



Corporate Environmental
Sustainability Review

How company priorities align to the UK dairy roadmap

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FOREWORD

As an author and founding member of the original UK Dairy Roadmap report published in 2010, it has been a gratifying exercise to revisit the commitments and progress made on environmental performance by the businesses that supply into, and purchase from the British dairy industry.

Back then trying to engage retailers, and food service companies in the Dairy Roadmap was a challenge, and pretty unsuccessful. Dedicated supply chains and relationships between supermarkets and dairy farmers were either non-existent or embryonic. Sustainability wasn't a priority, and commitments on environment were scant.

What a difference a decade makes. Propelled by political, consumer and shareholder interest, retailers and big business are now leading the charge on addressing climate concerns. What was a 'them and us' approach to environmental care in the supply chain is now a genuine collaboration, with big results and ambitions to boot.

This report maps, against the Dairy Roadmap's priority topics, how customers of the British dairy industry are working towards common sustainability goals. It informs the work of the Dairy Roadmap Steering Group, aids the Roadmap's progression and ensures that all parts of the supply chain are in step when it comes to setting and achieving environmental targets.

The good news is that all of the issues key to delivering the Dairy Roadmap's goals are on every corporate agenda.

A deep dive into corporate sustainability strategies has revealed several key themes. Amongst them, that not all net zero targets are as good as they sound, that suppliers will - by carrot, stick or both - be expected to measure and report on carbon emissions if they aren't already and, most controversially perhaps, that switching away from meat and milk products to lower carbon, plant based alternatives is a major pillar of several companies' climate strategies.

A big caveat to this report is that the assessments have been made on the best available information. The extensive research behind the report has taken into account corporate sustainability plans, industry initiatives and supplementary press statements by individual companies. Sustainability is a moving and complicated feast. Since March it is possible that new targets have been set by some of the companies featured, or that the supply chain pressures experienced by all businesses currently may have affected performance in some areas. Any omissions or mistakes are my own. Equally, my opinions on which companies are excelling or lacking on their climate commitments are well informed, but entirely subjective.

Hayley Campbell-Gibbons



COMMON CLIMATE TERMINOLOGY

SCOPES 1, 2 AND 3 EMISSIONS: Greenhouse gas emissions are categorised into three groups or 'Scopes' by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct emissions from owned or controlled sources (such as transport). Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain, including the products they purchase and sell (The Carbon Trust).

SCIENCE BASED TARGET INITIATIVE (SBTi): Science-based targets have become the globally accepted standard for companies setting carbon reduction targets. The SBTi is a partnership between the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi defines and promotes best practice in emissions reductions and net-zero targets in line with climate science. They independently assess and approve companies' targets in line with strict criteria.

BUSINESS AMBITION FOR 1.5°C: Private companies have been challenged to make their contribution to limit the worst impacts of climate change by setting science-based targets through the SBTi consistent with keeping warming to 1.5°C, so called the 'Business Ambition for 1.5°C' campaign. It has over 1200 corporate leaders signed up and is now considered mainstream for target setting. 1.5°C refers to the rate and depth of a GHG reduction target being sufficient to help limit global warming to 1.5°C. The Intergovernmental Panel on Climate Change (IPCC) Special Report on 1.5°C stated in 2018 that to avoid the worst effects of climate change, global temperature increase must be capped at 1.5°C. To achieve this, emissions must be halved before 2030 and reach net-zero before 2050.

NET ZERO: Net Zero refers to when all greenhouse gases being emitted into the atmosphere are equivalent to the greenhouse gases being removed from the atmosphere on a global scale (ClimateSeed, 2021). However, the definition of net-zero, as well as the path to get there, has been interpreted in different, and often inconsistent ways. In the absence of a common definition, targets can differ in terms of the sources of emissions included, the depth and speed at which emissions are reduced, and the timeframe of the target. This has fuelled confusion and accusations of greenwashing. The SBTi's Net-Zero Standard addresses this problem by providing a clear, science-based definition of net-zero.

SBTi NET ZERO TARGET STANDARD: In October 2021, just ahead of COP26, the SBTi launched the world's first corporate Net-Zero Standard, to ensure that companies' net-zero targets translate into action and are consistent. In order to satisfy the SBTi's requirement for 'net zero' the target must meet the following criteria:

- Rapid, deep emissions cuts across **scopes 1, 2 and 3** in line with keeping global temperature increase below 1.5°C
- Near and long-term reduction targets: a requirement to **halve emissions by 2030, and cut 90-95% by 2050**, before any residual GHGs are removed and net zero reached.
- If Scope 3 emissions make up over 40% of total emissions, then at least **two-thirds of Scope 3 emissions must be included** in the short term target, increasing to 95% in the long term
- **No net zero claims** until the long term targets are met

Companies are invited to commit to set net-zero targets by signing the SBTi Commitment Letter. SBTi began validating new and updated targets in January 2022.

RACE TO ZERO: an umbrella campaign that aggregates commitments to become net zero to a country level. Oxford University has set out minimum criteria for robust Race to Zero targets, which match the SBTi's net zero criteria.



CARBON NEUTRAL: Any company and any product can be carbon neutral by calculating carbon emissions and compensating for what is produced via carbon offsetting projects. Carbon neutrality is defined by an internationally-recognised standard – PAS 2060 – which sets out requirements for the quantification, reduction and offsetting of greenhouse gas emissions. The boundary of a carbon neutral claim can refer to a specific product or operation. Companies achieve the highest degree of credibility if, in addition to carbon offsetting, they also pursue a transparent carbon avoidance and reduction strategy.

CARBON NEUTRAL Vs NET ZERO: Although similar concepts, there are three key differences:

1. The boundary of a carbon neutral claim can refer to a specific product or operation (scopes 1 and 2) instead of encompassing all scopes of organisation's value chain (scopes 1, 2 & 3), as in the case of net zero.
2. The reduction in emissions required differs. Net zero targets must align to a 1.5°C science-based target scale of reduction, whereas the level of ambition of a carbon management plan for carbon neutrality is not specified.
3. The approach to residual emissions differs, with specific greenhouse gas removals required for net zero targets in the final year, whereas carbon offsets are accepted for achieving carbon neutrality at any stage.

OFFSETS: No matter how much a company reduces its existing emissions, there will always be some that cannot be avoided. Offsetting is the practice of balancing GHG emissions by compensating the equivalent amount elsewhere through a GHG offset project. Various standards apply, such as the Gold Standard, Verified Carbon Standard or the Climate, Community and Biodiversity Standard. Oxford University has published principles for net zero aligned offsetting, which categorises offsets into avoided emissions, emissions reduction and greenhouse gas removal offsets; only the latter takes remaining emissions from the atmosphere and permanently sequesters them.

INSETTING: Offsetting occurs outside of a company's direct value chain, insetting, on the other hand, occurs inside the value chain and is a form of verified carbon reduction project which occurs within a company's supply chain. The definitions of insetting vary, as do the accounting approaches, making it difficult for businesses to understand how to incorporate insetting within their net zero strategies. The SBTi recommends businesses take a conservative approach in relation to insetting whilst work is going on to standardise the definition and develop clear accounting methodologies.

REGENERATIVE AGRICULTURE: Regenerative, or conservation, agriculture is about building up carbon in the soil, and improving soil health for better productivity and carbon capture. Defined as: "a system of principles and practices that generates agricultural products, sequesters carbon, and enhances biodiversity at the farm scale." (Agricology.co.uk) Typically the practice follows three principles:

- No or minimal soil disturbance to help soil life flourish
- Growing ground cover to lock in nutrients and protect the land
- Using a diverse rotation (three or more crops) to promote life and avoid nutrient over-extraction



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INSIGHT & ANALYSIS

End to end supply chain environmental sustainability themes

INTRODUCTION

Several environmental themes stand out across all of the company sustainability reports examined. When it comes to GHG emissions, all retailers and major food industry companies are on a path of reduction. All have targets (of some form) for reducing and removing emissions within their own operations and supply chains. Understanding those targets and the implications for suppliers is of most importance to dairy farmers and processors.

The numbers behind each company's climate targets vary hugely, but the direction of travel is absolutely clear. Cutting carbon is a major sustainability priority for every major supermarket and food business. Beyond carbon, most companies have a common set of wider environmental sustainability goals that map well against the Dairy Roadmap's priority issues of plastics, food waste, energy use and so on. Each business's environmental agenda, and how it complements the Dairy Roadmap, is detailed in the individual sustainability profiles contained in this report.

The central sustainability themes are explored in more detail here, with insights and analysis on the issues most pertinent to the dairy sector. It is important to state upfront that this review of sustainability goals and targets is not about picking winners.

What this report does reveal is huge inconsistency in the net zero targets set, which makes comparisons difficult. There are several examples of targets that do not satisfy the Science Based Targets Initiative (SBTi) standards for net zero, and others where communications around targets are lacking in integrity. That's not to say that any of the sustainability goals featured in this report are wrong, as it is an unregulated market. However, it's safe to say that some aren't as good as they initially sound.

The second major, and most controversial theme, is that of protein diversification. Several companies in this report have committed to switching up to 50% of their sourcing away from animal to plant based proteins, starting now. This represents the most unconcealed and conscious supply chain shift away from meat and milk that the industry has ever experienced. With dairy representing such a large proportion of a food company's carbon footprint, and all companies required to remove greenhouse gases by 2050 or earlier, there is a drive to avoid emissions from agriculture wherever feasible. Switching sourcing from proteins to plants is the most obvious way to achieve this.

A summary of the sustainability efforts of the agri-supply sector is also included. However, analysis on specific businesses is provided only in the company profiles, recognising the different structure of the sector in terms of its emissions, and its role as an enabler, partner and supplier to farm businesses, as opposed to a major purchaser of its products.

AGRI-SUPPLY SECTOR BASELINE

From seed and fertilizer to animal feed and crop protection products, the agri-supply sector has a big influence on farming and has an integral role to play in realising agriculture's sustainability potential. As well as meeting its own industry targets, the partnerships that exist between the 5000 accredited UK agriculture advisers and farmers is a strong factor in decision making, farm performance and driving change.

The Agriculture Industry Confederation's (AIC) 'Roadmap for a Sustainable Food Chain' charts the sector's role in supporting the industry's transition to net zero. Each part of the agri-supply industry has set targets for its contribution to reducing climate impacts.

The headline targets and priorities for the sector between 2020-2050 include:

- **A 50% reduction in carbon emissions** from feed mills and UK nitrogen fertilizer production by 2030; 70% by 2040 and over 80% by 2050
- **100% recyclable packaging material** processed in the UK; overcoming the current barrier of no UK based facility for farm plastics/packaging
- **40-50% increase in farm input and resource** efficiency by 2040 through integrated farm practices
- **Reduce HGV GHG emissions** across the industry 15% by 2025
- **100% zero emissions vehicles** by 2050 for the entire agri-supply chain

THE SEED INDUSTRY: Focused on providing a diverse variety of seed to the industry over the coming decades that are bred for climate resilient traits and bio-pesticides. Over the next thirty years an estimated £1.5 billion will be invested in seed variety performance to help farms adapt to climate change.

THE FERTILIZER INDUSTRY: Targeting decarbonisation of its production emissions and driving nitrogen use efficiency, with a focus on soil health and nutrient balance on farms (linked to regenerative agriculture). Since 1990 there has been a 40% reduction in carbon emissions from the production of nitrogen fertilizers. Nitrogen production for fertilizer use is energy intensive and releases nitrous oxides. Two UK production sites employ the latest technology, making it possible to reduce production related emissions 40% per tonne of fertilizer. More transparency is being driven in calculating the carbon footprint of nitrogen and other fertilizers (phosphorous and potassium), with tools offered by The Carbon Trust and Fertilisers Europe.

THE ANIMAL FEED INDUSTRY: Moving entirely to green energy, and developing innovative feed compositions, additives and alternatives that can help mitigate emissions without compromising performance. Since 1990 there has been a 23% reduction in carbon emissions at feed mills producing compound feeds. Of the total product environment footprint of animal feeds, at least 85% lies in producing the raw materials; hence the importance of understanding the land use changes associated with raw material production, and the prominence of animal feed certification and sourcing in all the major retail and corporate sustainability plans. Feed mill engineers are confident that zero carbon can be achieved through on-site energy generation and access to green grid energy.

RETAIL BASELINE

The UK retail sector emits an estimated 215 million tonnes of GHGs a year (BRC, 2020). It is one of the highest contributors to emissions in the UK. The food and drink industry accounts for 67% of the retail sector's total emissions. The second highest emitting industry is electricals at just 11%.

In 2020 the British Retail Consortium (BRC) published a 'Climate Action Roadmap', with a headline ambition of achieving a net zero retail supply chain by 2040; ten years ahead of the UK Government's 2050 net zero deadline. It provides tools, actions and guidance to retailers on the steps they can take to decarbonise their operations and products.

The major milestones on the retail sector's road to net zero include:

- **By 2030:** Net zero retail electricity (scope 2)
- **By 2035:** Net zero retail fuel, gas and refrigerant use (scope 1)
- **By 2040:** Net zero all products sold in the UK (scope 3)

The BRC outlines five pathways for retailers to take action on emissions, set goals and measure progress:

1. **Put data at the core of decision making:** by 2025 the BRC advises all retailers to be measuring and reporting their own GHG emissions data, and that of their top suppliers, and to be committed to net zero, or other Science Based Target (SBT)
2. **Decarbonisation of retail sites:** achieved through sourcing renewable energy, installing efficient technology for heating, lighting and refrigeration
3. **Low carbon logistics:** zero and low carbon fuels adopted, along with electric vehicle fleets
4. **Sustainable sourcing of materials:** higher specifications and procedures for sustainable sourcing
5. **Customers to lead low carbon lifestyles:** increasing the proportion of plant based food sales.

With high profile signatories to the Roadmap, including all the major supermarkets, and a significant number of hospitality chains the industry can exert significant influence on suppliers and consumers to make emission reductions. Equally, big businesses themselves are under pressure to perform on sustainability. Investors have rising expectations on emissions measurement, disclosure, and concrete strategies for reduction.

For some companies the BRC Roadmap is the baseline upon which more reaching environmental targets have been set by a company. For others, signing up to a sector level pledge is as far as they have got.





FOOD SERVICE AND HOSPITALITY BASELINE

The Zero Carbon Forum (ZCF) is an industry collaboration, comprised of brewing and hospitality businesses; including UK Burger King and KFC UK. The Forum enables members to take action, drive impact, and reach their net zero targets faster than acting alone.

The ZCF's 'Guide for the Brewing and Hospitality Sector' to reach net zero emissions offers reduction pathways for each sub-sector of hospitality and brewing, along with ambitious net zero targets to eliminate operational emissions by 2030, then achieve net zero across supply chains by 2040.

The key sustainability targets for the sector as a whole include:

- **By 2030:** abating all avoidable emissions from direct operations (scopes 1 and 2)
- **By 2030:** 100% zero carbon vehicles
- **By 2030:** 95% of suppliers by emissions contribution to have set SBTs for GHG reductions
- **By 2030:** 100% renewable energy in all chains / outlets
- **By 2040:** net zero suppliers to hospitality
- **By 2040:** Abating all avoidable emissions across the supply chain (scope 3) and credibly offsetting residuals to achieve net zero

The guidance document explains the importance of setting a credible net zero target, which it defines as (1) covering all relevant emissions across 3 scopes, (2) prioritising a reduction in emissions in line with climate science, and (3) neutralising the residual balance of emissions through carbon removals. It recommends its members develop a Science Based Targets initiative (SBTi) approved target to deliver absolute reductions in Scopes 1, 2 and 3 emissions.

The Forum calculates that scope 3 emissions represent an average 89% of a restaurant's carbon footprint. Dairy in particular is highlighted as an emissions hotspot. It recognises that decarbonising agriculture and food supply chains won't be

easy. As part of its recommended pathways for reduction the Forum advises its members to develop a supplier engagement programme to embed sustainability metrics into the procurement and decision making process, engage with key suppliers to set their own science based targets and implement menu changes to support low carbon food options.

The Forum provides a draft template supplier letter, extracts from which include:

"Dear [Supplier],

We are delighted to inform you that [Company Name] has committed to reducing our in-house (Scope 1 and 2) and supply-chain based (Scope 3) emissions to reach Net Zero in line with SBTi best practice and the GHG Protocol.

...We have found that much of our emissions sources come from our supply chain, and specifically, from many of our suppliers. We would like to work with [Supplier] to better understand how we can work together to tackle our emissions by collaborating to reduce your business' carbon footprint as well.

...Specifically, we would like to better understand:

- *Any initiatives your company has taken to reduce waste or emissions, and any future plans?*
- *Are you willing to collaborate with us on our emissions reduction journey to Net Zero?*
- *Has your company ever calculated its greenhouse gas (GHG) emissions?*
- *Are you able to provide us with your Scope 1, 2 and any 3 emissions data?*
- *Have you committed to a Science-Based Target to reduce your GHG emissions?*

If you would like to join us on this journey, we would be happy to speak with you about this mutually beneficial opportunity. Thank you for helping us reduce our environmental impact."

"...the scope of emission sources covered within net-zero target sources is inconsistent. In some cases, companies are setting targets covering only their operational emissions (emissions referred to as Scope 1 and Scope 2 in the GHG Protocol Corporate Standard). In others, companies are setting targets only for certain products or for activities within their value chain."

SBTi, Foundations for Net Zero, 2020



"Not all net-zero targets are equal. The definition of net-zero itself, as well as the path to get there, has been interpreted in different, and often inconsistent ways... This has fuelled confusion and accusations of greenwashing. The Net-Zero Standard addresses this problem by providing a clear, science-based definition of net-zero."

[Sciencebasedtargets.org](https://sciencebasedtargets.org)



GOING BEHIND THE HEADLINES: TOP 5 SUSTAINABILITY THEMES

THEME 1: NET ZERO

The headline ambition for net-zero is the obvious place to start when comparing corporate climate strategies.

Technically, 14 of the 20 food companies included in this report have, or are in the process of committing to, a net zero target. However, while corporate net-zero targets are often treated as equivalent, and assumed to have comparable ambition, on examination significant differences can be found amongst them.

According to the SBTi, in 2019 only businesses representing 16% of global GDP had made a commitment to reach net zero by 2050. By 2021 this had risen to 70% of GDP. The BRC acknowledges a significant switch to net zero targets in the last few years, which has raised questions over definitions, the role of carbon offsets, risks of long term time horizons, and confusion over how these relate to science-based decarbonisation targets.

The SBTi is equally concerned that corporate net-zero targets are being approached inconsistently, making it difficult to assess these targets' contribution to the global net-zero goal. They have identified that corporate net-zero targets differ across three important dimensions: (1) the range of **emission sources** and activities included; (2) the **timeline**, and most importantly; (3)

how companies are planning to achieve their target. It states that without a common understanding, today's varied net-zero landscape makes it difficult for stakeholders to compare targets and to assess consistency.

This inconsistency is particularly evident in the supermarket retail and hospitality sector net zero targets assessed in this report.

Net zero, or no zero?

According to the SBTi, one of the most important aspects of corporate net-zero targets is the range of emission sources covered within the boundary of the target (is it just scopes 1 and 2, or does it include scope 3?). The target boundary determines whether a company is committing to address the most material sources of emissions in its value chain.

Time magazine quite simply argues that *"If a company does not include Scope 3 emissions in its carbon accounting, it's essentially useless."* (Time, 15th November, 2021). Indeed, of the companies reviewed in this report most have learned that anything between 75-99% of their carbon footprint lies in their scope 3 operations. As such, including scope 3 emissions in any target is essential for credibility and effectiveness.

"A lot of businesses and investors are setting these kinds of targets, and they're doing it, arguably, for PR reasons"

Professor Thomas Hale, University of Oxford and co-founder of Net Zero Tracker

What does a good net zero target look like?

As a reminder, according to the SBTi, now widely recognised as the mainstream standard for net zero, a net zero target must meet the following criteria:

- Rapid, deep emissions cuts across **scopes 1, 2 and 3** in line with keeping global temperature increase below 1.5°C
- Near and long-term reduction targets: a requirement to **halve emissions by 2030, and cut 90-95% by 2050**, before any residual GHGs are removed and net zero reached
- If Scope 3 emissions make up over 40% of total emissions, then at least **two-thirds of Scope 3 emissions must be included** in the short term target, increasing to 95% in the long term
- **No net zero claims** until the long term targets are met.





Which retailers have the best net zero targets?

Co-op gets the gold star of all the retailers for having an inclusive target and clear plan for achieving net-zero across all scopes by 2040. It clearly distinguishes between carbon neutral, emissions reduction and net zero in its sustainability plan, and at no point makes a claim to be net zero ahead of the end point. A strategy is in place to reduce as much carbon, and other GHGs, as possible from its own operations (scopes 1 and 2) and its supply chain (scope 3) before offsetting any residual emissions that cannot be reduced before 2040. The retailer is signed up to the Business Ambition for 1.5°C and has SBTi approved targets.

M&S has a net zero target of 2040 for its entire value chain, but falls short of the **Co-op** because it sets an early 'net zero' target for its scopes 1 and 2 by 2035. That said, the retailer doesn't lead with this target as a headline, it's a milestone in its sustainability plan, which is robust overall. There is a total carbon estimate of 5.7million tCO₂e, inclusive of scope 3 emissions, (although the activities included in this figure could be more transparent). Overall, it's a strong ambition, meets the SBTi criteria and is backed up by data and a delivery plan. **M&S** will publish a more detailed roadmap in 2022 to underpin its net zero ambition, with clear targets across each of the three scopes.

Lidl GB is committed to reaching net zero by 2050, through its parent company. The retailer has a straightforward emissions reduction strategy and GHG reduction milestones for each scope of its business ahead of the target end date. The short term reduction targets for Lidl Stiftung (which includes Lidl GB), and the wider Schwarz Gruppe parent company have been approved by the SBTi. The retailer's scope 3 reductions are being tackled through a supplier led approach.

Which retailers' net zero targets have scope for improvement?

Asda's target is for an end to end net zero 'carbon' business by 2040. However, the target can be considered more a statement of intent due to a lack of data and detail at this stage, and a vagueness of wording (net zero carbon, or net zero, covering all GHGs?). **Asda** has a target to halve its scope 1 and 2 emissions by 2025, and is currently in the process of mapping its scope 3 emissions, with targets due to be published by 2025. It's a good, clear intention and the retailer doesn't fall into the trap of setting any early net zero claims for its own operations. But, there's little substance at this time. None of **Asda's** targets are currently SBTi approved, but are being validated. Walmart has come under fire in the US for setting a 'greenwashing' net zero target of 2040, which only actually covers its scope 1 and 2 operations at this time.

Aldi UK does not have a published net zero target. The vision for the wider **Aldi South Group** (which includes the UK) is for 'zero carbon by 2030', which is not the same as net zero. GHG reduction targets have been published for all three scopes of **Aldi South's** supply chain, but are not currently of a level required to achieve the Business Ambition for 1.5°C, and are not yet considered part of an approved net zero commitment.

Tesco, Sainsbury's, Morrison's and **Waitrose** all lead their climate communications with a much earlier net zero target of 2035. However, crucially, these early targets only apply to their own operations (scopes 1 and 2), and not their value chains (scope 3), where the vast majority of their GHG emissions occur. **Waitrose** is especially misleading as it defines the 2030 target on its website as applying to its entire operations, which on face value suggests all scopes are included. Only further reading reveals the retailer also plans to look 'beyond its own operations' at ways to reduce carbon, starting with agriculture. **Morrison's** and **Waitrose** both state that they will be supplied by 'net zero' farms by 2035 under their scope 3 ambitions. Based on the best available information the actual net zero target for each of these retailers (scopes 1, 2 and 3) is 2050.

The SBTi is clear that no net zero claims should be made ahead of the end target date. Making partial or early net zero claims as a company, that are limited to certain scopes, products or activities to be seen to 'win the race quicker' is misleading.

"In order for companies in land-intensive sectors to have a fighting chance of avoiding catastrophic climate breakdown, we are developing guidance to have a standard method to account and set science-based targets that include land-related emissions and removals."

SBTi, 2021

As indicated by the SBTi, it also leads to gross inconsistencies and makes it hard to compare companies' climate commitments. What's more, consumers and stakeholders might not understand the true nature of a net zero headline.

Interestingly, in October 2021 the JLP announced that it is revisiting its climate commitments for both John Lewis and **Waitrose**, and will establish a net zero target in line with the SBTi standard. **Morrison's** also states in its corporate report that it is working with the SBTi to approve its targets. It is likely that both retailers' net zero targets will be revised as part of this process.

SPAR UK is included as an example of a 'middle ground' retailer, and provides a good comparison to the 'big supermarket players'. It has no comprehensive sustainability agenda to speak of. Its parent company, The SPAR Group Ltd is working to become a carbon-neutral organisation by 2050. However, its sustainability agenda, and its scope 1 and 2 emissions data applies only to South Africa. No emissions data is available for SPAR Ireland and England currently. Any environmental targets applicable to the UK are centred on plastics, with some modest energy related targets for the wider BWG group (which runs the Ireland and England operation). There is no UK climate target, or supplier action plan.

Which food service and hospitality companies have the best net zero targets?

Unilever, **KFC UK**, **Sodexo** and **Nestlé** have the clearest and most inclusive climate strategies with a net zero target for all scopes of their business, and a transparent GHG emissions reduction strategy. All have set science-based approved targets for reaching net zero.

- **Unilever** will be net zero across scopes 1, 2 and 3 by 2039
- **KFC UK** (through parent company YUM!) will be net zero by 2040, with a 46% reduction in GHGs across all scopes by 2030 (applied as a 46% reduction in GHG per tonne of dairy for scope 3)
- **Sodexo** will be net zero by 2045, with a 55% reduction in GHGs across all scopes by 2030
- **Nestlé** will be net zero by 2050, with a 50% reduction in GHGs across all scopes by 2030

Which food service and hospitality net zero targets have scope for improvement?

Compass sets a net zero target for its entire operation (scopes 1, 2 & 3) of 2030, just 8 years away, with a 65% reduction in GHGs across all scopes by then. Such an ambitious and short term plan sounds great. However, the SBTi net zero standard guidance for corporates advises companies against setting faster targets that do not achieve the levels of emissions reduction required (90-95%) before offsets are purchased to deal with emissions that cannot be removed. **Compass's** strategy lacks credibility on this basis and would appear to leave a significant level of GHG offsets to be purchased by 2030.

When it comes to reaching net zero the message from the experts is that it should be a marathon, not a sprint. The SBTi warns that companies choosing to set a net zero target year earlier than 2050 should consider the feasibility of accelerating reductions in value chain emissions beyond 1.5°C pathways and the potential financial implications of the required carbon removal. Also, that companies should prioritise decarbonisation of Scope 1, 2 and 3 emissions over and above offsetting on their journey to net zero.

McDonalds UK has an early target to be net zero by 2030 for its own operations (scopes 1 & 2), and its entire value chain by 2040. It is currently developing a roadmap, which it states will be 'in alignment' with the SBTi net zero criteria and a 1.5°C

climate scenario pathway. As yet there are no published GHG reduction milestones to track the company's progress. There is a parent company dimension to **McDonalds UK's** targets. Globally, **McDonalds** has a net zero target of 2050 and has joined the Business Ambition for 1.5°C campaign, with SBTi approved targets. However, it recognises that the UK and ROI franchise can move faster. A deep dive on its website reveals a statement acknowledging that, although the SBTi net zero target cannot just be applied to scope 1 and 2 operations, or part of a company (such as a franchise or subsidiary), **McDonalds UK** will aim to 'adhere to the spirit of the net zero criteria', and that the 2030 net zero goal for scopes 1 and 2 is by its 'own definition'.



UK Burger King has not published a net zero target. It has committed to reducing scope 1 and 2 emissions 100% by 2030, and emissions per restaurant 41% by 2030. Burger King UK has pledged to work with its suppliers, supporting them to reduce their own carbon footprints, but no published plan is available.

Restaurant Brands International, the parent company of **Burger King**, has announced a new commitment to reduce emissions 50% by 2030 and reach net zero by 2050. The company is also targeting a 50% cut in Scope 3 emissions intensity per metric ton of food and per franchise restaurant. These targets have been approved by the SBTi, and **UK Burger King's** targets are likely to be updated to reflect this.

Pret-a-Manger and **Costa Coffee** have no published net zero target. **Pret** and **Costa** are signatories to the BRC Roadmap, which sets a target date of net zero by 2040 along with several retail specific climate objectives, but for now there is no discrete emissions target for either company. **Costa** reports to be in the process of measuring its footprint with targets to follow. **Costa's** parent company, **Coca-Cola UK** is signed up to the SBTi's net zero commitment, with an approved GHG reduction target by 2030. Whether this encompasses the **Costa** operation is not clear from either company's corporate sustainability reports.

Starbucks UK does not have a net zero target, but, in line with Starbucks USA, has set GHG reduction targets of 50% across all scopes of its business by 2030, and plans to be 'climate positive' overall. It is currently working with a small group of UK dairy farmers on a carbon footprint initiative.

Jude's Ice Cream is something of an anomaly amongst these corporate giants, but is included as an example of a food manufacturer and brand that is punching above its weight on sustainability. The company does not have a net zero target (and falls beneath the size of organisation required to set one), but is the only company in the dairy industry producing a 'carbon negative' product. It has calculated the GHG emissions across its entire operation, and is working to reduce its footprint across all of its scopes 43% by 2030.

Net zero summary

In summary, of all the companies examined in this report, only **Co-op**, **M&S**, **Lidl GB**, **Unilever**, **Nestlé**, **KFC UK** and **Sodexo** are currently committed to a net zero target that meets the SBTi target standard and criteria. **Co-op** and **Unilever** especially stand out for clear, transparent targets and communications.

Other companies such as **Asda**, and **McDonalds** are partially there with the right vision for reaching net zero, and reducing emissions across their entire value chain, but with more work to do on data, delivery, and scope 3.

Tesco, **Sainsbury's**, **Morrison's**, **Waitrose**, and **Compass** are all guilty of leading with short-term, PR grabbing net zero targets (ahead of legitimate longer term goals in some cases), that (with the exception of **Compass**) do not cover the whole boundary of their operations, and are lacking sufficient detail where scope 3 is concerned. **Waitrose** and **Morrison's** are re-establishing targets for all scopes, although **Morrison's** has already started work on its scope 3 agriculture emissions and plans to measure all 2300 of its farm suppliers by 2024.

Then there are those with no net zero targets (**Aldi UK**, **SPAR UK**, **Costa**, **UK Burger King**, **Starbucks UK** and **Pret-a-Manger**).

In fairness to retailers and big businesses, they are all having to move fast and keep pace with developments in climate policy when it comes to their carbon impact. Targets that may have seemed reasonable two years ago can quickly become out of date, and understanding scope 3 requirements and emissions measurement is a mammoth task.

Most companies covered in this report acknowledge that their targets will need to be reviewed regularly to ensure they remain accurate. The SBTi review and validation process also takes time, and there's a sense that there is a lag in the validation process for many targets following an influx in demand in the run up to COP26.

Some companies openly state that they are yet to publish a net zero target or detailed plan while they measure and consider the implications and costs of any sustainability strategy they might employ. Being late to the party isn't necessarily a bad thing. The SBTi's biggest concern is that those who are racing ahead - for whatever motivation - might be making compromises on emissions abatement.

Changes coming to scope 3 measurement and reporting

There is a recognition that companies with large scope 3 emissions tails linked to food and farming - such as those profiled here - need guidance and flexibility on the methodologies employed to calculate, measure and mitigate emissions. The SBTi is publishing specific guidance, due in 2022, to support businesses this area ahead of a planned increase in the minimum ambition for scope 3 targets.

From 15 July 2022 onwards, the SBTi will only validate targets aligned with a minimum level of ambition of 1.5°C for scope 1 and 2 (which most companies are already aligned to), and well-below 2°C for scope 3. This refers to the depth and rate of GHG reductions a company must set for its supply chain emissions, and is likely to lead to a lot of revisions for food sector companies where scope 3 targets and action plans are not currently robust enough.

Commodity specific pathways are also being developed for products including beef, dairy, pork, chicken, soy, palm oil, maize, and wheat. This is likely to bring about much more consistency in the net zero action plans and targets set by food companies.

The crucial point is that scope 3 cannot be put in the 'too difficult' box, avoided, or unaccounted for in net zero targets.

THEME 2: CARBON NEUTRAL

Supermarket retailers **Aldi UK**, **Co-op**, **Lidl GB** and **M&S** are all certified carbon neutral currently for their own operations (scopes 1 and 2). For the food service and hospitality sector **Sodexo**, **Nestlé** and **Jude's** are already, or working towards, carbon neutral or negative status for their own operations and/or products.

As explained in the report glossary, any company and any product can be carbon neutral by calculating their carbon emissions and compensating for what they have produced via carbon offsetting projects. The boundary for carbon neutral is scope 1 and 2, and therefore narrower than net zero, which applies to a company's whole value chain. Generally, carbon neutral status is reached through a combination of renewable energy use, reductions in fossil fuels, and carbon offset schemes.

Carbon neutrality efforts are a major step forward and, for certain products and companies, represent a significant reduction in carbon emissions, and a more relevant goal than net zero. Companies achieve the highest degree of credibility, however, if in addition to carbon offsetting they also pursue a transparent carbon avoidance and reduction strategy.

It's arguable that those business with early 'net zero' claims, ring-fenced to their own operations, should actually be claiming carbon neutrality on their path to net zero; particularly where the strategy relies heavily on offsets. In some instances, a simple tightening up of the lexicon could improve the credibility and accuracy of a company's climate goals.



THEME 3: SUPPLIER ENGAGEMENT

The engagement, communication and relationships that exist today between retailers, the food industry, processors and dairy farmers is almost unrecognisable to when the Dairy Roadmap was first published in 2010. The degree to which companies have 'started the journey' on emissions reductions with their suppliers (processors and farmers) varies hugely. One fact common to all companies in this report, however, is that dairy represents a significant proportion of their total emissions, and doing nothing is not an option.

Several of the companies analysed are focused on 'working with' suppliers to reach their climate and sustainability goals, with large financial investments being made to support sustainability efforts. Yet, suppliers are also being obliged by retailers and food companies to make significant progress independently on carbon as a condition of future business. To this end, suppliers are already being tasked with setting their own science-based targets as a way to reduce scope 3 emissions.

The bottom line is that, whether by a carrot or stick approach, pressure on big business to decarbonise their value chains will filter down to suppliers who will be expected to lower their own environmental impacts in turn.

The insights provided here have been done so on the best available information. Any initiative or action not captured does not necessarily mean supplier engagement is not happening. It only reflects that the information may not yet be in the public domain. More detail on specific initiatives and partnerships is included in the company profiles.

Supermarket retailers and suppliers

Those furthest ahead in working with suppliers on climate and GHG reductions include **Co-op**, **M&S**, **Tesco** and **Waitrose**. All have detailed agriculture strategies and environment plans where supplier actions are established, transparent and well evidenced with data. All four retailers have conducted dairy carbon footprints within their dedicated producer pools and have action plans in place to reduce GHGs associated with the milk and dairy products they buy.

Sainsbury's has a target for a 30% absolute reduction in scope 3 emissions by 2030, but it is not yet accompanied by a plan for how its SDDG farmer suppliers, or milk processor will be required to contribute. **Sainsbury's** has written to its suppliers asking them to report on efforts and targets to reduce their GHG emissions. **Tesco** and **Asda** also wrote to suppliers last year asking them to support efforts for a low carbon supply chain, and set reduction targets of their own.

Morrison's target to be supplied by net zero British farms for all proteins and produce (except dairy) is supported by a detailed action plan for measurement, with key climate partners identified.

Aldi UK and **Lidl GB** are both obliging their strategic suppliers (those who represent 75% or more of a category) to set their own emissions reductions targets. Their strategy is to encourage their suppliers to take ownership for their emissions reductions, with other retailers likely to follow suit.

Food service, hospitality and suppliers

Food service and hospitality businesses are more detached in most instances from their primary suppliers than supermarket retailers have grown to become over the last decade. Nonetheless, there are several positive examples of where companies are making investments in their relationships and forging partnerships with processors and farmers to achieve environmental gain.

Some examples include **Nestlé** and **First Milk** launching a soil carbon capture project, **Starbucks** launching a project with **Arla** and 14 dairy farmers to reduce GHGs from dairy and **McDonalds** investing £750,000 in its Organic Dairy Network to reduce the carbon footprint of the milk it buys.

Unilever is asking all of its 56,000 global suppliers to commit to a 'Climate Promise' of measuring and disclosing their carbon emissions. 300 of its largest suppliers are obliged to enrol in its 'Climate Programme' to set SBTs for reduction. The company is clear that suppliers not agreeing to climate requests may not be suppliers in future.

THEME 4: REGENERATIVE AGRICULTURE

Regenerative agriculture is the latest buzz word in farming. It appears throughout the corporate sustainability plans and forms a central part of the climate action plan for agriculture. For example:

- **Nestlé** target for 20% of dairy ingredients to come from regenerative agriculture by 2025
- **McDonalds** will have a regenerative agriculture programme and initiatives in all of its priority supply chains by 2025
- **Compass** will source 70% of its ingredients from regenerative agriculture and has launched a £1 million fund for regenerative agriculture support for UK farmers (it's unclear if this is a fund for purchasing soil carbon credits)
- **Waitrose** dairy farmers are introducing regenerative techniques

One reported benefit of regenerative farming, and the obvious reason behind the sudden interest in the practice, is not only reduced emissions from farming, but increased soil carbon capture and GHG removal potential. Although not explicitly stated in any of the agriculture plans, there is a clear incentive to encourage farmers to increase soil carbon capture and to use the carbon credits as an offset towards corporate net zero goals.

The question to ask perhaps is whether the soil carbon stored and owned by farmers will need to be purchased by customers as part of a final offset; or, if any carbon credits being built up as part of a customer-driven agriculture initiative will automatically be absorbed against that company's scope 3 emissions? Carbon is an immature market at this stage, but suppliers should start talking about the how stored carbon will feature in their customers' net zero plans.

THEME 5: A MEAT AND MILK REDUCTION STRATEGY

The final and most provocative theme apparent across the retail, hospitality and food service sector sustainability plans is an overt protein diversification strategy. Put simply, reducing the volumes of dairy and meat purchased in favour of plant-based products that carry a lower carbon footprint.

Several companies in this report have committed to switching up to 50% of their sourcing away from animal to plant based proteins, some within the next three years. This represents the most unconcealed and conscious supply chain shift away from meat and milk that the industry has ever experienced.

Most food companies have come to realise that the majority of residual GHG emissions they will be required to offset by their net zero target date will be from agriculture. Therefore, a strategy of emission avoidance in addition to reduction and ultimate mitigation is an inevitable, if unpalatable part of the action plan for most.

The retailers and companies adopting protein diversification as a significant part of their strategy to reduce scope 3 emissions includes:

- **Sodexo**, 33% of its menu will be plant based by 2025
- **Compass** 40% switch from animal to plant based proteins by 2030
- **Unilever** c. 20% of ice cream products non-dairy by 2030; 1 billion euros of annual sales of meat and dairy alternatives by 2027
- **Jude's** will increase its plant based product range to 50%
- **Burger King** will offer a 50% meat free menu by 2030 in UK restaurants
- **Co-op** is increasing plant based product range and will price match to meat and dairy counterparts to drive consumers towards lower carbon products
- **M&S** will double sales of plant based proteins to achieve its net zero target

With agriculture, and meat and dairy specifically, representing such a large proportion of a food company's carbon footprint, and with all companies required to remove greenhouse gases by 2050 or earlier, there is a drive like no other to reduce and avoid emissions from agriculture wherever feasible. Switching sourcing from proteins to plants is the most obvious way to achieve this.

Even with increased growth of the market, driven by rising population and consumption, the stark reality for the dairy and livestock sector is that almost all of its major customers have a concerted strategy to rapidly reduce the proportion of dairy products it buys, which will have an impact on demand for UK dairy starting now, and spanning the next decade.

RETAIL SUSTAINABILITY PROFILES

Aligned to UK dairy roadmap priorities

ALDI
‘Better Everyday’



SUMMARY: Aldi UK and Ireland has been carbon neutral since 2019, achieved through a combination of procuring 100% of its energy from renewable sources, using greener refrigeration gases in its stores and through a number of global carbon offset projects. Aldi’s climate change strategy is international, with specific reference to ‘Aldi South Group’ which incorporates eleven countries, including the UK, and 6,744 stores (2020). The UK is the third largest market in the Group with 913 stores, after the USA (2,064) and Germany (1,954). The retailer’s strategy focuses on continued carbon reductions, but it has not set a net-zero target.

KEY TARGETS:

- Zero carbon by 2030
- Reduce operational GHG emissions 26% by 2025, compared to 2016 levels (Aldi South Group)
- Strategic suppliers to set GHG emissions reduction targets by 2024
- 50% less plastic by 2025, removing 2 million pieces from products
- 100% of own-brand packaging will be recyclable by 2022

CLIMATE AND ENERGY:

Overview: Aldi UK’s carbon neutral status is certified by Climate Partner. The retailer uses its carbon footprint as the basis for setting long-term reduction targets. While reductions are continually being sought Aldi is currently invested in various carbon offset projects to expedite its carbon neutral status.

Scope 1: The overall target for Aldi South is to reduce its operational GHG emissions by 26% by 2025 compared to 2016 levels. Actions to reduce scope 1 emissions include vehicle efficiency, bigger trailers and driver training to optimise the carbon emission load factor per tonne-kilometre.

Scope 2: Aldi has installed 100,000 solar panels on its UK and ROI estate, which generate 10% of a store’s electricity consumption a year. The remaining energy purchased has been generated by renewable sources.

Scope 3: Aldi is committed to encouraging its strategic suppliers, which are responsible for 75% of product related emissions, to work towards setting science based emissions targets by the end of 2024.

WATER: Aldi’s regional distribution centres have rainwater harvesting facilities. All of Aldi’s fleet vehicles are washed using recycled water.

PLASTICS & PACKAGING: Aldi has already removed 11,300 tonnes of plastic on its own label products, including removing 34 million cream lids. It aims to reduce its plastic use by 50%, removing 2 million pieces of plastic by 2025. Aldi is committed to 100% of its own brand packaging being recyclable by 2022.

FOOD WASTE: Halve food waste by 2030.

BRITISH AGRICULTURE AND SOURCING:

Suppliers: Strategic suppliers to set GHG emissions reduction targets by 2024, no further supplier initiative specified.

Soy: 100% sustainably sourced soy by 2025, and member of the Roundtable for Responsible Soy (RTRS).

ASDA 'Creating Change for Better'



SUMMARY: Asda has a headline target of net-zero by 2040, in line with the SBTi standard, but as yet has no detail on its delivery or supply chain data. It has a clear and rapid reduction strategy for its own operations, and a transparent acknowledgement that measuring and setting targets for scope 3 will take a while longer. The retailer has a clear broader sustainability plan spanning plastics, waste, energy and sourcing.

DAIRY PROFILE: ASDA sources its fresh liquid milk from a group of c.108 dairy farmers, formed in 2013 as the Pathfinders, now known as the ASDA Challengers, supplied through Arla.

KEY TARGETS:

- Net zero by 2040
- 50% lower scope 1 & 2 GHG emissions by 2025
- Develop a measurement of scope 3 supply chain emissions by 2025
- Fully natural gas-run HGV fleet by 2024
- 50% of electricity from renewable sources by 2025
- Top 20 commodities sustainably sourced by 2025
- Remove 3 billion pieces of plastic by 2025
- Zero waste business by 2025

CLIMATE & ENERGY:

As part of its path to net zero by 2040 Asda is committed to reducing its carbon emissions with science-based targets (SBTs). In 2019 Asda's GHG footprint totalled 701,862 tonnes CO2 equivalent. A reduction of 9.4% on 2018, and a 44% reduction since 2007, acquired mainly through energy use, refrigeration and UK grid decarbonisation.

Scope 1: Asda will further reduce its direct (scope 1 and 2) emissions by 50% by 2025 (from 2015 levels). Asda's transport fleet represents two thirds of its total scope 1 emissions and is an obvious focus area for the retailer. Asda now has the biggest fleet of natural-gas run HGVs and plans to be fully gas-run by 2024. Asda has also developed the world's first cost-effective, low carbon refrigeration technology which it will begin to roll out in 2022.

Scope 2: Asda has a three-point energy strategy to buy renewables, reduce use of fossil fuels and continue to drive energy efficiency in its stores. Asda's target is to purchase 50% of its electricity from renewable sources by 2025.

Scope 3: Asda is committing to establishing a measurement methodology for its value chain, and will publish reduction targets for scope 3 emissions by 2025. Working with key suppliers across all categories of goods has already begun.

LANDFILL & WASTE: Asda's 2025 goal is for zero waste operations. All of Asda's operational waste is processed from Asda's sites responsibly, with zero waste going to landfill. Food waste is reduced by lowering unsold surplus and diverting everything to valuable uses (charities where possible and animal feed if not suitable).

PLASTIC & PACKAGING: A commitment to continually reduce packaging, and drive 100% recyclability of what remains. Asda has reduced plastics in almost 200 product ranges, removing 9,300 tonnes of plastic from its own brand packaging since 2018. It has a target to remove 3 billion individual pieces of plastic by 2025. It removed all single use carrier bags in 2018.

BRITISH AGRICULTURE & SOURCING:

Suppliers: Asda encourages its farmers to adopt IPM practices, with an ambition to work with 500 farmers to improve their environmental impact through the roll out of a new natural resources stewardship programme. Asda has also partnered with the Cambridge Institute of Sustainability Leadership to run tests on farmers' soils.

In 2015, Asda signed up to a food industry commitment, the 'Courtauld Commitment 2025'. Since then it has been monitoring the carbon reduction progress of its primary dairy supplier, Arla UK, to help ensure the company is on track to achieve the Commitment's goal to cut the carbon emissions of food and drink by 20% in ten years. Since 2015, Arla has reduced its total GHG emissions per kg of milk by 7% and is currently on track to meet the 20% reduction goal.

Soy: By 2025 20 of ASDA's top 20 commodities will be sustainably sourced. As members of the RTRS and the Soy Moratorium, ASDA calculates its soya footprint and has data on soy use for its fresh dairy (milk, cream, cheese), pork and poultry supply chains. All soy used in animal feed in Asda's own brand milk, meat and fish was set to be sustainably sourced by the end of 2021.



THE CO-OPERATIVE 'Future of Food'



SUMMARY: The Co-operative has a carbon-focused 10-point climate plan. On emissions it has a clear, transparent and accurate GHG reduction strategy, culminating in a net zero ambition by 2040. The retailer defines its carbon neutral status and explains how this differs from its ultimate net zero goals. It recognises that the residual emissions it will have to offset are likely to be dominated by agriculture.

KEY TARGETS:

- Carbon neutral retailer today, and for own brand products by 2025
- Net Zero by 2040
- Reduce GHGs (scope 1 & 2) 50% and products (scope 3) 11% by 2025
- 100% own brand packaging recyclable
- Halve food waste by 2030

CLIMATE CHANGE & ENERGY:

Overview: In its climate plan the Co-op explains the clear distinction in its net zero and carbon neutral strategy. It achieved carbon neutral status for the business through carbon offsets, which will be supported by a continuous reduction plan. It distinguishes its net zero goal as one target for its entire value chain (as per the standard) and describes it as a longer term goal once emissions have been reduced to a residual amount. It recognises that despite its plans to work with its agriculture suppliers, any residual emissions are likely to be from the farming sector.

Scope 1: The Co-op's first priority is to reduce the carbon emissions from its own operations, and has GHG emissions reduction targets of 11% from Co-op products, and 50% for its operations by 2025. From 2016 to 2020 the retailer has already reduced its operational emissions by 47% through investments in carbon saving solutions such as LED lighting, better fridges and cooling systems. By 2025 100% of its home delivery vehicles will be electric. It's biggest remaining operational challenge is to move away completely from fossil fuels, which will depend on technological solutions such as low or zero carbon heavy goods vehicles.

Scope 2: Co-op uses 100% renewable electricity, including sourcing from 5 UK wind farms it helped to develop. From 2021, all new Co-op stores will have zero fossil fuel heating.

Scope 3: To achieve its science-based target for products, Co-op will make a Carbon Reduction Toolkit available to its beef and dairy farmers. The retailer will also expand its plant based range and price match products to their dairy and meat counterparts to influence consumer behaviour towards lower carbon products.

WATER: Reduce water consumption 10% across its properties / stores by 2025 (2020 base).

LANDFILL/WASTE: 98% of waste is removed or recycled. Target to make 100% of its own-brand packaging recyclable.

PLASTIC & PACKAGING: Co-op is the first UK retailer to sell only certified compostable carrier bags in all stores, and has removed all bags for life after evidence that consumers were treating them in the same way as single use plastics. Small changes are making a difference elsewhere, such as lightening the shade of their blue plastic milk bottle tops to make it easier for recycling machines to sort. In total, Co-op has removed 1,438 tonnes of plastic through its reduction efforts, and will reduce 15% further by the end of 2022.

FOOD WASTE: Halve food waste by 2030.

BRITISH AGRICULTURE & SOURCING:

Suppliers: The Co-op launched the 'Enviro-Map' programme in 2016, an environmental impact measurement tool for its farming groups. The first three years saw a cumulative emissions reduction of 123,591 tonnes of carbon. The Co-op work with Intellync and Kite Consulting on a sustainability program with their 170 dairy suppliers.

Soy: 99% of soy used in The Co-op's supply chain is used as animal feed. Currently all soy sourced is covered by the RTRS credits, and the retailer is committed to 100% of soy used for animal feed being zero-deforestation and certified sustainable by 2025, achieved through increased data on usage and origin. It is currently developing action plans with key suppliers.

LIDL GB 'Good Food'



SUMMARY: Part of the Schwarz Group, Lidl Stiftung is a German international discount retailer chain that operates over 11,000 stores across Europe (inc. GB) and the United States. Lidl GB has 865 stores. Environmental sustainability targets for Lidl Stiftung, and Lidl GB are specified as applicable. The Schwarz Group target is for net zero across the entire group by 2050. Lidl has pledged to become carbon neutral for its GB operations by 2022 and is finalising country level reduction targets and roadmaps for Scope 1 and 2 GHG reductions. There is an emphasis on suppliers setting and working towards their own emissions reductions for scope 3.

DAIRY PROFILE: Lidl GB sources milk from 30 dairy farmers through Muller. Somerset-based business, Wyke Farms has been supplying cheddar to Lidl for 25 years.

KEY TARGETS:

- Net zero by 2050 (across Schwarz Group)
- Carbon neutral by 2022 for Lidl GB operations
- Lidl Stiftung will reduce operational GHG emissions (scope 1 and 2) 80% by 2030
- By 2026 Lidl GB's strategic suppliers, (representing 75% of a category), will commit to validated science-based emissions reduction targets
- By 2030, 100% of Lidl GB suppliers in the top 25 product emitting food categories (including dairy) will have engaged in a carbon reduction programme
- Lidl will reduce food waste 50% by 2030
- By 2030 100% of Lidl GB's packaging portfolio will be recyclable, reusable, refillable or renewable

CLIMATE CHANGE AND ENERGY:

Overview: Lidl Stiftung will reduce GHG emissions from its own operations 80% by 2030 and Lidl GB will also be carbon neutral from 2022. It is currently working on country specific targets and action plans.

Scope 1: Half of the Lidl GB's operational energy consumption derives from refrigeration, where it is focused on making energy savings in store. By 2030 Lidl will install electric vehicle points across 300 GB stores and reduce absolute carbon emissions from its store delivery fleet 42% by 2030.

Scope 2: 100% of Lidl GB's energy is purchased from renewable sources. The retailer will install solar PV arrays on all new stores where possible.

Scope 3: 95% of Lidl's GHG footprint is incurred indirectly via its supply chains, and the retailer plans to leverage its producer partnerships to measure, report and reduce product-related carbon. This strategy will also involve swapping GHG-intensive products for more sustainable alternatives such as plant-based foods. By 2026 Lidl GB's strategic suppliers, (those representing 75% of a category supply and the associated product-related GHG emissions), will commit to validated science-based emissions reduction targets. By 2030, 100% of Lidl GB suppliers in the top 25 product emitting food categories (including dairy) will have engaged in a carbon reduction programme.

PLASTIC & PACKAGING: Lidl GB will reduce own label plastic packaging 40% by 2025. Chilled dairy products account for 7.7% and milk 7.6% of total plastics, making them the third and fourth largest sources of plastic to the retailer. By 2030 100% of Lidl GB's packaging portfolio (including primary, secondary and tertiary packaging) will be recyclable, reusable, refillable or renewable championing reduction, end-of-life and circularity.

FOOD WASTE: Lidl will reduce food waste 50% by 2030. 100% of GB strategic suppliers will have a Whole Chain Food Waste Reduction Programme in place. Lidl is trialling new interventions to tackle food waste hotspots (bake off and chilled product categories).



BRITISH AGRICULTURE & SOURCING:

Suppliers: The retailer is putting in place action plans to better understand and measure environmental impacts, collect data, set targets and share best practices with other Lidl GB suppliers. Through its Grassroots partnership with 30 dairy farmers and Muller, Lidl will conduct a carbon footprint of the group in 2021/22. By 2030 Lidl will work with all suppliers to implement robust biodiversity, water stewardship and soil health plans.

Cheese is Lidl GB's second highest buying category for carbon emissions. The supermarket is working with Wyke Farms to support sustainable farming methods, whilst helping to reduce carbon emissions. Low-carbon innovations such as organic fertilisers (which avoid 1.5 million kg of CO₂ every year), and all 130 Wyke supplying dairy farms being powered from 100% renewable sources are contributing to a lower carbon supply chain.

Wyke will deliver the first carbon-neutral cheddar to the market, with on-pack labels showing this carbon neutral pledge on Deluxe cheddar lines. Lidl states that its partnership with Wyke Farms will tackle some of the barriers to addressing carbon-neutrality in farming. Developing a closed-loop system requires significant investment, and the pioneering programme will help set the standard for Lidl's supplier practices in future.

Soy: In 2018 Lidl became the first supermarket to certify its soy footprint as sustainable through the purchase of Roundtable for Responsible Soy credits for its entire soy footprint. Now, the retailer is working to enable its suppliers to physically trace the origin of the soy they buy and ensure it is from sustainable sources. Using detailed supply chain mapping and working closely with soy traders. So far, traceability work has focused on poultry, eggs and dairy suppliers with a plan to cover all key animal protein categories by 2024. Furthermore, Lidl is exploring ways to avoid soy altogether with alternative feeds.

MARKS AND SPENCER 'Plan A'

M&S
EST. 1884

SUMMARY: Plan A represents M&S's planet based sustainability goals, spanning emissions, deforestation, waste, packaging and plastics. Already 'carbon neutral' for its own business, the strategic ambition is to net zero by 2040. It has set a rapid and deep GHG reduction strategy, with a shorter-term 'net zero' target for its own business by 2035, which as outlined previously, is not a true net-zero figure as it does not meet the full scope criteria. Increasing sales of plant based products, over animal proteins, alongside regenerative agriculture are key parts of the strategy.

DAIRY PROFILE: M&S sources c.90 million litres of fresh milk each year from a dedicated and segregated pool of approximately 40 dairy farms who receive a price linked to the cost of production and a suite of supermarket set standards on welfare, quality and environment.

KEY TARGETS:

- Net zero by 2040
- 34% reduction in scope 1 and 2 emissions by 2025, reaching 80% by 2030 and 90% by 2035
- Reduce scope 3 emissions 13.3MtCO₂e by 2030
- 'Net zero' across own operations by 2035
- Reduce UK retail food waste by 50% by 2030
- 100% recyclable food packaging in the UK by 2022
- 30% reduction in the volume of plastic food packaging by 2027

CLIMATE CHANGE & ENERGY:

Overview: M&S has been carbon neutral as a business since 2012. This has been achieved through a combination of carbon reduction programmes, procuring renewable energy and purchasing high quality carbon offsets. In 2021 M&S became a certified CarbonNeutral® company, which is a global standard for measuring, offsetting and reporting on GHG emissions.



In its Plan A report, M&S sets a strategic ambition to enhance its climate status from carbon neutral operations today to net zero emissions by 2040. It sets a shorter term target of 'net zero' in its own operations by 2035, although this is technically better described as a GHG reduction goal. Detailed work will be conducted in 2021/22 to determine the delivery roadmap to achieve its net zero ambition, including the contributions required from each of the accountable businesses and its supply chains.

Scope 1: In the UK and the ROI the retailer achieved a 47% improvement in energy efficiency between 2020/21 and 2007. M&S has reduced refrigeration and air conditioning emissions by 78% since 2007. M&S is further reducing store refrigeration gas carbon emissions, with a target of 80% by 2025, and to phase out HFC refrigerants entirely, switching to natural refrigerants in all new UK and Republic of Ireland refrigeration system installations.

Scope 2: 100% of the electricity purchased for M&S operated stores, offices and warehouses now comes from on-site generation or green tariff renewable sources. M&S is seeking to expand its existing 16 solar PV sites and generate more renewable energy from its own estate. In 2015, M&S launched the largest single roof mounted solar panel array at its Castle Donnington warehouse; and in 2017 launched M&S Energy Society, a community benefit society that generates renewable electricity from solar panels installed on 8 M&S stores.

Scope 3: The retailer estimates that 97% of its carbon footprint comes from scope 3 emissions, and has set a target to achieve net-zero by 2040. As part of the path to net zero a scope 3 emissions reduction of 13.3MtCO₂e will be achieved by 2030. For agriculture suppliers this includes zero-deforestation for soy sourced for animal feed, doubling sales of vegan and vegetarian products to increase the range of plant-based proteins and a drive towards low-carbon farming through regenerative initiatives and methods.

LANDFILL/WASTE: M&S operates a zero waste to landfill policy for all its own operated stores, warehouses and offices in the UK and ROI. In 2020/21, the supermarket's operations generated 59,053 tonnes of waste materials, a reduction of 15% on the previous year, with nothing sent to landfill. The majority is either transit packaging, such as cardboard and polythene, or unsold food which cannot be donated to charities.

PLASTIC & PACKAGING: The first retailer to charge for single use plastic bags in 2008, and since then, M&S's carrier bag usage has declined by 90%. The retailer no longer offers single use bags and all of its multi-use bags are now made from closed loop recycled plastic from its operational plastic waste. In addition to its target for 100% recyclable food packaging in the UK by 2022, M&S is contributing to the UK Plastics Pact's nationwide targets of 100% of plastics packaging to be reusable, recyclable or compostable by 2025.

FOOD WASTE: M&S is working to reduce UK retail food waste by 50% by 2030 by new concepts and processes in its stores as well as upstream developments to its forecasting and accuracy systems.

BRITISH AGRICULTURE & SOURCING:

Suppliers: M&S recognises that pressure to decarbonise agriculture to meet net zero targets is also likely to result in significant changes to farming practices. To this end, their newly launched five year 'Farming with Nature' programme aims to support farmers in becoming more resilient to climate challenges, including climate, soil health, biodiversity and water use. 17 'indicator and innovation' farms have been established, including dairy, to trial new ways of farming 'with nature in mind' and to measure the impact. M&S will also collect environmental outcome data from its wider farm supplier network, alongside welfare data.

M&S milk producers are required to meet 'Milk Pledge Plus sustainability requirements'. Producers must be willing to undertake a regular carbon footprint of their dairy operation. Any farm may be removed from the pool if there is potential for M&S's brand integrity to be compromised or there is a significant risk to animal health or welfare.

Soy: M&S has a target for 100% of the soy sourced in its supply chain to be from verified deforestation free regions by 2025. In 2020, the retailer worked with its British dairy farmers to replace soy feed with alternatives such as rapeseed oil and sugar beet – avoiding nearly 4,000 tonnes of soy being used each year.



MORRISON'S
'We Are Responding'



SUMMARY: Morrison's is currently working with the SBTi to approve its emissions reduction targets, which may see some revision to its suite of climate targets. There is no net-zero target published for Morrison's operations and supply chain, as per the standard definition currently. Broader areas of sustainability focus for the retailer are food waste, plastics and sustainable sourcing. Morrison's was the first retailer to introduce paper bags in its stores instead of plastic, and has acquired a stake in a recycling unit in Fife. The retailer is committed to removing carbon emissions, rather than depending heavily on offsetting. It's new solar farm and 'net zero' carbon agriculture programme are two key features of its environmental strategy.

DAIRY PROFILE: All Morrison's fresh liquid milk is supplied by a group of aligned Morrison's farmers through Arla UK. In 2019 Morrison's signed all their farmers up to comply with the Arla UK 360 standards. A large volume of Morrison's own-brand cheese is supplied by Lactalis.

KEY ENVIRONMENTAL TARGETS:

- Currently establishing SBTi approval for targets
- Reduce operational emissions 33% by 2025 and 53% by 2030 (2017 baseline)
- 'net zero' for own operations by 2035
- Reduce scope 3 emissions across own brand supply chain 30% by 2030
- 'net zero' emissions from agriculture by 2035
- 50% cut in food waste by 2030
- Zero deforestation in 'forest risk' supply chain areas (which cover palm oil and soy) by 2025
- 50% less plastic packaging by 2025

CLIMATE CHANGE & ENERGY:

Morrison's has reduced its carbon footprint 33% since 2017, saving 300,000 tonnes of carbon from its operations. The strong progress led the retailer to bring forward its 'net zero' ambitions by five years to 2035, from an initial goal of 2040 for its own operations. The retailer is committed to reducing its Scope 3 emissions, but - with the exception of farming - has not set a net zero target for its value chain.

Scope 1: A combined approach of planning, training, vehicle technology and alternative fuels is cutting transport emissions. Morrison's is introducing a lightweight fleet of home delivery vehicles that use 10-25% less fuel and trialling new electric vehicles for its doorstep grocery service. It is also investing in heat pumps to warm its stores and sites.

Scope 2: Morrison's generates 5MW of renewable electricity from solar panels installed across 37 sites currently. This will be expanded as part of a 5-year renewable energy plan. Morrison's has pledged to become the first supermarket to own and operate its own solar farm.

Scope 3: Morrison's will seek to reduce scope 3 emissions across its entire supply chain for own-brand products by 30% by 2030, and is working with suppliers to do this. For farming, the supermarket states it is the first to commit to sourcing all of its own brand products from 'net-zero' British farms by 2030.

WATER: Morrison's is developing a water stewardship and reduction plan for its own-brand supply chains in areas of water scarcity. By 2030 50% of its fresh food will be from areas with sustainable water management.

LANDFILL/WASTE: By 2025 Morrison's will recycle the equivalent amount of plastic it puts into the market within its own recycling facilities. It is the first supermarket to own its own recycling operations through the acquisition of a significant stake in a new recycling site in Fife. The site will reprocess 'hard-to-recycle' soft plastics, and is the first of its type in the world. At current capacity, the site will take 15,000 tonnes of flexible plastic packaging a year.



PLASTIC & PACKAGING: By reformulating its packaging or removing it altogether, Morrison's has cut 11,000 tonnes of plastic from its stores and products since 2017. It aims to cut plastic use by 50% in all own-brand products by 2025. Milk bottles are one of the biggest contributors to the supermarket's plastic footprint, accounting for 13.9%. Customers are encouraged to re-use containers, including a pilot glass bottle refill scheme for milk at 11 stores in Sheffield, which has so far saved over 7,000 plastic bottles, and enables customers to directly support local farmers.

FOOD WASTE: Morrison's will halve food waste by 2030, achieved through better forecasting to ensure they only buy the volumes needed, a network of partners to redistribute surplus food (estimated 6 million meals were distributed in 2020), and any food that cannot be redistributed sent to anaerobic digestion facilities.

BRITISH AGRICULTURE & SOURCING:

Suppliers: As part of the pledge to become the first supermarket to be directly supplied by 'net-zero' British farms by 2030 for own-brand products, Morrison's has partnered with 'Manufacture 2030' and 'Map of Ag' to measure emissions and harness data; developing a 'tried and tested' measurement system which calculates farm emissions. Morrison's works with 2300 farms and plans to measure them all by 2024, starting with 450 in year one and a further 860 in year two. Once the assessments are completed, work on reducing emissions across all suppliers to achieve the goal of being Net Zero by 2030 will commence. Dairy is not included in the initial list of key categories for this work (beef, lamb, pork, eggs, potatoes and soft fruit). Morrison's states that the 'net zero' target will be spread across British farms as a whole - with some farms that are better at carbon storage balancing other farms with higher emissions.

Soy: Morrison's is committed to zero deforestation in 'forest risk' supply chain area, which include palm oil and soy, by 2025. To ensure only sustainable soy is used in its supply chains, by 2025 any soy used in animal feeds must be certified to a Morrison's recognised standard that assures zero deforestation.

SAINSBURY'S
'Better for the Planet'

Sainsbury's
Helping everyone eat better

SUMMARY: As a principal partner of COP26, Sainsbury's gave its environmental ambitions a boost in October 2021. It has a six pillar environmental action plan, covering: carbon, water, plastic, recycling, food waste and biodiversity. The supermarket is committed to reducing its direct emissions, and those of its suppliers, although available information on supplier action plan is limited. There is ambiguity on Sainsbury's headline early 'net zero' by 2035 target, which is limited to only scope 1 and 2. Its actual target is 2050 as per the SBTi net zero standard, and is a secondary point in its sustainability plan.

DAIRY PROFILE: The Sainsbury's Dairy Development Group (SDDG), launched in 2007, has over 260 farmers in the group, across the UK. Sainsbury's purchases c.450 million litres of fresh milk. It's milk and cream is currently supplied by Arla and Muller Milk & Ingredients.



KEY ENVIRONMENT TARGETS:

- Net zero by 2050
- 'Net zero' GHG emissions in own operations by 2035
- Reduce Scope 3 greenhouse gas emissions 30% by 2030
- Minimise water use in own operations, and water neutral by 2040
- Reduce use of plastic packaging 50% by 2025
- Reduce food waste 50% by 2030
- Plant 1.5 million native trees by 2025

CLIMATE CHANGE & ENERGY:

Sainsbury's current carbon footprint (scopes 1 and 2) stands at 818,161tCO₂e, which represents a 14% drop in absolute GHG emissions since 2018/19. Sainsbury's works with the SBTi and The Carbon Trust to set its reductions, with an overall target of net zero by 2050. No emissions reduction targets are readily available to show the pace and depth of change across all scopes.

Scope 1: Continuing to improve energy and fuel efficiency, and innovation in technology will drive Sainsbury's continuing emissions reduction plan. Sainsbury's has installed 100% LED lighting across its supermarkets, reducing lighting energy consumption by 70% and store energy consumption by 20%.

Scope 2: In 2021 Sainsbury's switched to using 100% renewable electricity across its entire estate and has committed to the long-term purchasing of renewable energy from new wind farms and solar projects over the next two years.

Scope 3: Sainsbury's current scope 3 carbon footprint stands at 26,663,081tCO₂e. Target to reduce Scope 3 emissions 30% by 2030.

WATER: Sainsbury's has a target to become 'water neutral' by 2040, having significantly reduced water usage since 2005 by 1 billion litres annually. Through reducing overall use, harvesting and self-supply initiatives Sainsbury's is the first retailer to have achieved the Carbon Trust Water Standard.

LANDFILL/WASTE: Sainsbury's has sent zero waste to landfill since 2013. All stores in 2022 will have in-store recycling for flexible plastics.

PLASTIC & PACKAGING: The retailer aims to reduce plastics 50% by 2025, through a 5-point plan of removing plastics from packaging and greater use of alternatives, alongside making recycling easier for its customers. Sainsbury's was the first retailer to remove black plastic trays from its products and single use plastic bags for loose produce. It has removed 106 tonnes of plastic a year by removing cream pot lids and 215 tonnes a year by reformulating the packaging of its own-brand 2 litre ice cream tubs. The aim is for 100% of the supermarket's own-brand plastic to be reused, recycled or compostable by 2025.

FOOD WASTE: 50% less food waste by 2030, achieved through re-distribution schemes, anaerobic digestion and using surplus waste as animal feed. In the last year 7,932 tonnes of bread were used to feed livestock.

AGRICULTURE & SOURCING:

Suppliers: Sainsbury's is working with its suppliers to set their own net zero commitments. In 2021 Sainsbury's wrote to 400 of its top suppliers asking them to report and disclose against their carbon reduction targets.

Soy: 99.3% of palm oil sourced for own-brand is sustainable, and by 2025 100% of high-risk origin soy meal will be zero-deforestation and certified sustainable.



TESCO
'Little Helps Plan'



SUMMARY: Tesco's environmental sustainability agenda focuses on 4 areas: deforestation, reducing emissions, packaging and plastic and food waste. Tesco has set targets for emissions reductions both for its own business, and its suppliers, with agriculture given a specific focus. However, there is some ambiguity in Tesco's headline net-zero target with 2035 for its own business and 2050 overall. Tesco plans to launch a more detailed end-to-end roadmap to net-zero in the near future.

DAIRY PROFILE: In 2007 the Tesco Sustainable Dairy Group (TSDG) was created, and Tesco now sources all of its milk from 600 British dairy farmers. Farmers who produced milk for Tesco's mature and extra mature cheddar were included in the original TSDG, and a new group was formed in 2016 to include producers of Tesco's British own-label Mild, Medium, Mature, Extra Mature, Red Leicester and Double Gloucester cheese.

KEY TARGETS:

- Net-zero by 2050
- 60% GHG emissions reduction for scopes 1 and 2 by 2025
- 'net zero' for own operations by 2035
- Reduce greenhouse gas emissions from agriculture 15% by 2030
- 500 million pieces of plastic removed by 2022
- 50% less food waste by 2030

CLIMATE CHANGE & ENERGY:

Overview: Tesco has set science-based targets for its own operations and its supply chain. It states that it will be 'net-zero' by 2035 for scopes 1 and 2 (notwithstanding the ambiguity of this target as explained), and across its supply chain by 2050. The short term target is for a 60% reduction of absolute emissions from the business by 2025, compared to 2015. Tesco has already achieved a 54% reduction in scope 1 and 2 GHG emissions across the group, leaving a carbon footprint currently of 1,066,762t CO₂e.

Scope 1: Tesco's scope 1 emissions account for around 1 million tCO₂e. Tesco is taking action to decarbonise its processes and

operations, including installing aerofoil refrigeration technology and rolling out electric home-delivery vans in support of EV100.

Scope 2: 100% of the electricity purchased across the Tesco Group is renewable and additional renewable energy is being generated with onsite solar panels and wind turbines.

Scope 3: The estimated breakdown of Tesco's emissions from field to store (2019/20 data) shows that agriculture accounts for 54% of Tesco's scope 3 greenhouse gas emissions. Recognising this significance, Tesco has a stand-alone target to reduce greenhouse gas emissions from agriculture by 15% by 2030. Tesco has not yet published reduction targets for its scope 3 emissions beyond agriculture.

PLASTIC & PACKAGING: Tesco has removed 1 billion pieces of plastic from its operations and supply chain - including cream and yoghurt pot lids and 95 tonnes of plastic from cheese packaging - and aims to remove another 500 million in 2022. A further 11,400t of 'problem plastic' from its own brand products has been removed since 2018. As part of Tesco's strategy to reduce plastics, and encourage supplier effort they reserve the right not to stock products packed in excessive packaging.

FOOD WASTE: Tesco has reduced its food waste by 47% since 2016/17 and is set to reach the target of halving food waste by 2030. Currently 87% of Tesco's surplus food is redistributed where suitable, or used in pet food and animal feed. Tesco also requires its suppliers to publicly declare their levels of waste.

BRITISH AGRICULTURE & SOURCING:

Suppliers: Work is underway within 800 TSDG farms to reduce carbon emissions with carbon assessments for each farmer from an independent consultancy. Each farm receives an action plan to reduce emissions. 50% of Tesco suppliers also have a biodiversity plan in place. In September 2021 Tesco wrote to all its suppliers asking for their support in reducing carbon emissions.

Soy: Signed up to the 'soy manifesto' committed to deforestation free soy purchased by 2025.



WAITROSE 'Ethics and Sustainability Plan'

WAITROSE & PARTNERS

SUMMARY: The John Lewis Partnership (JLP) is in the process of establishing Science Based Targets (SBTs) for John Lewis and Waitrose across all scopes, that will update previous climate commitments. Its current headline target of 2035 is limited to scopes 1, 2 and agriculture only. Agriculture is a clearly defined and detailed element of Waitrose's broader environmental sustainability strategy, which encompasses climate, waste, and raw material sourcing. The agriculture vision confronts some difficult truths head-on; specifically, on food systems, climate impact and protein diversification. Some of the broader sustainability commitments are made on behalf of the John Lewis Partnership (JLP) as a whole, and others are specific to Waitrose. It can be tricky to unpick the two.

DAIRY PROFILE: The Waitrose Dairy Farmers Group was founded in 1999 and today it is made up of 40 family-owned farms that supply the retailer's own-brand milk. Members work to a detailed set of environmental and animal welfare standards.

KEY TARGETS:

- Currently establishing new SBTs for all scopes across Waitrose and John Lewis
- Previous target of 'net zero' from own operations and UK farms by 2035, without purchasing offsets
- All own-brand product packaging across the JLP will be widely recyclable, reusable, or home compostable by 2023 (currently 88% Waitrose)
- By 2030 Waitrose will reduce operational food waste by 50% against a 2018 baseline (already reduced 27%)
- Waitrose will reduce single use plastic used in its own-brand product packaging by 20% by 2021 – increasing to 50% by 2025
- An absolute energy reduction within the Partnership's physical estate of 25% by 2028 from a 2018 baseline (13% now)

- Waitrose fleet HGVs will run on bio-methane by 2028, and will stop using any fossil fuels across the entire fleet of 4,500 vehicles by 2030

CLIMATE CHANGE & ENERGY:

In 2020 Waitrose set a target commitment to achieve 'net zero' by 2035 for all of its own operations, and that of its UK farm suppliers. In October 2021 the JLP released a statement announcing that is in the process of establishing SBTs for Waitrose and John Lewis that will build on its existing net-zero commitments and ensure the business follows a credible and scientifically verified carbon reduction pathway. Waitrose had stated as part of its previous net-zero commitment that any residual emissions would only be mitigated through the production of renewable energy, not through purchasing offsets.

Scope 1: Emissions stand at 141,078tCO₂e for the John Lewis Partnership. Transport represents 40% of Waitrose's total carbon. The retailer has invested in bio-methane for 600 of its HGVs, which run on food waste, with a view to all HGVs being converted by 2028. The entire vehicle fleet encompasses 4,500 vehicles, none of which will rely on fossil fuels by 2030. Innovations in refrigeration and efficiencies in-store are further reducing carbon. Reductions are currently at 18.8% across scope 1 and 2 compared to 2018.

Scope 2: 97.4% of the electricity used by the whole John Lewis Partnership is renewable. The small amount of continued reliance on fossil fuels represents 130,352tCO₂e for the JLP group.

Scope 3: Targets are currently being established for scope 3. The previous commitment was for GHGs from Waitrose's supplying network of UK farms to be net zero by 2035, with reporting beginning in Spring 2022.



LANDFILL/WASTE: 100% of operational waste across the Partnership has been diverted from landfill since January 2021.

PLASTIC & PACKAGING: Waitrose topped the 'Greenpeace plastic footprint league' of UK supermarkets in 2020 and 2021. 86% of Waitrose own-brand packaging is currently reusable, recyclable or compostable, with 49% reduction of packaging and plastics since 2009. Waitrose has also phased out the sale of its 10p 'bags for life'.

FOOD WASTE: Waitrose's will halve food waste in its supply chains by 2030.

BRITISH AGRICULTURE & SOURCING:

Suppliers: Waitrose has a comprehensive agriculture strategy and detailed vision for its farm supplier network. The aim is to introduce regenerative farming techniques, focused on topsoil regeneration, improving water cycle, carbon capture, and biodiversity.

All UK dairy farms supplying Waitrose are encouraged to devote at least 10% of their dairy farm to biodiversity and habitat management. Working with independent advisors, each supplier builds a Biodiversity and Farm Conservation action plan which pinpoints the biodiversity priorities at the farm and sets out how to address them.

In its strategy, Waitrose defines farming's challenge as being to end its role as a key driver of GHG emissions and to develop protein diversification. The supermarket faces into the science that tells consumers to reduce meat consumption in favour of more plant-based diets, and states that there is no clear plan for how livestock farmers can adapt to these challenges within their existing business models.

Soy: 100% of the soya used in animal feed for the production of own-brand meat, milk, fish and eggs has been certified sustainable or organic since 2020. Waitrose is signed up to the soy manifesto for deforestation free soy in its supply chain by 2025.



SPAR

'My SPAR, Our Tomorrow'



SUMMARY: SPAR is essentially a wholesaler and distributor of goods and services to an international group of 13,500 independently owned retailers and wholesalers who operate under the SPAR Brand. The SPAR Group Ltd operates mainly in Southern Africa, Ireland (including South West England), Switzerland and Poland. SPAR in Ireland, Switzerland and Poland operate as standalone businesses and report through their own governance structures to the SPAR Board. Irish owned BWG Foods owns and operates the SPAR, EUROSPAR, and Londis brands in the Republic of Ireland. BWG also operates 266 SPAR stores in the southwest of England. The joint venture is owned 80% by SPAR South Africa.

DAIRY PROFILE: England milk supplier Payne's Dairy (correct in 2020).

KEY TARGETS:

- Eliminate black plastic from all SPAR brand packaging by the end of 2020
- Eliminate all SPAR brand single use plastics by 2025
- All SPAR brand plastic packaging will be reusable, recyclable or compostable by 2025
- Minimum 30% recycled content in SPAR brand plastic packaging by 2025
- Halve food waste by 2030
- BWG target to reduce the Group's energy usage by over 10 percent across its entire operations by 2024.

CLIMATE CHANGE & ENERGY:

Overview: SPAR International is working to become a carbon-neutral organisation by 2050. However, its sustainability agenda mainly applies to South Africa, including the GHG scope 1 and 2 data and targets. SPAR is in the process of updating its SBTs to be in line with the updated global target of 1.5°C. No data available for SPAR Ireland and SW England currently. Environmental targets applicable to the UK are centred on plastics, with some modest energy related targets for the wider BWG group.

BWG Foods has invested €25 million in a four-year sustainability strategy to significantly reduce the environmental impact of its large-scale nationwide supply chain. The new sustainability strategy was developed as part of BWG Foods' bid to secure the Irish Food Board Bord Bia's Origin Green status

Scope 1: BWG is investing in a new battery charging system for its mechanical handling equipment (forklifts, pallet trucks, etc.) fleet to reduce electrical output, and reduce carbon emissions by 170 tonnes per annum. BWG Foods launched a fleet of Compressed Natural Gas and Biogas vehicles in place of traditional diesel fuel.

Scope 2: SPAR operator BWG is installing solar power units across several EUROSPAR supermarkets. A core component of the new strategy is to reduce the Group's energy usage by over 10 percent across its entire operations by 2024.

LANDFILL/WASTE: SPAR UK has prevented over 100 tonnes of black plastic going to landfill by replacing packaging with clear or coloured material, e.g. sausages, cooked meats, ready meals and fresh chicken. All SPAR brand ready meal trays contain 80% recycled material and are fully recyclable. At distribution centres (DC) excess packaging materials are separated and recycled before delivery to stores and tertiary packaging is collected from stores and returned to the DC.

PLASTIC & PACKAGING: SPAR has replaced 300 tonnes of virgin plastic with recycled material in over 50 SPAR brand products including water, flavoured water, cider, squash and mixers. SPAR has signed the UK Plastics Pact - a collaborative initiative which aims to create a circular economy for plastics.

FOOD WASTE: Target to halve food waste by 2030. Focus on reducing waste along the supply chain such as reducing post-harvest losses, improving cold chains, investments in real-time management systems and automated ordering systems. Alongside such measures, donating food and discounting products remain core strategies in SPAR's operations.

BRITISH AGRICULTURE & SOURCING:

Suppliers: Reference only to Red Tractor assured British poultry.

Soy / Palm Oil: 100% of the palm oil used in SPAR brand products is sustainable and and certified by the Round Table for Sustainable Palm Oil (RSPO).



FOOD SERVICE AND HOSPITALITY COMPANY SUSTAINABILITY PROFILES

Aligned to UK dairy roadmap priorities

BURGER KING UK
'Burger King for Good'



SUMMARY: Burger King has outlets in over 100 countries, owned by American parent company Restaurant Brands International (RBI). The 'Burger King for Good' charter sets out the company's UK food strategy. Burger King recognises the threat that climate change, over-use of natural resources and unsustainable farming practices represent to many of its products. To tackle climate change the company will address its direct and indirect environmental impacts, starting with its own operational footprint. Burger King UK partnered with Carbon Intelligence to announce climate targets for its UK operations in sept 2021, which includes a commitment to offer a 50% plant based menu by 2030 to help reduce emissions.

KEY TARGETS:

- Reduce absolute scope 1 and 2 greenhouse gas emissions 100% by 2030, from a 2019 base year
- Reduce scope 3 greenhouse gas emissions 41% per restaurant by 2030 from a 2019 base year
- Offer a 50% meat-free menu by 2030 in UK restaurants
- 100% of packaging will come from renewable, recycled or certified sources by 2025
- Recycle 100% of packaging in all stores by 2025
- Eliminate single-use plastics and where plastic is used, on average 30% will come from recycled content
- Reduce food waste 30% by 2025

CLIMATE AND ENERGY:

Overview: Restaurant Brands International, the parent company of Burger King, has announced a new commitment to reduce emissions 50% by 2030 and reach net zero by 2050. The company is also targeting a 50% cut in Scope 3 emissions intensity per metric ton of food and per franchise restaurant. These targets have been approved by the Science Based Targets initiative, and UK Burger King's targets are likely to be updated to reflect this.

Scope 1: The energy efficiency of Burger King's restaurants is a key part of reducing the chain's overall carbon footprint. The focus is on energy used in refrigeration, lighting, heating and ventilation. Operational energy savings of 6% were made in 2019, against a baseline of 2018, saving 1.1million kwh of electricity. The rollout of LED lighting in all restaurants in 2019 made a further saving of 1.2million kwh of electricity, equating to over 600 tonnes of carbon emissions in total.

Scope 3: RBI is targeting a 50% cut in Scope 3 emissions intensity per metric ton of food and per franchise restaurant. This will likely be reflected in the Burger King UK charter.

WASTE / LANDFILL: Packaging and food waste are minimised across the supply chain. To date, the greatest challenges to waste have been the segregation of waste and cups, the support infrastructure (including logistics and the provision of nationwide waste management providers) and customer behaviour. Burger King is a member of the National Cup Recycling Scheme contributing to a fund (alongside other major high street food and drink brands) which incentivises waste management companies to recover single-use cups for recycling.



PACKAGING AND PLASTICS: In 2019 Burger King removed all non-biodegradable toys from its King Junior meals. The 'Meltdown' campaign also called on the public to donate their free plastic giveaway toys from other companies to amnesty bins in Burger King restaurants for recycling and repurposing into play areas and everyday restaurant items such as trays. This initiative has saved an estimated 320 tonnes of single use plastic in a year.

FOOD WASTE: Waste oil is collected on a weekly basis and is then filtered, recycled and converted into biofuel. In 2019, this amounted to over 430 tonnes, enough to take 853 cars off the road.

BRITISH AGRICULTURE & SOURCING: Burger King UK will work with its suppliers, supporting them in reducing their own carbon footprints. It will also offer a 50% meat-free menu by 2030.

COMPASS UK

'A menu for change'



SUMMARY: Part of a global group, Compass UK is a contract caterer serving 3 million customers a year in a range of sectors; including education, healthcare and leisure. Priority environmental sustainability issues for the business include GHG emissions, food waste, plastics and 'plant-forward' meals. The food service company was the first in the industry to announce an ambitious commitment to net zero for its own UK operations and value chain. Switching a large proportion of its menu to plant-based products, alongside purchasing offsets are two key elements of its climate strategy.

DAIRY PROFILE: Foodbuy is a subsidiary company of Compass UK and is the food procurement arm of the business. It buys 22 million litres of cream and milk a year. Yew Tree Dairy is one of the UK's largest family owned and operated milk processing companies, producing a range of liquid milks, cream and powders for the UK market and further afield. Yew Tree Dairy has supplied Compass UK for over 10 years and processes milk from local farmers in and around North West England and Scotland.

KEY TARGETS:

- Net zero across by 2030
- GHG reduction targets for all scopes of 65% by 2030 from a 2019 baseline
- 40% switch from animal proteins to plant-based proteins by 2030
- 70% of top five food categories, including milk and dairy products, to be sourced from regenerative agriculture by 2030
- Reducing food waste by 50% by 2030



CLIMATE AND ENERGY:

Overview: Compass UK has published an environmental roadmap for achieving its headline climate target of net-zero across all scopes by 2030. This strategy is the most rapid of any company in the report and contradicts the SBTi guidance of seeking reductions over a period of time before offsetting residual emissions in the long term. From 2025 Compass will begin compensating carbon emissions with 'high quality' UK based carbon removal projects, including afforestation in urban and rural areas and peatland rehabilitation. Once significantly reduced, by 2030 Compass UK will neutralise any further emissions.

Scope 1 & 2: The majority of Scope 1 emissions are from vehicles within the company's operating fleets. All fleet cars will be electric by 2024. In 2020/21, Scope 1 and Scope 2 emissions decreased significantly compared to the financial year ended 30 September 2019 due to site closures as a result of the widespread lockdowns in many of the countries and sectors in which Compass operates.

Scope 3: Compass UK is increasing plant-based diets. GHG reduction targets for scope 3 have been set at 65% by 2030 from a 2019 baseline. The company acknowledges that the pandemic has delayed projects related to scope 3 emissions accounting.

PACKAGING AND PLASTICS: Pledged to remove all single-use plastics from its catering service by 2021.

FOOD WASTE: Committed to reducing food waste by 50% by 2030 and partners with food redistribution charities and community groups to donate surplus food.

BRITISH AGRICULTURE & SOURCING:

Suppliers: Compass UK has set up a £1 million fund to support regenerative and sustainable agriculture. This is to support its target of sourcing 70% of its top five food categories, including milk and dairy products, fruit and vegetables, pork, beef and chicken, from regenerative agriculture by 2030. Action to achieve the target will also include the company making 'key interventions' and reworking its supplier auditing process to include key environmental performance data, alongside a commitment to incentivise suppliers to help achieve climate ambitions.

In addition, by 2030 Compass will have switched 40% of its sourcing from animal proteins to plant-based to reduce emissions associated with rearing livestock. Its corporate report explains how Compass is helping to raise awareness of the positive impact on the planet of eating less meat, and will encourage plant consumption through behavioural nudges, such as offering more vegan and vegetarian offers.

Soy: Compass is reassessing its global soy footprint and shortly publish a policy on soy. It is a member of the UK Roundtable on Sustainable Soya.

COSTA COFFEE



SUMMARY: Costa is the UK market leader in the out-of-home coffee market and the second largest international, with over 3,800 stores in 32 countries. It is owned by The Coca-Cola Company. While progress on waste and plastics is the priority, Costa Coffee's wider sustainability reporting is in its infancy. In 2020 it was one of the first retailers to join the British Retail Consortium's Climate Roadmap. The company is currently in the process of understanding its carbon impact, and will set targets and an action plan for reduction in due course.

CLIMATE CHANGE & ENERGY:

Overview: In July 2020 Costa Coffee joined the British Retail Consortium's Climate Action Roadmap as a founding signatory. It does not have a corporate net zero target or GHG reduction strategy. Costa has initiated a programme of work to understand its carbon impact as a global business, for its entire value chain from bean to cup. The carbon map will enable Costa to set carbon reduction targets and measure its progress against them.

Heating, Transport and Refrigeration (Scope 1): By replacing lighting with LED lamps and keeping its store doors closed, Costa has reduced energy usage in store by 42%.

Scope 2: All Costa's company-owned stores have been powered by 100% renewable energy since April 2017. In a growing number of stores and its Roastery, Costa also has on-site energy generation primarily through solar panels.

LANDFILL/WASTE: Costa currently recycles 60% of the waste it generates and send less than 0.5% of its waste to landfill.

PLASTICS & PACKAGING: Coffee cups pose an industry-wide problem as the plastic lining in the cup means they cannot be thrown into standard mixed recycling bins. Instead, cups must be collected separately to be recycled at any four recycling facilities within the UK. In 2016, Costa became the first coffee chain to introduce recycling points in all its stores. It went on to partner with Valpak (an independent waste management service company) to launch the UK's National Cup Recycling Scheme. Costa pays waste collectors an incentive for every tonne of cups they collect, which helps to fund the right infrastructure and processes for cups to be recovered for recycling. The company has since recycled over 155 million cups via the scheme, and, in November 2021 Costa changed the lining of the inside of its takeaway cups to be plant-based plastic. The new cups have a 26% lower carbon footprint than a standard takeaway cup when recycled.

FOOD WASTE: Costa will halve food waste by 2030. It works with coffee recycling company bio-bean to turn its spent coffee grounds into Coffee Logs. It also donates surplus food to those in need where possible, and anything expired is sent to anaerobic digestion for biogas production.



JUDE'S

'Bringing life to people and the planet'



SUMMARY: Jude's is a carbon negative business, and has launched the world's first 'carbon negative' branded ice-cream. The company has a comprehensive environment plan and a positive sustainability story to promote. The carbon negative status spans all three scopes of emissions and is achieved through offsets, with a reduction strategy alongside. Jude's is systematically looking at every element of its footprint. Its strategy does include increasing plant based ingredients in its product, as dairy is the main source of emissions for the company. It is not considered a large enough company to set a net zero target.

DAIRY PROFILE: Jude's biggest milk supplier is Matterley Farm, Hampshire, just 4 miles from the factory.

KEY TARGETS:

- Carbon negative now, and reduce carbon intensity 43% by 2030
- Increase plant based range to 50% by 2025

CLIMATE AND ENERGY:

Overview: Jude's is taking the carbon it emits, and a bit more, back out of the atmosphere through carbon offsets. The company has partnered with 'Carbon Architecture' to build a carbon reduction roadmap for its direct operations. Jude's estimates that it releases 6,200 tonnes of greenhouse gas emissions across all emissions scopes every year. Ingredients is the largest emissions source at 67%, of which dairy is the biggest contributor (80.2%).

Scope 1: Jude's is recovering energy at its Twyford Dairy by using the heat that comes from each cooked batch of ice cream as it cools to heat the next batch of ice cream as it starts to cook. It plans to further recover and re-use energy within its production plant by using the energy generated by refrigeration units to heat the water used for cleaning equipment.

Scope 2: Jude's recently switched to renewable electricity sources in its Twyford factory and is working with its partners to encourage renewable energy use throughout its supply chain.

Scope 3: Small World Consulting calculated Jude's scope 3 supply chain emissions, and accepts that these are often difficult to quantify as there is no limit to the number of pathways that can contribute to total supply chain emissions. The data shows that dairy ingredients have the most significant impact on Jude's carbon footprint.

Recognising that its plant based ice creams have a lighter carbon footprint, Jude's has begun a detailed review of how it can cut down the proportion of dairy in its products. Over the past two years the company has developed one of the largest plant based ice cream ranges in the UK. Approximately 25% of its retail range is plant based and it plans to increase this to 50% by 2025.

WASTE / LANDFILL: Jude's is reducing excess packaging, reducing waste of raw materials, food miles and travel. Stock is managed carefully to avoid waste, but any surplus stock is donated to local charities.

PACKAGING AND PLASTICS: The company recycles cardboard, plastic and metal from ingredient packaging.

BIODIVERSITY: In addition to carbon removal, Jude's is working with Trees for Life in order to promote biodiversity through rewilding. The trees will help to rewild the Caledonian Forest in the Scottish Highlands. Every tree is a sapling grown from locally collected seed. The saplings are planted alongside other young, native trees, transforming open hillsides into healthy young woodland, rich in wildlife such as red squirrel, black grouse, capercaillie, wood ants and twinflower.



WATER: Jude's recycles and saves millions of litres of water each year through an adiabatic cooler (this water cools the freezers).

FOOD WASTE: As much surplus stock as possible is sent to local charities and food banks.

BRITISH AGRICULTURE & SOURCING: Matterley Farm, who supplies milk for Jude's Tywford dairy, is part of the Winchester Downs farm cluster which is working together for landscape, habitat and biodiversity benefits on a scale that couldn't be achieved by working alone. The farm is undergoing its own carbon audit and developing a carbon management plan.

KFC UK 'Behind the Bucket'



SUMMARY: KFC UK is owned by global parent company, YUM! whose restaurant brands also include Pizza Hut (571 UK stores) and Taco Bell (53 UK stores). KFC UK (928 stores) is one of the largest markets for the global franchise outside the U.S.A. The parent company and UK subsidiary climate goals are aligned, with a net zero target of 2040 across all scopes and a SBTi approved GHG reduction plan.

DAIRY PROFILE: Information on KFC's UK milk suppliers and sourcing is limited. No available information on milk used in prepared drinks. Cravendale 250ml milk bottles sold in UK as part of the beverage menu.

KEY TARGETS:

- Net zero by 2040
- KFC UK will be a zero waste business by 2030
- Reduce Scope 1 and 2 GHG emissions generated by corporate restaurants and offices to 46% below 2019 levels by 2030
- Reduce emissions per franchisee restaurant, and per metric ton of beef, poultry, dairy and packaging to 46% below 2019 levels by 2030

CLIMATE AND ENERGY:

Overview: In line with its parent company, KFC UK & Ireland has made a commitment to be net zero by 2040, and is signed up to the BRC Climate Roadmap and the Zero Carbon Forum for hospitality. To help achieve the goal, KFC UK has partnered with the University of Liverpool and Zero Carbon Research Institute on a research project that will use scenario modelling and data to support KFC in providing actions for de-carbonising its business.

Scope 1 & 2: Target to reduce Scope 1 and 2 GHG emissions 46% below 2019 levels. The total UK operation is responsible for 5,080 tCO₂e scope 2 emissions. Total electricity consumption in the UK stands at 29.5kMWh. Actions underway to reduce scope 1 and 2 emissions include piloting energy optimization and building management systems at restaurants worldwide and converting 1,000 restaurants to renewable energy sources by the end of 2021.

Scope 3: By 2030 the global target is to reduce emissions per franchisee restaurant, and per metric ton of beef, poultry, dairy and packaging to 46% below 2019 levels. Across all of YUM's operations, dairy represents 13% of scope 3 emissions for purchased goods, beef 23% and chicken 40%. The continued expansion of plant-based protein on menus between now and 2030 is key to avoiding scope 3 emissions. In the UK, plant-based cheeses are currently being trialled in a number of Pizza Hut stores. As customers continue to choose these options over meat-based proteins, YUM's expectation is that fewer animals will need to be raised for food, and their associated emissions will be avoided.



WASTE / LANDFILL: Zero waste business by 2030. Currently over two-thirds of KFC UK's waste is sent for either anaerobic digestion or incineration, with the final third to be tackled in 2022.

PACKAGING AND PLASTICS: KFC's UK goal is to be a fully circular, zero waste business by 2035. This includes every piece of packaging being recyclable or compostable by 2025. As of today, 100% of KFC's paper and card is FSC certified, all its straws are biodegradable and, in the UK, the chain is aiming to remove 1,500 tonnes of single-use plastic in 2022.

WATER: YUM! target to Reduce average restaurant water consumption by an additional 10 percent by the end of 2025 with a focus on high water-stress areas.

FOOD WASTE: Will halve food waste by 2030. KFC is working with WRAP to reduce food waste in its kitchens and donates unused food to local charities. Nearly all of KFC's used cooking oil is converted into biodiesel.

BRITISH AGRICULTURE & SOURCING:

Suppliers: To reduce GHG emissions from chicken, beef and dairy as part of KFC's science-based target commitments, the company will educate suppliers, recognise them for progress and encourage them to set emissions-reduction targets of their own. Dairy is identified as a key emissions source across the global franchise, alongside poultry, beef and plastics. Scope 3 emissions reductions will, in part, be met by an expansion of plant based, over meat-based, proteins leading to fewer animals being raised for food, and their associated emissions being avoided.

Soy: KFC has removed all palm oil from its supply chain and are members of the UK Roundtable on Sustainable Soya.

McDONALDS UK **'Our Plan for Change: Planet Positive'**



SUMMARY: McDonalds' environmental sustainability agenda targets five impact areas: emissions, packaging and waste, sustainable agriculture, forest conservation and water stewardship. As a global operation, and one of the biggest buyers of beef in the world, much of the global restaurant chain's focus is on international livestock environmental performance and production. It has set a net-zero target in the UK for its own operations by 2030 and farms by 2040, with offsets purchased to deal with any emissions that cannot be reduced. McDonalds Global has a net zero target of 2050, but states that the UK can move faster.

DAIRY PROFILE: McDonalds works with 65 UK organic dairy farmers who, together, make up McDonald's 'Organic Dairy Network'. By sharing best practice and learning from industry experts, farmers work together to improve sustainability on farm. Milk is supplied by Arla.

KEY TARGETS:

- Net zero by 2040 (sets a target by its 'own definition' for scopes 1 and 2 by 2030)
- 100% of packaging from renewable, recycled or certified sources by 2025
- Launch a 'nature positive programme' for suppliers in the UK by 2023
- By 2025 have regenerative agriculture initiatives in each UK priority supply chain to promote soil health, water management and biodiversity
- By 2026 soy used in ingredients and in the animal feed in supply chain will be deforestation free



CLIMATE CHANGE & ENERGY:

Overview: McDonalds' Global joined the United Nations 'Race to Zero' campaign to achieve net-zero by 2050. McDonalds UK's target is to achieve 'net zero' emissions from its own restaurants and offices by 2030 and farms by 2040, and is currently developing its roadmap for getting there. This will be achieved primarily by reducing emissions and improvements in waste management. Any residual emissions will be neutralised with carbon removal projects.

Scope 1: As one of the largest carbon footprint areas for the restaurant chain, McDonalds is investing in LED lighting and energy-efficient kitchen equipment to reduce emissions and improve efficiency. McDonalds' logistics providers worldwide are tasked with moving toward alternative fuels and making product journeys as efficient as possible through continuous routing improvements, and innovations like engineless cooling and air deflectors. Martin Brower's biodiesel-fuelled trucks transport all the milk from Arla to McDonalds' sites, and the logistics firm has also signed up to science based targets for emissions reductions.

Scope 2: McDonalds purchases 100% renewable electricity for use in its UK restaurants.

Scope 3: No target. Work is underway with suppliers to reduce emissions across the supply chain and then offset any remaining emissions by 2040.

WATER: McDonalds is seeking to reduce its overall water footprint, especially related to agriculture and crop production (internationally), with a focus on high risk and high impact countries that it sources from.

PLASTIC & PACKAGING: Packaging will be 100% renewable, recycled or from certified sources by 2025. By the end of 2020, McDonalds was 80% of the way towards its goal.

FOOD WASTE: In the UK the restaurant chain is working to close the loop on organic waste. Food waste, including cooking oil, is collected and converted into gas and electricity. It is committed to halving food waste by 2030.

BRITISH AGRICULTURE & SOURCING:

In the UK, McDonalds has partnered with FAI farms in Oxford to invest in sustainable agriculture research. The initiative, named the Farm Forward Programme has three aims: supporting resilient farmers, raising animal welfare standards and making environmental improvements.

Through its Sustainable Dairy Investment Fund McDonalds has invested £750,000 to support the 65 Organic Dairy Farmer Network members through a capital grant scheme. The grants have enabled farmers to improve animal health and welfare and reduce the carbon footprint of organic milk production.

NESTLÉ

'Accelerate, Transform, Regenerate'



SUMMARY: Nestlé defines headline climate targets for its global operations, but also sets country and brand specific 'journeys' which may differ. Overall priority issues for the business include reducing landfill waste to zero, fighting deforestation, moving to 100% renewable energy and 100% recyclable or reusable packaging. Dairy and livestock ingredients are the largest single source of emissions for Nestlé and achieving net zero will mean driving a major shift in the way these ingredients are sourced and produced.

DAIRY PROFILE: First Milk has supplied fresh British milk to Nestlé UK & Ireland since 2003. The Nestlé / First Milk Partnership comprises c.100 farmers in Ayrshire and Cumbria and supplies two of Nestlé's manufacturing sites: Girvan in Scotland, which produces chocolate crumb, and Dalston in Cumbria which makes beverage products, such as Nescafé Frothy Coffee.

KEY TARGETS:

- Net zero by 2050: Offsetting is not allowed; all remaining emissions must be balanced by insetting
- 50% reduction in GHG emissions by 2030
- Reduce emissions from dairy and livestock ingredients globally by 21 million tonnes CO₂e by 2030
- Source 20% of key ingredients through regenerative agricultural methods by 2025
- 100% renewable electricity in sites by 2025
- Cut virgin plastic in packaging 33% by 2025 and 100% of packaging recyclable or reusable by 2025
- 100% deforestation free for primary supply chain by 2022

CLIMATE AND ENERGY:

Overview: Nestlé emitted 92 million tonnes of greenhouse gas emissions globally in 2018, which forms the baseline for its emissions reduction targets. Emissions from its direct operations, Scope 1 and Scope 2, accounted for just 5% of total GHG emissions. The vast majority of GHG emissions (95%)

come from activities in Nestlé's supply chain and that is where the company will focus most of its efforts. Nestlé calculated its baseline in partnership with South Pole, an external consultant. The SBTi approved Nestlé's GHG reduction and net zero targets in November 2020.

Scope 1: Represents 3.0% of Nestlé's total emissions. Reduction efforts include switching the global fleet of vehicles to lower emission options by 2022; including green electricity, green hydrogen, and biofuels made from waste. Nestlé will become carbon-neutral certified for certain brands. KitKat and Nestlé water are amongst the first that will be carbon neutral by 2025 achieved by halving emissions in its production footprint and offsetting the remainder.

Scope 2: Represents 2.2% of Nestlé's total emissions from the generation of purchased energy like electricity and heating/cooling network. Nestlé will switch to 100% renewable electricity in its facilities by 2025, invest in energy efficiency measures to reduce the overall amount of energy it uses, and switch to renewable fuels for thermal heating.

Scope 3: Represents 94.8% of Nestlé's emissions. The majority (71.4%) of total scope 3 emissions come from ingredients, of which dairy and livestock supply chains accounted for 34.2 million tonnes of CO₂e in 2018; representing more than half of the total ingredients emissions. Nestlé has a discrete target of reducing dairy and livestock emissions to 29.3million tonnes of CO₂e from a current trajectory of 50.6m tonnes of co₂e by 2030 (a reduction of 21m tonnes CO₂e based on forecast company growth).

WASTE / LANDFILL: Nestlé is investing in packaging innovations, alternative delivery systems and new business models that help stop waste going to landfill.

PACKAGING AND PLASTICS: 100% of packaging will be reusable or recyclable by 2025; with a 33% reduction in virgin plastic packaging by 2025.



BRITISH AGRICULTURE & SOURCING:

Suppliers: Dairy and livestock ingredients are Nestlé's largest single source of emissions. Charting a course to net zero means driving a major shift in the way these ingredients are sourced and produced. Changes will also be made to product composition and range. Nestlé will support portfolio and product managers to incorporate GHG emissions information more effectively into their decision-making, including selecting which ingredients to use. This includes making more environmental impact data about ingredient supply chains available at a product level.

First Milk, Nestlé and Agricarbon have launched a pioneering soil carbon capture project, which establishes a soil carbon baseline for First Milk farms and allows soil carbon sequestration to be quantified over time. The project started with high intensity, field-by-field soil carbon stock quantified across 40 farms, extended to 100 First Milk farms by the end of 2021. The project will now focus on working with dairy farmers and external advisers to understand soil carbon levels and inform the development of practical regenerative plans for farms that capture additional soil carbon through sequestration, whilst maintaining and enhancing productivity and efficiency.

PRET-A-MANGER 'Doing the Right Thing'



SUMMARY: Pret-a-Manger (Pret) published its first ESG report in 2020. The company is developing its sustainability and climate plan and there is little detail available beyond the areas of plastics and packaging in the available corporate reports. Pret is a signatory of the BRC Climate Action Roadmap, and there is a sense that more may follow.

KEY TARGETS:

- 100% recyclable, reusable or compostable packaging by 2025

CLIMATE CHANGE & ENERGY:

Overview: Pret has started to reduce the impacts of its shops and distribution network, but acknowledges that there is much more to do throughout its supply chains. With this in mind it is committed to conducting a thorough review of every activity in its business. Pret's UK shops signed up to the BRC Roadmap in 2020.

Scope 2: Since 2015, all Pret managed shops in the UK have sourced 100% renewable electricity.

WATER: Pret has installed over 250 free filtered water stations in its shops to reduce water bottles.

LANDFILL/WASTE: Pret has had a zero landfill policy for all of its UK managed shops since 2012.

PLASTIC & PACKAGING: A total packaging volume (all materials, all areas) of 6,515 Tonnes, of which 2% of is plastic. Pret has removed over 10 million cups since its reusable discount started in 2018, and has committed to go further in its 'Plastic Pledge 2025':

- Make it 100% recyclable, reusable or compostable
- Eliminate all unnecessary single-use plastic
- Help customers to recycle effectively in shops

FOOD WASTE: Pret will reduce food waste by 50% by 2030. As part of this commitment, the company has completed its first food waste baseline which identified products and ingredients commonly wasted and identified opportunities to increase redistribution. All unsold food is donated to charities at the end of the day through 'The Pret Foundation' which has a mission to tackle poverty, hunger and homelessness.

SUMMARY: Sodexo is a global food service company. It serves 100 million customers daily. The UK operation supplies hospitality services and catering to schools, prisons, hospitals, and military bases. Sodexo has a clear climate plan including targets for carbon reduction and net zero. Prestige is a Sodexo brand targeted at events catering. It makes unfavourable claims about dairy farming on its website and encourages environmentally conscious consumers to switch away from dairy products. Beyond the climate targets, there is little available detail on the UK strategy for delivery, and on Sodexo's supply chain.

DAIRY PROFILE: Only one supplier of dairy is named directly as Lake Cheese in Somerset.

KEY TARGETS:

- Carbon Neutral for direct operations by 2025
- Reduce Greenhouse gas emissions across all three scopes 55% by 2030
- Reducing GHG emissions by over 90% and offsetting any remaining emissions to reach net zero by 2045
- Procuring 100% renewable electricity by 2022
- Switching to 100% reusable, recyclable and compostable packaging by
- Increasing the number of plant-based menu options to 33% by
- Reduce food waste by 50% by 2025.

CLIMATE AND ENERGY:

Overview: Sodexo's target is to be Carbon Neutral in its direct operations by 2025. Its next step will be to reduce GHG emissions across all three scopes 55% by 2030. By no later than 2045 the company will have concluded a complete decarbonisation of its business, reducing greenhouse gas emissions by over 90% and neutralising any remaining emissions to reach net zero.

Scope 1 & 2: Reduce GHG emissions across all three scopes 55% by 2030.

Scope 3: as above. No detail available on supplier strategy.

PACKAGING AND PLASTICS: As of 1 February 2020, products containing unrecyclable polystyrene and single use plastic bags have been removed from Sodexo's supply chain.

FOOD WASTE: Food waste is removed for anaerobic digestion to create electricity and fertiliser. Sodexo works with FareShare, the UK's largest charity fighting hunger and food waste, by saving good food from going to waste and redistributing it to frontline charities and community groups. It is committed to halving food waste by 2030.

BRITISH AGRICULTURE & SOURCING:

Sodexo has set a target of having 33% of its menus as plant-based, worldwide by 2025. In the UK and Ireland, Sodexo has partnered with WWF and the Food Foundation to work towards this commitment and target.

On its Prestige website, promotion of the company's GHG reduction target includes the statement: "at Prestige Venues & Events, we've made a promise to cut our carbon emissions 34% by 2025...the meat and dairy industry is hugely responsible for deforestation and greenhouse gases. Therefore, switching to eating more plant-based meals can benefit the environment hugely, leaving less of an impact of the planet, for our children in the next generation to deal with.

"Switching out meat and dairy products drastically reduces your carbon footprint, as dairy milk uses 628 litres of water to produce 1 litre of milk, whilst soy milk needs only 28 litres. Dairy milk also produces 3.0 kg of CO2 per litre, whilst almond milk only needs 0.7kg. These are small changes you can make to cut back.

STARBUCKS UK

'Becoming a Resource-Positive Company'



SUMMARY: The global coffee giant has set science-based preliminary target reductions for carbon, water and waste by 2030. It has no net zero target, but instead has an over-arching aim for Starbucks globally to be 'resource positive' - putting back more than it takes from the planet. Specifically; storing more carbon than it emits, eliminating waste and replenishing more freshwater than it uses. It includes a reference to expanding plant-based options, to create a more 'environmentally friendly' menu. The dairy sector is one of the priority categories that Starbucks will focus on in its emissions reductions efforts.

DAIRY PROFILE: Milk supplied by Arla UK.

KEY TARGETS:

- 50% absolute reduction in GHG emissions for direct operations and value chain by 2030
- 50% of water withdrawal from direct operations and coffee production will be conserved or replenished by 2030
- 50% reduction in waste sent to landfill from stores and direct operations by 2030

CLIMATE AND ENERGY:

Overview: In 2018 Starbucks conducted a comprehensive waste, water, and carbon footprint assessment across its global enterprise. The global data was consolidated to calculate Starbucks' waste, water, and carbon footprints. This data will serve as the baseline for future performance measurement.

The report showed that 16 million tonnes of greenhouse gases were emitted in 2018 across Starbucks' full value chain. 1 billion cubic metres of water was withdrawn and 868 kg/tonnes of waste emitted. It also revealed that scope 1 and 2 emissions represent only 4% of Starbucks' total footprint, with most of the emissions reductions required to reach the 2030 emissions targets needing to be made in the supply chain, particularly in the sourcing of dairy, coffee, packaging, and food.

Scope 1: In 2019/20 Starbucks' reported an 11% reduction in carbon emissions against its 2030 goal, although this was largely attributed to stores being closed for large periods of this reporting year due to the pandemic. In the 2018 baseline report, the largest contributing gas to the overall Scope 1 emissions was Nitrous Oxide (NO₂) from whipped cream dispensers, which representing 50% of total emissions (NO₂ is used as a preservative and propellant/charger in whipped cream dispensers).

Scope 2: All company-operated stores across the UK and Europe are powered by 100% renewable electricity.

Scope 3: Scope 3 emissions represent 96% of Starbucks' total carbon footprint. Dairy is the largest contributing factor to these emissions at 21%, with coffee representing 11%, and waste 9%. As such, the dairy sector is one of the priority categories that Starbucks will focus on in its emissions reductions efforts.

PACKAGING AND PLASTICS:

Waste adds 1.3 million tonnes of carbon emissions to Starbucks' baseline carbon footprint, representing 6% of overall emissions. Plastic contributes nearly 70% of the carbon and water emissions for packaging. Therefore, shifting away from single-use packaging that ends up in landfills, and reducing plastic use is another priority focus.

Starbucks UK launched the 'circular cup', a reusable cup made in Cornwall from approximately six single-use paper cups. The chain has also partnered with Arla UK on a plastic recycling closed loop system to ensure no additional plastic is added back into the supply chain from the milk and cream used in its drinks.

WATER: Dairy, coffee and other beverages are the most water intensive commodities in Starbucks' supply chain. Yet, this is again a very localised issue with huge regional and country differences.



FOOD WASTE: Target to halve food waste by 2030. Three programmes directly support Action Against Hunger, with over £278,000 raised across Austria, Britain and Switzerland.

BRITISH AGRICULTURE & SOURCING: From January 2022, 14 dairy producers, Arla and Starbucks will develop and pilot a three-year sustainable dairy sourcing blueprint to help

reduce dairy carbon emissions, through the Arla UK 360 farm standards programme. Starbucks will also be working with scientists from The Nature Conservancy, a global, and environmental stewardship non-profit who will support the partnership. At the end of the pilot, Starbucks hopes to scale the blueprint to support dairy suppliers across Europe, Middle East and Africa.

UNILEVER 'Climate Transition Action Plan'



SUMMARY: Unilever's Climate Transition Plan was put to its shareholders to vote on in 2021, and it is amongst the clearest and most digestible sustainability plans. Climate and environmental targets are ambitious, and set across the company's entire value chain. Unilever believes credible net zero strategies must lead with science-based emissions reductions pathways, complemented with carbon removals when all feasible reductions have been implemented. Its targets are SBTi approved and transparently communicated. It states that it has not set interim 'net zero' targets as this is counterproductive. In addition to tackling GHG emissions Unilever is focused on energy, plastics, waste and meat and dairy alternatives.

KEY TARGETS:

- Net zero (scope 1, 2 and 3) by 2039
- 70% reduction in scope 1 and 2 emissions by 2025, 100% by 2030
- Halve GHG emissions of all products by 2030
- Share the carbon footprint of every product sold
- Halve food waste by 2025
- 100% renewable grid electricity for its operations since 2015
- 100% renewable heat by 2030
- c. 20% of ice cream products being non-dairy by 2030; 1 billion euros of annual sales of meat and dairy alternatives by 2027

CLIMATE AND ENERGY:

Overview: Unilever's annual greenhouse gas emissions across the value chain amount to 32 million tonnes. In the 2020s and 2030s, Unilever's primary focus will be emissions reductions across its value chain. Unilever adopts clear, unambiguous language in explaining its climate actions and the steps it will take to reduce emissions from its operations first and then to become net zero across Scope 1, 2 and 3 by 2039. It defines 'net zero by 2039' as ensuring that the emissions associated with its products are reduced as far as possible, with residual emissions balanced by carbon removals to achieve and maintain its net zero position.

Scope 1: Identified as a small share of its value chain emissions (c. 2%). Actions to reduce emissions to zero without offsets include; energy efficiency programmes, transition heating sources (typically fossil fuel burning boilers) to renewable energy sources, eliminating any remaining residual high global warming potential (GWP) HFC refrigerants from cooling systems and halving food waste in its operations by 2025.

Scope 2: Unilever achieved its 100% renewable grid electricity target in 2020, its focus is now on the transition to renewable heat sources, increasing energy efficiency, and reducing refrigeration emissions.

Scope 3: Represents Unilever's greatest climate impact. The company is working to reduce emissions from the lifecycle of its products and is encouraging suppliers and other partners to reduce their emissions and set their own science-based targets.



Specific GHG roadmaps have been created for high emitting products.

PACKAGING AND PLASTICS: Product reformulation, concentration and compaction will contribute to a target of at least 25% recycled plastics by 2025.

FOOD WASTE: Halve food waste by 2025.

AGRICULTURE & SOURCING:

Suppliers: Unilever is asking its 56,000 suppliers to commit to the 'Unilever Climate Promise' and halve their GHG emissions by 2030, report progress publicly, and share GHG footprint data with Unilever. It is also prioritising partnerships with new suppliers who already have science-based emissions targets in place. It has also launched the 'Unilever Climate Programme' offering deeper support and hands-on guidance to 300 of its suppliers who contribute c.two-thirds of its scope 3 footprint.

Sourcing: Alternative proteins, plant-based eating and meat and dairy alternatives are key strategic pillars for Unilever's scope 3 reduction plan. Unilever's 'Force for Good' strategy prioritises moving to more plant-based diets and products, guiding consumers towards 'healthy and sustainable' dietary behaviours. Innovations such as plant-based ice cream – using non-dairy fats and proteins – directly contribute to lowering the carbon intensity of Unilever's product value chains. It has a comprehensive product innovation programme in ice cream with a target of around 20% of ice cream products being non-dairy by 2030.

Soy: Unilever is committed to zero deforestation by 2023 covering palm oil, paper and board, soy, cocoa and tea. It will achieve this through building a transparent and traceable supply chain, and working with technology partners to ensure it understands the origins of the materials it sources and can independently verify that they are free from deforestation and conversion of natural ecosystems.



AGRI-SUPPLY COMPANY SUSTAINABILITY PROFILES



SUMMARY: The AB Agri Group includes big industry names in agri-supply including Frontier and ABN. Together they produce and supply compound animal and innovative alternative feeds, enzymes and a range of data and technology services to farmers, feed and food manufacturers, processors and retailers. The company's overarching sustainability aim is to help reduce the environmental impact of food production through the products and services it provides, and by achieving net zero in its own business operations. Scope 3 emissions are only required to be incorporated in a net zero target where they comprise more than 40% of a company's overall emissions. The AB Agri group also operates its own AD plant.

KEY TARGETS:

- Net zero by 2030 (own operations)
- Zero-deforestation supply chain by 2025 – and a commitment to new protein sources

CLIMATE AND ENERGY:

SCOPES 1 & 2: AB Agri has mapped out its scope 1 and 2 greenhouse gas emissions and identified energy, transport and packaging as its priority focus areas to achieve net zero by 2030. Its scope 3 emissions are largely associated with third-party transport and raw materials.

RENEWABLE ENERGY: Amur Energy, part of AB Agri, is dedicated to driving innovation and unlocking potential in Anaerobic Digestion (AD). Amur's own 'gas to grid' AD plant in North Yorkshire generates the equivalent of 3MWe, per year from 60,000T of blended food and green waste.

DATA: As part of its efforts to support the industry transition to net zero AB Agri has developed and tested a raw materials database for calculating 'environmental footprints' for its feed, and will make product environmental footprints available for UK customers in 2022. The information will enable the company to look at how it can formulate products to reduce carbon impact for its users.

CARBON CALCULATORS: AB Agri has launched an emissions reporting service, a partnership between AB Vista and Intellync, to help the supply chain gain robust insight into their carbon emissions. Intellync has completed thousands of farm-level carbon footprints and currently support a range of retailers and food processors in their efforts to reduce scope 3 emissions.

SOURCING: AB Agri's palm oil and derivatives are 100% sustainably sourced, using Palm Trace Certificates. To date the company has validated that 57% of the soya it buys worldwide is 'responsibly sourced'. As part of a comprehensive statement on deforestation, AB Agri has committed to achieving a zero-deforestation supply chain for palm oil and soya by 2025 and are members of the RTRS.

FEED INNOVATION: Through investing in alternative protein sources, NovaPro, AB Agri's dairy feed produced from UK-grown rapeseed, was awarded the UK's Royal Dairy Innovation Award in recognition of its ability to boost productivity while entirely removing the need for soya in dairy cow diets.

Sister company AB Vista, a top-three player in feed enzymes, is now one of the largest suppliers of yeast and natural betaine to the global animal nutrition industry. It has a suite of ruminant products aimed at improving sustainability and performance.

KW, part of the AB Agri group, leads the development of alternative feeding in the UK. Alternative feeding is important with farmers looking to reduce costs, raise yields or productivity, and improve herd health to meet the challenges of the future. It also promotes making best use of novel raw materials, for example its Trafford Gold feed produced from the Cargill Plc wheat processing facility in Manchester.

AB Agri is also part of a collaboration with start-up company Entocycle, funded by Innovate UK, who are building the UK's first industrial-scale insect farm. The project, entitled the Insectrial Revolution, uses black soldier flies to convert upcycled food waste from farms and factories into a sustainable, organic insect-based protein feed, as an alternative to soya.



WYNNSTAY GROUP PLC.

'Helping farmers to feed the UK in a more sustainable way'



SUMMARY: Wynnstay manufactures and supplies a comprehensive range of agricultural inputs to livestock and arable farmers in the UK. It is the 6th largest UK feed producer. The company's aim is to become a carbon neutral business, coupled with a sustainability strategy which supports its customers to become more efficient in the production of food. Wynnstay are corporate members of LEAF.

KEY TARGETS:

- Net zero target for 2040, or sooner (scopes 1 and 2 only as scope 3 emissions are minimal)
- Reduce energy, waste and improve water management policies
- Monitor air emissions to improve quality
- Target a 100% recycled packaging policy

CLIMATE AND ENERGY:

Overview: Wynnstay joined the Green Dragon Scheme in 2018 - an accredited scheme in which manufacturers of animal feeds are encouraged to minimise their environmental impact. Since joining, Wynnstay has continued to improve efficiencies in its mills and reduced emissions per tonne of manufactured feed.

According to its first SECR statement for the financial year ended 31 October 2020, the Wynnstay Group used 12,710 tCO₂e of energy during the year. 31% of energy was used in producing compound and blended feeds in its production plants, and a further 54% was used by its fleet of road vehicles. This is broken down as: Scope 1: 9,086 / Scope 2: 3,582 / Scope 3: 42 tCO₂e.

Wynnstay's carbon intensity ratio for the year ended 31 October 2020 was 8.14 tCO₂e per 1,000 tonnes of agricultural inputs and grain traded, based on emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020.

TRANSPORT: Biofuel has been incorporated into the HGV fleet.

WASTE AND LANDFILL: Wynnstay is currently bagging its own produced feed in bags containing 30% recycle material. This will be increased as higher inclusion bags suitable for using with Animal feed become available from the supply chain.

BRITISH AGRICULTURE & SOURCING:

Soy: Wynnstay only uses Certified Soyameal in all its feed production to the RTRS (Roundtable for Responsible Soya) or equivalent standards.



YARA

'Leading a Sustainable Purpose'



SUMMARY: Norwegian based company, Yara's aim is to be a leading crop nutrition provider, specialising in lower carbon footprint nitrogen fertilizers. It has provided fertilizers and specialist crop nutrient products to UK farmers and growers for over 170 years. Yara is a founding member of the Cool Farm Alliance which published the online Cool Farm Tool.

KEY TARGETS:

- Net zero by 2050
- 30% reduction of scope 1 and 2 emissions by 2030
- Currently updating carbon calculations for scope 3 emissions (bought in ammonia and on-farm fertilizer use)

CLIMATE AND ENERGY:

Scope 1: Yara's most significant initiative to reduce its GHG emissions is the installation of Nitrous Oxide catalyst technology in its nitric acid plants, which removes c.90% of the N₂O released during production and has already enabled a c.45% reduction in scope 1 and 2 emissions since 2005.

Scope 2: 90% of Yara's energy consumption and 80% of GHG emissions are linked to ammonia production (a key component of its fertilizers). Energy reduction targets have been set for each plant. 94% of energy used is from natural gas.

Scope 3: Yara estimates that 60% of total GHGs for a fertilizer's life cycle are released at the farm. it is updating carbon calculator values for its products and believes higher yield farming is the key for reducing climate impacts.

AGRICULTURE INITIATIVES:

Carbon marketplace is Yara's initiative to reduce emissions and sequester carbon at farms to create a new revenue stream from carbon credits. Currently being piloted in the USA with 20 farmers over 50,000 acres, Yara will create a new income stream for farmers based on the carbon stored in their soil. It is developing agriculture-based carbon credits that will be qualified and certified by a third party verifier to ensure real value is being created for the environment. In addition to paying farmers for implementing more sustainable soil practices and storing carbon, the credit scheme will offer companies looking to offset their hard-to-reduce emissions an opportunity to purchase offsets and meet their climate commitments.

Yara sees huge potential in this initiative. Analysis shows up to one gigatonne of CO₂ storage potential and a possible 10 billion US Dollar market. Yara expects to generate the first millions of carbon credits over the next 2-3 years.



RETAIL ENVIRONMENTAL SUSTAINABILITY PRIORITIES MATTRIX

Retailer / Issue	Tesco	ASDA	Sainsbury's	Morrison's	Co-op	Aldi UK	Lidl GB	Waitrose (JLP)	M&S	SPAR UK
CLIMATE & ENEGY										
Net Zero (as per SBTi standard)	Net zero by 2050.	Net zero by 2040.	Net zero by 2050.	Net zero target currently being established.	Net zero by 2040.	No net zero target.	Net zero by 2050 (across Swartz Group).	Net zero target currently being reviewed / established.	Net zero by 2040.	No net zero target.
Scopes 1, 2 & 3	SCOPE 1: Tesco emits 1 million tCO ₂ e with target to reduce emissions 60% by 2025, and 'net zero' scopes 1 & 2 by 2035.	SCOPE 1: Asda emits 701,862t CO ₂ e from its scope 1 & 2 activity; target to reduce GHGs for own operations 50% by 2025.	SCOPE 1: Sainsbury's emits 818,161t CO ₂ e from its scope 1 & 2 activities; target of 'net zero' for scopes 1 & 2 by 2035. No specified GHG reduction figure.	SCOPE 1: Total scope 1 & 2 emissions stand at 644,016t CO ₂ e; target of 53% reduction by 2030 and 'net zero' for scopes 1 & 2 by 2035.	SCOPE 1: Carbon neutral scopes 1 & 2 from 2022; target of 50% reduction in GHGs scopes 1 & 2 by 2025	SCOPE 1: Carbon neutral scopes 1 & 2 since 2019. Aldi South Group target to reduce scope 1 & 2 GHGs 26% by 2025 from a 2016 baseline. Zero carbon by 2030 vision.	SCOPE 1: Lidl GB carbon neutral scopes 1 & 2 from 2022; target to reduce GHGs 80% by 2030.	SCOPE 1: Previous target of 'net zero' scopes 1 & 2 by 2030.	SCOPE 1: Carbon neutral today scopes 1 & 2; GHG reduction targets of 34% by 2025; 80% by 2030 and 'net zero' scopes 1 & 2 by 2035.	No UK emissions data. BWG target to reduce the Group's energy usage by over 10 percent across its entire operations by 2024.
	SCOPE 2: 100% renewable energy purchased and generated.	SCOPE 2: 50% of electricity will be from renewables by 2025.	SCOPE 2: 100% renewable purchased electricity.	SCOPE 2: Pledged to be first retailer to own and operate own solar panels across entire estate.	SCOPE 2: 100% renewable electricity and zero fossil fuel heating.	SCOPE 2: 100% renewable electricity purchased or generated; 10,000 solar panels installed across UK estate.	SCOPE 2: 100% Lidl GB's energy purchased from renewable sources.	SCOPE 2: 25% reduction in energy by 2028. 99.4% of JLP electricity is renewable.	SCOPE 2: 100% electricity purchased or generated from renewable sources.	
	SCOPE 3: Target to reduce GHGs from agriculture 15% by 2030.	SCOPE 3: Currently developing a measure for scope 3 emissions and will publish reduction targets by 2025.	SCOPE 3: Target to reduce scope 3 emissions 30% by 2030.	SCOPE 3: Target to reduce emissions 30% by 2030 for own-brand products. 'Net-zero' agriculture products by 2035.	SCOPE 3: Target for 11% GHG reduction for own-brand products by 2025.	SCOPE 3: Strategic suppliers to set GHG reduction targets by 2024.	SCOPE 3: Strategic suppliers obliged to set SBTs for GHG reductions by 2026.	SCOPE 3: Previous target of 'net zero' UK farms by 2035 with reporting starting in spring 2022.	SCOPE 3: plan to reduce by 13.3mtCO ₂ e by 2030 (no definition of what the boundary or activities in this scope 3 calculation includes).	



Retailer / Issue	Tesco	ASDA	Sainsbury's	Morrison's	Co-op	Aldi UK	Lidl GB	Waitrose (JLP)	M&S	SPAR UK
WATER			Water neutral by 2040. Reduced water use by 1bn litres since 2005 & first retailer to achieve Carbon Trust water standard.	Developing a water stewardship & reduction plan for all own-brand products sourced from areas of water scarcity.	Reducing water use 10% across all sites by 2025.	AMRs at all regional distribution centres for water harvesting and recycling.				
LANDFILL / WASTE		Zero waste operations by 2025.	Zero waste to landfill since 2013.	By 2025 target to recycle same volume of material as it uses in own recycling facility; first of its type in world to manage 'hard to recycle' material.	98% waste recovered or recycled.			Zero waste to landfill across JLP since end of 2021.	Zero waste to landfill and reducing volumes 15% year on year.	Removed 100 tonnes of landfill waste by eliminating black plastics.
PLASTIC & PACKAGING	Target to remove 500m pieces of plastic by 2022. 1 billion pieces of plastic removed to date, including cream and yoghurt pot lids & 95 tonnes of cheese packaging.	Target to remove 3 billion pieces of plastic by 2025; over 90k tonnes removed since 2018.	Target to reduce plastics 50% by 2025. 100% of own-brand packaging will be recycled or compostable by 2023.	Cut plastic use 50% by 2025; 11kt removed since 2017.	100% own-brand packaging will be recyclable by 2025.	Target to reduce plastic use 50% by 2025; removing an additional 20 million pieces of plastic. 100% of own brand packaging recyclable by 2022.	Own brand packaging fully recyclable by 2025; dairy and milk products are the 3rd and 4th largest sources of plastic.	100% of Waitrose own-brand packaging reusable, recycled or compostable by 2023; currently 86%.	100% recyclable food packaging by 2022. 100% all packaging reusable, recyclable or compostable by 2025.	Eliminate all SPAR brand single use plastics & plastic packaging reusable, recyclable or compostable by 2025.
FOOD WASTE	50% less food waste by 2030, already reduced 47% since 2017.	50% less food waste by 2030.	50% less food waste by 2030.	50% less food waste by 2030.	50% less food waste by 2030.	50% less food waste by 2030.	50% less food waste by 2030. All GB suppliers to have a food waste reduction programme in place.	50% less food waste by 2030.	50% less food waste by 2030.	50% less food waste by 2030.



Retailer / Issue	Tesco	ASDA	Sainsbury's	Morrison's	Co-op	Aldi UK	Lidl GB	Waitrose (JLP)	M&S	SPAR UK
AGRICULTURE & SOURCING	<p>800 TSDG farmers have conducted a carbon footprint assessment, and have an action plan in place.</p> <p>50% of Tesco suppliers have a biodiversity plan.</p> <p>Signed UK soy manifesto for 100% deforestation free soy purchased by 2025.</p>	<p>108 'Asda Challenger' dairy farmers have reduced the GHG emissions per litre of milk by an average of 20% (2008-2018).</p> <p>By 2025 Asda's top 20 commodities will be sustainably sourced</p> <p>All soy used in milk supply chain certified sustainable from 2021; signed UK soy manifesto for 100% deforestation free soy purchased by 2025.</p>	<p>Wrote to all suppliers in Sept 2021 asking to disclose and report on carbon reduction targets.</p> <p>Signed up to UK manifesto for 100% of soy in supply chain certified sustainable by 2025.</p>	<p>Pledged to become first retailer to be supplied by 'net zero' British farms by 2030; dairy is not listed alongside other proteins; measurement of 2300 supplier network underway.</p> <p>Soy sourced from zero- deforestation sites in all supply chains by 2025.</p>	<p>Carbon reduction toolkit produced for dairy and beef supplying farms.</p> <p>Working with 189 dairy farmers and Alltech, launched 'Enviromap' programme which has calculated and reduced the carbon footprint per litre of milk from 1.2g CO₂e per litre, to 1.17g over 3 years.</p>	<p>Strategic suppliers required to set emissions reduction targets by end of 2024.</p> <p>Signed up to UK soy manifesto for 100% deforestation free soy purchased by 2025.</p>	<p>Strategic suppliers (over 75% of a product related emission) to commit to a reduction target by 2026.</p> <p>In 2018, first retailer to certify all soy in its supply chain sustainable.</p>	<p>All dairy farmers devote 10% of their land to biodiversity and are introducing regenerative farming methods to improve carbon capture, water and soil management.</p> <p>Signed UK soy manifesto for 100% deforestation free soy purchased by 2025.</p>	<p>5 year 'Farming with Nature' programme launched, including a dairy innovation and indicator farm for sustainability trials.</p> <p>Milk Pledge Plus requires regular carbon footprints of supplying dairy farms.</p> <p>100% soy in supply chain from verified deforestation free sources by 2025.</p> <p>Achieving net zero will include doubling sales of plant based proteins.</p>	



FOOD SERVICE & HOSPITALITY ENVIRONMENTAL SUSTAINABILITY PRIORITIES MATTRIX

Issue / Company	Nestlé	Unilever	KFC UK (YUM! parent company)	Sodexo	Compass	Jude's Ice Cream	Pret-A-Manger UK	Starbucks UK	McDONALDS UK (McDonalds USA parent company)	COSTA COFFEE (Coca-Cola parent company)	BURGER KING UK (RBI parent company)
CLIMATE & ENEGY											
Net Zero (as per SBTi standard)	Net zero by 2050.	Net zero by 2039.	Net zero by 2040.	Net zero by 2045.	Net zero by 2030.	N/A	No net zero target.	No net zero target.	Net zero by 2040.	No net zero target.	No net zero target.
Scopes 1, 2 & 3	SCOPE 1: 50% GHG emissions reduction by 2030. SCOPE 2: 100% renewable energy in all sites by 2025. SCOPE 3: 50% GHG emissions reduction; goal to limit dairy and livestock emissions to 29.3m tCO2e by 2030 from current trajectory of 50.6m tCO2e.	SCOPE 1: 70% reduction in S1 & 2 emissions by 2025; 100% by 2030. SCOPE 2: target as above; 100% renewable grid electricity; focus on transition to renewable heat by 2030. SCOPE 3: 50% reduction in emissions per product.	SCOPE 1: YUM! target to reduce scope 1 & 2 emissions 46% across all restaurants. SCOPE 2: (as above). SCOPE 3: 46% reduction in GHGs per metric tonne of dairy, beef & poultry by 2030 (2019 baseline).	SCOPE 1: Carbon neutral scopes 1 & 2 by 2025; 55% reduction in GHGs by 2030; 90% reduction in GHGs by 2045. SCOPE 2: (as above). SCOPE 3: 55% reduction in GHGs by 2030; 90% reduction in GHGs by 2045.	SCOPE 1: 65% reduction in GHGs by 2030 all scopes (2019 baseline). SCOPE 2: (as above). SCOPE 3: (as above).	SCOPE 1: 'carbon negative' today, further reducing carbon emissions 43% by 2030. SCOPE 2: 100% of energy at factory is renewable. SCOPE 3: Ingredients account for 67% of overall emissions, of which dairy is biggest contributor.	SCOPE 1: SCOPE 2: 100% renewable energy across all stores since 2015. SCOPE 3:	SCOPE 1: 50% reduction in GHGs across all scopes by 2030; nitrox oxide in whip cream represents 50% of scope 1 emissions. SCOPE 2: UK stores powered by 100% renewable energy. SCOPE 3: (as above); dairy biggest contributor to S3 (21%).	SCOPE 1: 'Net zero' by 2030 for scopes 1 & 2. SCOPE 2: 100% of energy purchased is renewable. SCOPE 3:	SCOPE 1: Currently measuring carbon footprint of the business; baseline and targets to follow. SCOPE 2: 100% renewable energy purchased and generated on-site at roastery since 2017. SCOPE 3: (as above).	SCOPE 1: 100% reduction by 2030 (2019 baseline). SCOPE 3: Reduce GHG emissions 41% per restaurant by 2030 (from 2019 baseline).



Issue / Company	Nestlé	Unilever	KFC UK (YUM! parent company)	Sodexo	Compass	Jude's Ice Cream	Pret-A-Manger UK	Starbucks UK	McDONALDS UK (McDonalds USA parent company)	COSTA COFFEE (Coca-Cola parent company)	BURGER KING UK (RBI parent company)
WATER	Nestlé water will be carbon neutral by 2025.		YUM! reduce average water use in restaurants 10% by 2025.			Water used in processing is recycled.	Reducing bottled water sales with free water stations in 230 stores.		No UK specific plan. Globally reducing water footprint from agriculture in high impact areas.		
LANDFILL / WASTE		50% less food waste by 2030.	Zero waste by 2035 . 100% of waste sent to anaerobic digestion or incinerated by 2022.	Waste is sent to anaerobic digestion for electricity and fertilizer production and any waste suitable for consumption is distributed to charity via Fareshare.	Half food waste by 2030.	Surplus stock donated to charity and foodbanks. Recycle card, plastic and metal from ingredients packaging.	Zero landfill policy in all stores since 2012. 50% less food waste by 2030. All unsold food donated to charity.	50%reduction in waste to landfill by 2030. Supporting Action Against Hunger in UK.	Food waste collected & converted into biogas, which is used in milk tankers for Arla/ Martin Bower milk transport fleet. 155m cups recycled.	60% of waste currently recycled, 0.5% sent to landfill. Bio-bean partnership to recycle coffee waste.	Reduce food waste 30% by 2025.
PLASTIC & PACKAGING	100% of packaging will be reusable or recyclable by 2025. 33% reduction in virgin plastic in packaging by 2025.	At least 25% recycled plastics in packaging by 2025.	All packaging reusable, recyclable or compostable by 2025.	No plastic bags or unrecyclable polystyrene since 2020.	All single use plastics removed in 2021.		10 million fewer cups used since 2018. 100% of packaging will be reusable, recyclable, or compostable by 2025. No single use plastics by 2025.	No virgin plastic in UK milk and cream packaging due to closed loop recycling programme with Arla UK.	All packaging will be 100% reusable, recyclable or certified by 2025, currently at 80%.	The lining of cups is now plant-based removing plastic and improving recyclability.	100% of packaging renewable, recycled or certified by 2025. Eliminate single-use plastics by 2030.



Issue / Company	Nestlé	Unilever	KFC UK (YUM! parent company)	Sodexo	Compass	Jude's Ice Cream	Pret-A-Manger UK	Starbucks UK	McDONALDS UK (McDonalds USA parent company)	COSTA COFFEE (Coca-Cola parent company)	BURGER KING UK (RBI parent company)
AGRICULTURE & SOURCING	<p>20% of dairy ingredients will be sourced from regenerative agriculture by 2025.</p> <p>First Milk, Nestlé and Agricarbon launched a soil carbon capture project with the aim of measuring, increasing soil carbon and helping achieve net-zero.</p>	<p>20% of ice-cream products non-dairy by 2030.</p> <p>1 bn euros of dairy and meat alternative sales annually by 2027.</p> <p>56,000 suppliers asked to join Climate Promise to halve emissions and report annually; 300 largest suppliers required to join more active climate programme.</p> <p>Soy: Zero deforestation certified soy by 2023.</p>	<p>Plant based cheeses being trialled in UK Pizza Hut restaurants to increase use of plant based ingredients in menus.</p> <p>Plan to educate suppliers and encourage GHG reduction targets on-farm.</p>	<p>33% of menu will be plant based by 2025 to reduce associated emissions from dairy and livestock.</p> <p>Negative dairy 'facts' promoted on a sister website targeted at prestige event catering.</p>	<p>40% switch from animal to plant based proteins by 2030. Increasing plant based sales is key part of strategy for reducing scope 3 emissions.</p> <p>70% of dairy ingredients to be sourced from regenerative agriculture by 2030.</p> <p>£1 million fund for regenerative agriculture support for UK farm suppliers.</p>	<p>Carbon audit & management plan in place for main supplying dairy farm.</p> <p>Will increase plant based range to 50% from current baseline of 25%.</p>		<p>From Jan 2022 launching a pilot project with 14 dairy farmers to reduce GHG emissions from dairy.</p>	<p>By 2025 there will be regenerative agriculture initiatives for each priority supply chain.</p> <p>£750k invested in UK organic dairy farm network to reduce carbon footprint and improve sustainability.</p>		<p>Offer a 50% meat-free menu by 2030 in UK.</p>