting framework is preferred.

Additionally, a great deal of variability exists in the way companies report on specific programs and interventions. This is particularly true of criterion 5, which focuses on activities supporting low emissions and equitable land use models. Variations in the quality and quantity of information inhibits accurate comparisons and introduces the risk of overstating or understating a particular intervention. For this reason, while the research process uncovered a number of seemingly impactful interventions, specific case studies were not included.

As already alluded to under criteria 2 and 6, companies are not disclosing complete commodity data. Only two companies – Mars and Nestlé – disclose information through CDP's Forest questionnaire on all the agricultural commodities they source. The



rest only include those which represent a significant share of their procurement spend. Explanations for focusing on higher priority commodities go some way toward justifying these exclusions. However, it is also true that information disclosure is a crucial first step towards complete supply chain transparency. *Behind the Brands* companies should make efforts to disclose information on all commodity supply chains, even if, at present, real progress is only being made on the largest commodities. In doing so, companies will demonstrate awareness as well as help drive up disclosure standards across the sector.

4.

Conclusions

Areas of progress

Overall, the assessment findings are positive in that they show companies have made considerable progress on climate action over the past four years. The strongest performance was observed under criterion 1, regarding the robustness and scope of companies' GHG reduction targets. The fact that all nine companies are working towards a science-based goal shows a strong level of ambition, understanding and responsibility with regards to their wider operational impacts. Nonetheless, at this point in time, such action may be the bare minimum expected of leading companies. Considering the global reach – and, moreover, the emissions share, of the *Behind the Brands* companies, we would expect a larger number to have adopted targets aligned with a 1.5° scenario. Still, the proportion of companies that include scope 3 emissions – including those arising from land use change and deforestation – in targets (and reporting) was strong across the board and is encouraging.

The strongest climate action was demonstrated by Mars and Unilever, with both companies taking action under all but a few indicators. In addition to showing strong positive behavior across all themes assessed, these companies stand out for the scope of their interventions. While many companies show activities being undertaken in one or two of their major supply chains – such as for high profile palm oil - Mars and Unilever show ambition across all agricultural production activities. Such a finding indicates strong integrity in their environmental ambition and a positive example for the rest of the sector to follow.

Areas for improvement

Of all categories assessed, criterion 3, on engagement with suppliers, was the weakest and most variable. The lack of comprehensive systems for collecting supplier emission data, and the provision of tools for suppliers, is an obvious shortcoming. Although a few companies are pioneering innovative supplier engagement programs, this highlights a key point for intervention. Accurate emissions data is essential for companies to meet their climate targets and to encourage collaborative action throughout the supply chain.

The lack of consistent engagement with suppliers stands out especially considering the evidence companies show of low emission agricultural and land use projects. The vast majority of companies

gave evidence of such activities and described innovative programs that aim to support sustainable land practices; track supply chain impacts; and support the livelihoods of smallholders. These findings illustrate a keen awareness of indirect supply chain impacts. However, without thorough engagement with supply chain actors, the provision of tools and support, and emissions data collection, one wonders how far-reaching the impacts of the projects will be. Moreover, company support for these interventions is overwhelmingly applied via a project-based approach, and is not driven by a company-wide target. Without company-wide policies to mandate support for sustainable land-use models, evaluations of company progress are forced to rely – as in this case – on anecdotal examples. This makes interventions difficult to quantify, evaluate, and compare from one company to another.

Similarly, criterion 6, relating to company deforestation commitments, reveals gaps in the way companies are safeguarding their sourcing processes. All companies have committed to reducing or eliminating deforestation from their sourcing operations. However, our analysis reveals that for the vast majority, due diligence to ensure implementation of these commitments is only applied to key supply chains: to those commodities which represent the majority of a company's procurement spend. Nonetheless, in light of the scale of the *Behind the Brands* companies, even those commodities that represent a minor share of procurement represent sizable volumes. To avoid being indirectly linked to deforestation, in addition to safeguarding public reputation and reducing exposure to climate-risk, companies must be more consistent in their deforestation commitments.

Recommendations

1. In recognition of scientific consensus, all companies must set science-based targets aligned with a 1.5° warming scenario. Although the prevalence of net-zero targets among the companies assessed is positive and should be acknowledged, these do not diminish the need for nearer-term, science-based goals.
2. Companies must improve their supplier engagement protocols. This may include implementing systems to collect regular, accurate data, as well as monitoring compliance with policies, and setting clear expectations for suppliers when they do not comply with policies, standards, and commitments. These steps are key for accelerating the sustainable shift at farm-level, ensuring the accuracy of the information being collected, and allowing companies to recognize their suppliers' achievements.
3. Companies must embed the advancement of sustainable and resilient agricultural practices into their climate strategies.



Almost all companies have committed to address emissions arising from land use change in their science-based targets. This is a strong first step. But to accelerate emission mitigation, protect natural resources and provide suppliers with the essential resilience they need in the face of a changing climate, companies must set clear goals for sustainable production across all their agricultural supply chains.

4. Finally, companies must address deforestation across all of their commodity sourcing operations. The number of companies with due diligence systems is promising. But it is important that those systems are applied across the full supply base.