



The Intelligence Solution
for food companies
of the future

From “slow adopters” to “trailblazers”

What food companies need to do today
to lead the way in sustainability



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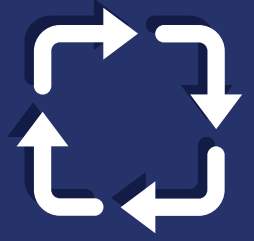
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Introduction

Today, only one out of 6 food companies sets targets and reports progress on their Scope 1 & 2 emissions. Unless they accelerate their efforts, more than half of those companies will miss their targeted -50% near-term reduction by 2030.

So, what can these companies do to succeed and achieve their sustainability goals?

The data is here. It is now easier to gain access to it. It is also more comparable and of higher quality. **Food companies need to speed up their efforts now by using all the data available to uncover areas of improvements.**

Sustainability reporting can no longer be seen as just a *nice-to-have*. It is becoming mandatory worldwide—**see our timeline**—and investing in proper sustainability intelligence today will help your company lead the way tomorrow.

This report aims to be a valuable tool to help you not only meet your sustainability goals but also excel in creating a more sustainable future for the food sector. This report focuses on a number of specific industries—Dairy, Bakery, and Fruits & Vegetables—which are representative of the entire food sector, so it can **deliver valuable and actionable insights to guide all food companies forward.**

What is the deal with near-term targets?

They detail emission reduction plans for the next 5-10 years, driving the actions needed to attain substantial reductions by 2030.

Methodology

Our report is based on data from the top 50 companies in each Dairy, Bakery, and Fruits & Vegetables industries, with the majority of Bakery and Fruits & Vegetables companies located in Europe. **Together, these 150 companies have a combined revenue exceeding €350 billion, providing a solid dataset.**

To assess Scope 1 & 2 emissions targets and progress, we used data from the Science-Based Targets Initiative (SBTI) and our proprietary database to ensure comprehensive coverage.

What's next?

As sustainability is too often seen as a source of fear instead of a well of growth opportunities, **we encourage you to keep yourself informed on the topic.**

Our previous report, **Uncovering the State of Sustainability Reporting**, will offer you valuable insights on the different sustainability frameworks and the practice of sustainability reporting in the food sector. In our upcoming webinar, **Look Ahead and Be Prepared With Sustainability Intelligence**, taking place on November 23, our experts will share some best practices to help you leverage sustainability intelligence to your advantage.

We also invite you to read our upcoming market-specific sustainability content focusing on Dairy, Bakery, and Fruits & Vegetables to be fully equipped and **bring the future closer to your company.**

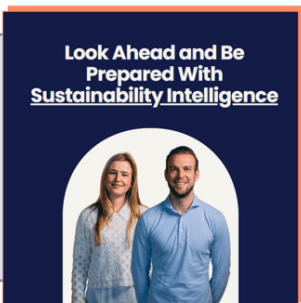
Expand your sustainability knowledge with A-INSIGHTS



UNCOVERING THE STATE OF SUSTAINABILITY REPORTING

Uncovering the state of sustainability reporting

LEARN MORE ABOUT SCOPE 1, 2, AND 3 EMISSIONS IN THE FOOD INDUSTRY IN OUR REPORT →



Look Ahead and Be Prepared With Sustainability Intelligence

Interested in learning how you can leverage Sustainability Intelligence to your advantage?

REGISTER TO OUR WEBINAR →

Sustainability reporting is becoming mandatory. Discover the timeline for mandatory filing by companies in the EU, UK, and US.



2023

Premium listed companies

2024

Wider scope of listed companies

Large listed companies

2025

NFRD (listed) companies

Other UK-authorized asset managers

Smaller listed companies

2026

Other large companies

Other occupational pension schemes

Scope 3 filing required

2027

Listed SMEs, small and non-complex credit institutions

2028

Non-EU undertakings with net turnovers > 150mio

Sustainability frameworks

TCFD: EU, UK | Undetermined: US

02



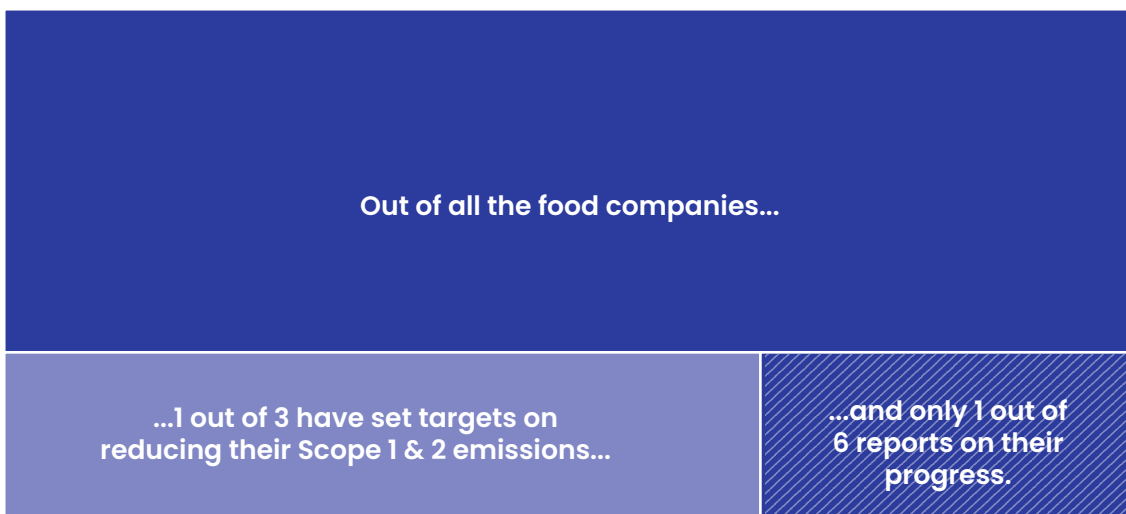
Betting on the “hockey-stick curve” is too risky

Sustainability reporting is now a common practice for large companies. **Still, two-thirds of food companies have yet to set emissions reduction targets.** Among the third that have set goals, only one out of six is actively monitoring progress, and those need to speed up their efforts as they are falling behind their targets.

What is the explanation for the delay?

Companies are betting on a “hockey stick curve” approach for GHG emission reductions, **which means they invest first and expect results later.** This approach appears to make sense, especially with advancements in technology over the years, suggesting that emission reductions will accelerate.

Although it is rational, betting on this approach is too risky. As more companies work toward GHG emission reductions, they are all competing for the same resources. The easy methods, like using green energy and recycled materials, are becoming scarce. This means companies must stay committed to their goals, as it is not a competition won easily. **Learning from best practices within and across industries can guide businesses toward more effective and impactful sustainability actions.**

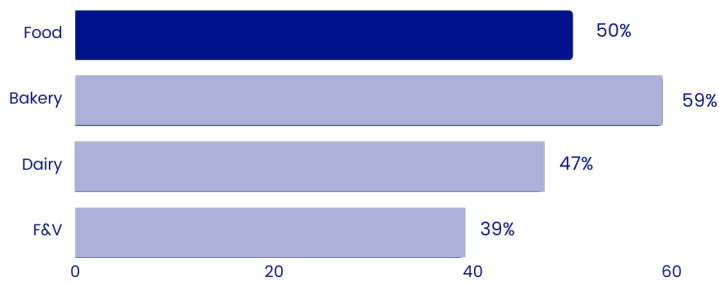


Sustainability reporting in numbers:

- Roughly 30% of food companies have set targets to reduce Scope 1 & 2 emissions, **aiming for an average reduction of -50% on average by 2030** compared to their base year.
- Surprisingly, **only 15% of the food companies report on their progress.**
- Strong differences can be observed in the Dairy, Bakery, and Fruits & Vegetables industries. While Bakery and F&V companies are on par to reach set targets, half of the food companies in general **will only reach a 30% reduction in Scope 1 & 2 emissions if they continue at this pace, missing the -50% target.**

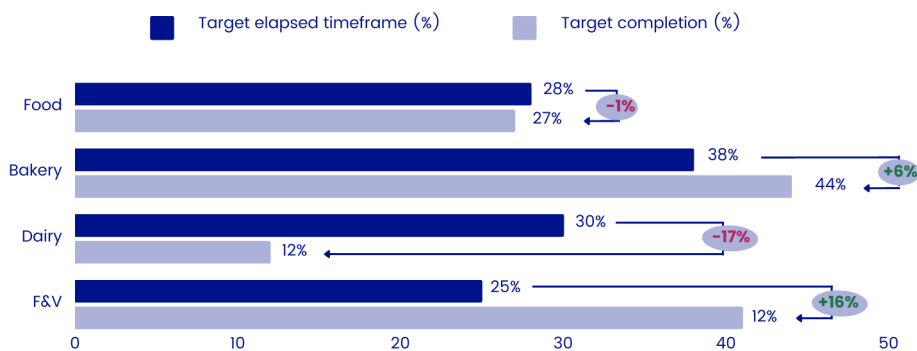
Food companies have the ambition to reduce Scope 1 & 2 emissions by 50%...

Average Scope 1 & 2 emissions near-term reduction



... But they will need to accelerate their progress if they don't want to miss their targets.

Average Scope 1 & 2 emissions target elapsed timeframe and target completion



03



Do not wait for mandatory reporting—start now

The lack of clear reporting guidelines has created inconsistency in how companies report on their sustainability efforts, making it challenging to evaluate them consistently. The upcoming mandatory sustainability reporting will bring about improvements.

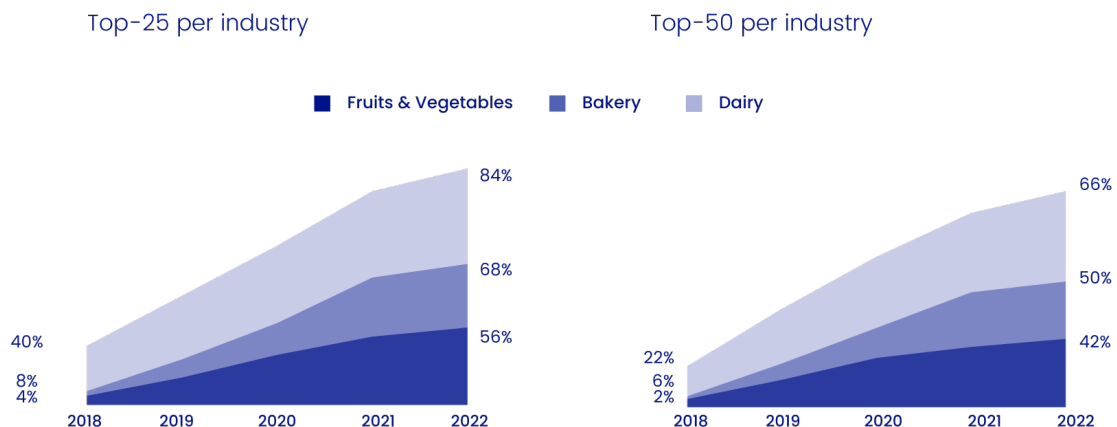
However, food companies should not wait for regulations to become mandatory to start benchmarking themselves on sustainability. The data is already here and brings plenty of insights and value to work with. The earlier food companies start leveraging this data, the sooner they will emerge as leaders on this front.

More companies filing = more data available

Sustainability reporting is becoming a common practice, especially among large companies in the Dairy, Bakery, and Fruits & Vegetables industries. We have seen significant growth in sustainability reporting among the top 50 companies in these industries over the past five years. However, **there is a noticeable gap between larger and smaller companies.** Larger companies, driven by their visibility to consumers and stakeholders, are taking the lead in reporting. They also have more resources to invest in sustainability reporting.

Sustainability reporting is on the rise, but there is a gap between big and smaller players

Sustainability reporting rates (2018-2022)



What are the most used sustainability frameworks in the food sector?

GRI Standards (Global Reporting Initiative) provide a structured set of guidelines for reporting on the economic, environmental, and social impacts of sustainability efforts.

Materiality Matrix is a strategic tool employed to pinpoint and prioritize Environmental, Social, and Governance (ESG) issues that hold the utmost significance for both an organization and its stakeholders.

SDGs (Sustainable Development Goals) are designated by the United Nations and encompass 17 essential global objectives to guide and measure sustainability progress.

Consistent reporting enhances data comparability

Currently, sustainability reporting is primarily based on voluntary frameworks. However, as mandatory reporting becomes more common, it will bring greater consistency, making it easier to compare companies.

In the food sector, three main frameworks are widely used:

- **GRI-standards:** These are quite popular, with around 70% adoption across various industries, though not as prevalent in the dairy one. Dairy companies in our dataset, which are often US-based and listed, tend to follow SASB standards (Sustainability Accounting Standards Board).
- **Materiality matrix:** Approximately 50% of analyzed food companies use this tool. Mandatory sustainability reporting ensures more accurate identification of important issues, enhancing the tool's comparability and quality.
- **Alignment with the UN's Sustainable Development Goals (SDGs):** Over half of reporting companies align their sustainability goals with the SDGs, although strict adherence to a specific guideline is rare. The most commonly chosen SDGs are '8: Decent Work and Economic Growth,' '12: Responsible Consumption and Production,' and '13: Climate Action.' Notably, the Dairy, Bakery, and Fruits & Vegetables industries prioritize '2: Zero Hunger' and '15: Life on Land' more often compared to other industries, reflecting the nature of their businesses.

70%



of food companies use the GRI-standards for their sustainability reporting.

50%



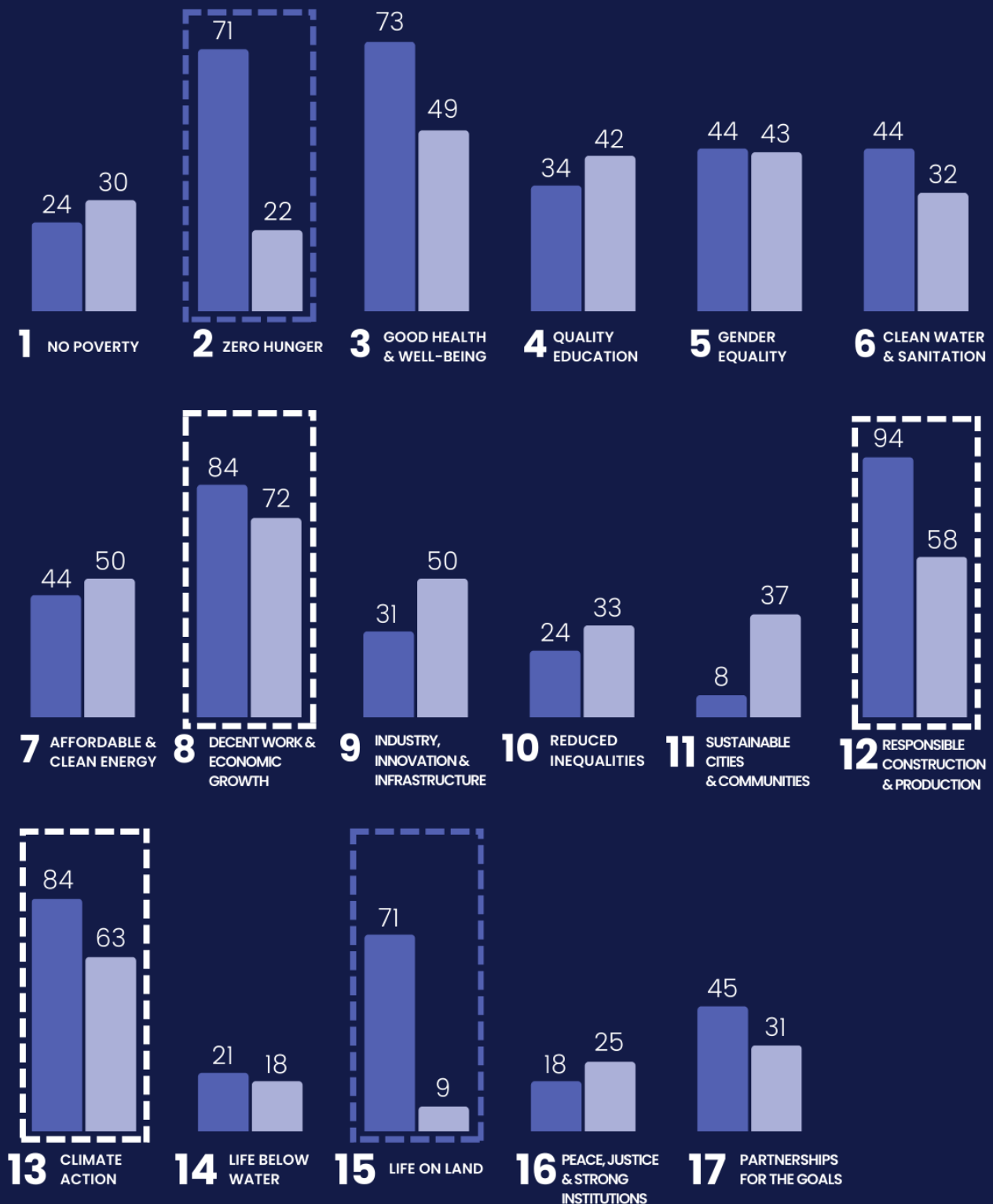
of food companies align their sustainability goals with the SDGs; the most chosen SDGs being 8, 12, and 13.

Frequency of prioritized SDGs

The food sector versus all sectors (2022)

in percentages

■ Bakery, dairy and F&V ■ All sectors*



*Source: KPMG 2022

Enhanced quality data

To bolster the reliability of reported sustainability data, many companies are looking for external assurance. However, in the food sector, assurance rates are relatively low at 37%, compared to the combined average of 47% across all sectors (KPMG 2022).

Interestingly, companies with a strong external focus, such as dairy businesses, are leading the way, surpassing the food sector's average third-party validation rates. Looking ahead, there is a growing trend toward validation of sustainability reporting. In fact, **one in five companies in our dataset has explicitly stated their intention to engage in third-party validation services in 2023.**

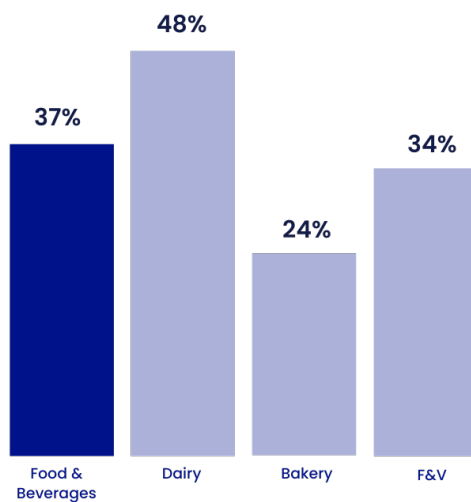
37%



is the percentage of assurance rates in the food sector, which is lower compared to the percentage across all sectors (47%).

The higher the exposure, the higher the “third-party validation” rates

Validation rates by industry (2022)



The shift toward obtaining more, better, and comparable data presents a significant opportunity. **Mandatory reporting not only ensures compliance but also offers the potential to gain valuable insights.** Arming yourself with sustainability intelligence today is critical to help you build an effective competitive intelligence strategy.

04



Conclusion

Lead the way in Sustainability with three easy steps

Investing in sustainability cannot wait anymore. Luckily, the data is already here, and you can unlock sustainability success in three easy steps:

- 1. Tap into Peer Data:** Start using data from your peers' CSR reports right away. Do not wait for mandatory regulations (CSRD) – there is already valuable information out there.
- 2. Spot the Missing Pieces:** When you review CSR reports, take note of what is there and what is not. Sometimes, what is left out can tell you a lot.
- 3. Learn from the Best:** Look to industry leaders beyond your own industry for inspiration and ideas. Their success can teach you how to make your business more sustainable.

Do you want to learn the best sustainability practices in your industry, or from cross-industry trailblazers? [Subscribe to our newsletter](#) to not miss out our industry-specific content on Dairy, Bakery, and Fruits and Vegetables.

Look Ahead and Be Prepared With Sustainability Intelligence



Interested in learning more about how you can leverage Sustainability Intelligence to your advantage?

[Register to our webinar →](#)

Feed your market intelligence with the right ingredients

2023	Scope 1	Scope 2	Scope 3
Energy consumption			
Carbon emissions			
Energy consumption			
Waste & pollution			
Climate risk			
2022	Scope 1	Scope 2	Scope 3
Energy consumption			
Carbon emissions			

Maximize your market intelligence with a solution that gives you the full picture of your industry, allowing you to go beyond any current data or resource limitations.

With A-INSIGHTS, you gain access to a consolidated set of unmatched global food company data. Our seasoned industry experts provide your team with a sparring partner, offering an objective voice in the room to fuel your business's future growth.

Pioneer in Sustainability Intelligence in the food sector, A-INSIGHTS helps you see your industry through a new lens and envision this vital topic as a well of growth opportunities, not a source of fear.

With the A-INSIGHTS' Sustainability Intelligence, you prepare for tomorrow by:

- / **Centralizing all sustainability intelligence in one hub.**
- / **Anticipate risks and opportunities by focusing on key sustainability metrics.**
- / **Uncover correlations between financial and sustainability performances.**

What's more?

Our solution feeds your market intelligence teams with the right ingredients by:

- Giving you access to the **most consolidated set of global food companies data.**
- Helping you **turn insights into actions** with our +15 years of expertise in the food industry.
- Offering an **objective voice in the room** through tailored insights distilled by our industry experts.

Curious to learn how we can drive your business' future growth?

[Talk to our team](#)

The Intelligence Solution for food companies of the future



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