



# From commitment to action

**An assessment of food and agriculture companies participating  
in the G7 Sustainable Supply Chain Initiative**

October 2022

# Table of contents

Executive summary	3
Measuring companies' progress to create accountability	5
G7 Sustainable Supply Chain Initiative	6
<b>Companies in scope</b>	<b>7</b>
<b>The 2022 G7 SSCI assessment</b>	<b>8</b>
Findings	10
<b>General findings</b>	<b>10</b>
<b>Environment</b>	<b>11</b>
<b>Nutrition</b>	<b>15</b>
<b>Social inclusion</b>	<b>17</b>
<b>Governance and strategy</b>	<b>19</b>
Realising zero hunger	21
Next steps	24
About the World Benchmarking Alliance	25
<b>WBA's Food and Agriculture Benchmark</b>	<b>25</b>



# Executive summary

Corporate accountability helps drive change. Over three-quarters of companies assessed through the G7 Sustainable Supply Chain Initiative (SSCI) made progress on at least one topic deemed crucial for food systems transformation. Moreover, all companies improved their public disclosure by publishing relevant reports or policies. In 2021, 22 food and agriculture companies made a pledge to improve the environmental, social and nutritional impact of their business operations and supply chains. Collectively, the companies represent USD 500 billion in annual revenue and employ over 2 million people in their direct operations and millions more throughout their supply chains. The World Benchmarking Alliance (WBA) assessed the progress companies made to deliver on their pledge. This report presents the findings of that assessment.

This is reason for optimism, as companies demonstrate they are continuing to improve actions and impact on key topics in the food systems transformation agenda. However, given their influence across continents, ecosystems and communities, companies have far-reaching responsibilities and have much more to do to address global challenges. This report aims to inspire these companies, and others, to step up their efforts. Its insights will help inform businesses and governments on where they need to work together to realise the required transformation.

During the 2021 G7 deliberations presided over by the United Kingdom (UK), 22 of the world's most influential food and agriculture companies pledged to improve the environmental, social and nutritional impact of their business operations and supply chains. WBA evaluated companies headquartered in G7 countries, comparing their progress on key sustainability topics with their performance in the [2021 Food and Agriculture Benchmark](#). Of the 22 companies that signed up to the G7 SSCI, 21 agreed to be assessed across the four measurement areas of environment, nutrition, social inclusion, and governance and strategy, with one company only agreeing to be assessed in the latter.

WBA's 2023 Food and Agriculture Benchmark will assess the progress of 350 companies, including those assessed in the initiative, on topics in forementioned areas. This new stocktake will again shed light on where the private sector is positioned on the 2030 Agenda for Sustainable Development and where further commitments and pledges are urgently needed.

## Moving the needle: progress on agricultural transformation

As WBA did for the 2021 Food and Agriculture Benchmark, companies were assessed on topics covering the environment, nutrition, social inclusion, and governance and strategy. Most progress was captured in the **environment** measurement area, with 13 companies improving their performance. Six companies improved their efforts to reduce scope 1 and 2 emissions compared to the 2021 benchmark. In terms of reducing scope 3 emissions, five companies assessed improved their tracking and reporting. The improvements ranged from disclosing quantitative reductions in emissions to setting targets to reduce scope 3 emissions. However, seven are yet to make any significant progress



towards setting emissions reduction targets. As suppliers and other value chain partners often represent the largest contribution to food and agriculture companies' emissions, companies need to enhance their focus on these partners to significantly reduce their scope 3 emissions in line with the Paris Agreement.

Companies also showed some progress in the **social inclusion** measurement area, particularly human rights commitments to eliminate child and forced labour, with four companies improving their disclosure. However, considerable reporting gaps remain regarding how companies ensure their suppliers implement human rights commitments and monitoring systems. While three companies improved their disclosure around supporting farmer productivity and resilience, 11 companies are yet to make significant progress on this topic by measuring the impact of their support activities. Three companies do not disclose any commitment to work with farmers and improve their productivity and resilience. Similarly, companies' disclosure and commitments related to key topics such as ensuring a living wage saw no improvements.

Much less improvement was recorded on topics in the **nutrition** measurement area, where only five companies showed progress. Most companies across the value chain have taken the first steps to demonstrate how their business contributes to tackling malnutrition, and four food and beverage manufacturers show leading practices related to improving the availability of more nutritious options in their portfolio. Nonetheless, a lack of disclosure is particularly evident when it comes to making healthy and nutritious foods accessible to vulnerable communities across the globe, and ensuring their marketing practices are responsible, especially involving children. As such, nutrition remains an area of concern. Companies are lagging, and steps are needed to improve their impact in a world facing rising food prices and alarming trends in malnutrition in all its forms.

Almost half of the companies progressed in the area of **governance and strategy**, in terms of formulating relevant strategies and targets and assigning accountability at the highest level. However, additional improvements regarding strategy development and stakeholder engagement are needed to ensure complete embodiment of and accountability for companies' most material topics.



# Measuring companies' progress to create accountability

Global food security is under pressure. Severe droughts across many parts of the world and constrained food supply caused by the war in Ukraine have exacerbated already worrying conditions. During the COVID-19 pandemic, global hunger rose dramatically from 632 million to 828 million people. Due to supply chain disruptions and an economic downturn, food prices and living costs continue to rise, leaving millions more families struggling to put food on the table. Not only are years of development gains being reversed, but the environmental crisis is also deepening.

The agriculture sector accounts for 30% of greenhouse gas emissions and is a primary driver of biodiversity loss. Up to 40% of land is now classified as degraded – depleted of natural resources and soil fertility – increasing the precariousness of a system that needs to serve people and planet for generations to come. Urgent action is needed to put the food system on a more sustainable and resilient path and to achieve the Sustainable Development Goals (SDGs).

It is widely acknowledged that these global challenges require a global response. More than ever, the international community needs to come together not only to respond to the crises but also to address structural causes and re-examine how the food system operates. Alongside governments, companies can no longer look away, and are facing growing demands to accelerate their sustainability commitments and targets. However, an institutional mechanism to hold the most influential companies to account is currently missing. As a result, many do not live up to their responsibilities. How can we encourage more companies to step up to the challenge and ensure commitments become action?

The G7 SSCI is a first and potentially significant step in this direction, convening governments and companies to realise the pledge to improve the environmental, nutritional and social impact of companies' operations and supply chains. WBA's Food and Agriculture Benchmark serves as an independent monitoring mechanism that reviews and tracks companies' progress, showcasing leading practices and highlighting gaps. The results aim to provide a strong evidence base for public-private dialogue as well as encourage collaboration to identify the wider actions needed to address global supply chain resilience and chart a corrective course to achieve the SDGs.

We commend the G7 member states for their support of the SSCI, especially the UK for launching the initiative and Germany for prioritising it under its G7 presidency; the Organisation for Economic Co-operation and Development (OECD) for skilfully assuming the role of secretariat; but most of all the companies that have pledged to improve their performance. Learnings from this initiative have the potential to inform global policy across the range of interconnected issues facing the food system. We hope that this initiative showcases a way forward, through innovative collaboration between the private and public sector while embedding accountability in the process.



# G7 Sustainable Supply Chain Initiative

On 16 December 2021, the G7, presided over by the UK, launched the Sustainable Supply Chain Initiative (SSCI), convening global food and agriculture companies to pledge to improve the environmental, social and nutritional impact of their operations and supply chains. The objective is to accelerate global progress towards the SDGs and, more specifically, propel an agricultural transformation that will lead to a more sustainable, inclusive and resilient sector. The initiative is unique in bringing together governments and companies to lead systemic change that will drive up standards in the sector, while ensuring that there is an independent monitoring mechanism measuring whether sufficient progress is being made. By integrating WBA's Food and Agriculture Benchmark as that tool, accountability is embedded, enabling companies to make good on their pledge.

At the start of 2022, the UK handed over the G7 presidency to Germany, which actively took on the G7 SSCI and connected it to its presidency's agenda. Building resilient and sustainable food systems was raised as a key priority in the [G7 Leaders' Communiqué](#). The G7 SSCI demonstrates the G7's commitment to work with the private sector, to identify both the obstacles and interventions needed to accelerate progress towards the common global goals.

The German government appointed the OECD as secretariat, which includes all G7 member states and shares the ambition to improve the sustainability, resilience, human rights and climate impact of global food and agriculture supply chains. The OECD develops internationally backed guidance for corporates and is working closely with WBA to foster a common understanding of corporate reporting and how to stimulate responsible business conduct. Greater alignment will create a clearer roadmap for the private sector on how to identify and address its impact.

The launch of the G7 SSCI received support from Aviva, Macquarie and Ardevora, a group of investors and members of WBA's Alliance, which actively encouraged companies to join the initiative and signed an accompanying [investor statement](#). In doing so, these investors recognise that the actions of these companies are strengthening the expected norms of sustainable business and have the power to drive up standards across the sector.



## Companies in scope

In total, 21/22 companies that signed up to the G7 SSCI agreed to be assessed across WBA's Food and Agriculture Benchmark methodology. In this report, WBA shares its findings on whether companies are making progress on topics critical to a food system transformation, highlighting where steps have been taken and identifying areas that are lagging. The report speaks to the group of companies signed up to the initiative, as findings focus on issues and the collective efforts needed to address them, rather than on individual company performance.

In 2023, WBA will publish the second full iteration of the Food and Agriculture Benchmark, along with updated individual scorecards for all 350 companies in scope, including those highlighted in this report.

TABLE 1: THE 22 COMPANIES THAT HAVE SIGNED UP TO THE G7 SUSTAINABLE SUPPLY CHAIN INITIATIVE

Associated British Foods	McCain Foods
BASF	McCormick
Bayer <sup>1</sup>	Meiji
Boparan Holdings (2 Sisters Food Group)	Wm Morrison Supermarkets
Compass Group	NH Foods <sup>2</sup>
Danone	PHW Group
Diageo	Sainsbury's
ED&F Man	Seven & I Holdings
Ingredion	Sodexo
Union InVivo	Tate & Lyle
Kraft Heinz	Unilever

Collectively, the 22 companies earn approximately USD 500 billion in annual global revenue, equivalent to around 8% of the group revenue of the 350 companies in the scope of the Food and Agriculture Benchmark. The companies employ over 2 million people directly and millions more throughout their supply chains. Headquartered across six countries, the companies are active in all segments of the value chain, from agricultural inputs, products and commodities to animal proteins, food and beverage manufacturers, and restaurants and food service.

<sup>1</sup> Bayer is partially using WBA metrics to track progress.

<sup>2</sup> NH Foods will use other indices to track progress.



FIGURE 1: COMPARISON BETWEEN THE 2021 BENCHMARK COMPANIES AND G7 SSCI COMPANIES

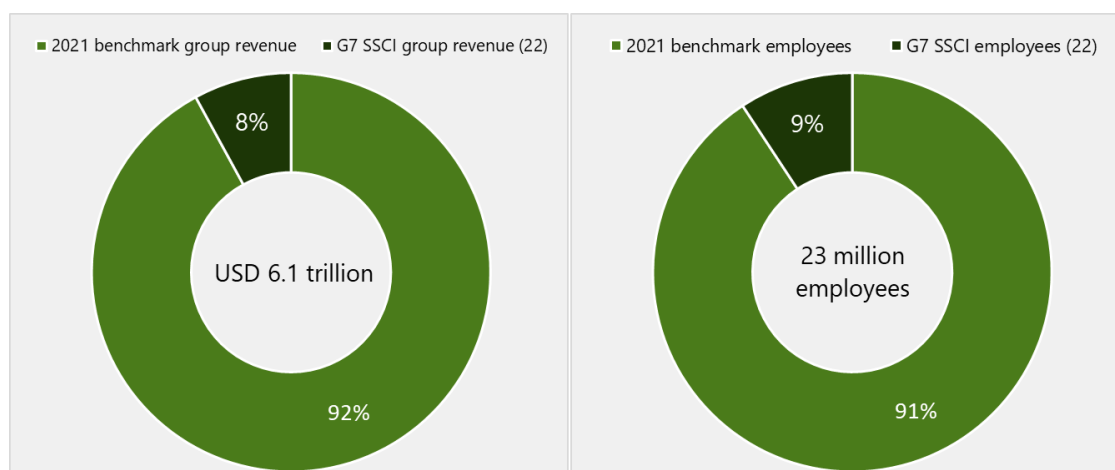
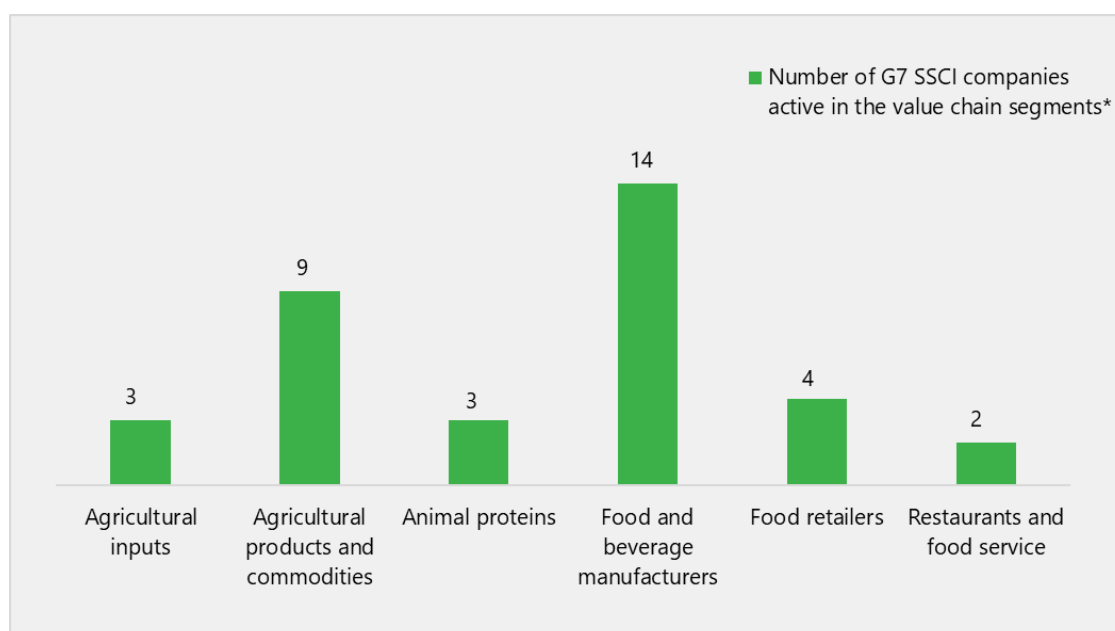


FIGURE 2: VALUE CHAIN CLASSIFICATION OF THE 22 COMPANIES IN THE G7 SSCI



*\*Note: multiple companies are vertically integrated or have diversified business activities and are thus classified in more than one value chain segment.*

## The 2022 G7 SSCI assessment

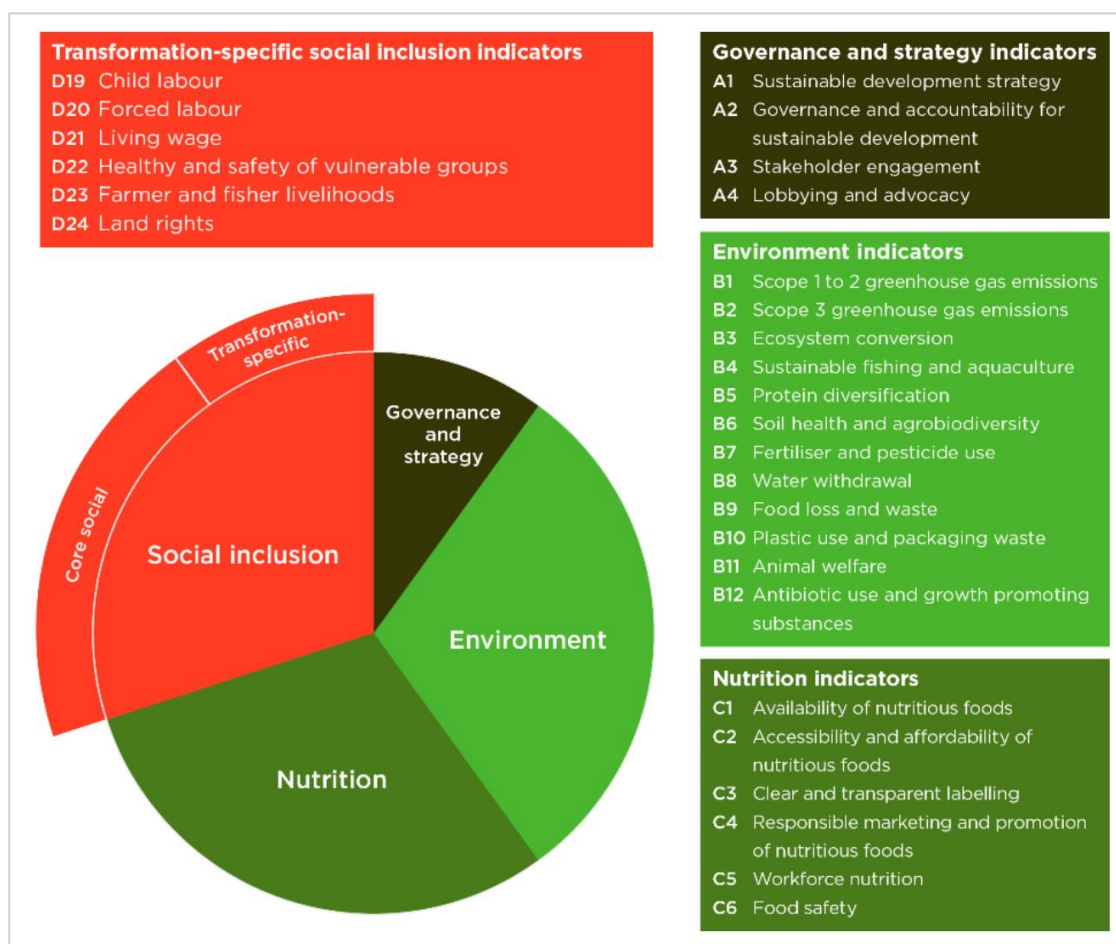
The findings presented in this report are based on a comparison between companies' results in the 2021 Food and Agriculture Benchmark and the 2022 G7 SSCI assessment. For the 2021 benchmark, we considered publicly available information, including annual, sustainability, corporate responsibility and integrated reports published or shared with us before 31 May 2021. For the 2022 G7 SSCI assessment, we considered publicly available information published or shared with us before 6 August 2022.



Of the 21 companies assessed, all released new information that was used in the assessment, thereby improving their public disclosure. These 21 companies<sup>3</sup> were assessed on 27 indicators<sup>4</sup> that are part of the Food and Agriculture Benchmark [methodology](#), as shown in the figure below.

Further information on the Food and Agriculture Benchmark can be found [here](#).

FIGURE 3: INDICATOR OVERVIEW OF THE FOOD AND AGRICULTURE BENCHMARK METHODOLOGY



<sup>3</sup> Bayer is partially using WBA metrics to track progress.

<sup>4</sup> The 18 core social indicators are not included in the G7 SSCI assessment. These indicators assess whether businesses meet the minimum requirements and expectations regarding respect for human rights, decent work and ethical business conduct. The focus of the G7 SSCI assessment is on monitoring progress beyond minimum requirements.

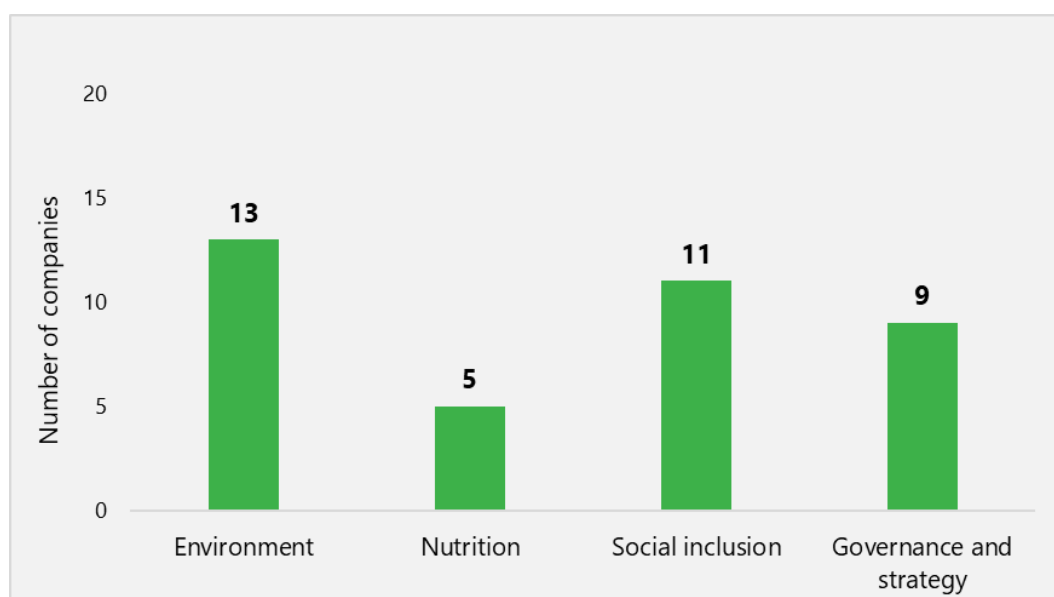
# Findings

## General findings

Over three-quarters of companies (15/21) assessed made progress on at least one topic deemed crucial for food systems transformation. Moreover, all companies improved their public disclosure by publishing new reports or policies in the past year. This is reason for optimism, as companies demonstrate they are continuing to improve their actions and impact on key topics in the food systems transformation agenda. However, given their influence across continents, ecosystems and communities, companies have far-reaching responsibilities and room for improvement to address global challenges.

Companies showed progress on indicators across the four measurement areas of environment, nutrition, social inclusion, and governance and strategy. However, the **environment** indicators saw the most improvement, with 13 of the 20 companies<sup>5</sup> assessed performing better on at least one indicator compared to last year's benchmark. Among the indicators that saw improvement are reducing greenhouse gas emissions, eliminating food loss and waste, and reducing water use. In contrast, only five of the 20 companies assessed improved on at least one indicator in the **nutrition** measurement area, with most improvements related to ensuring food safety.

FIGURE 4: NUMBER OF COMPANIES IMPROVING ON AT LEAST ONE INDICATOR PER MEASUREMENT AREA



In the **social inclusion** measurement area, 11 companies improved on four indicators, namely eliminating child and forced labour, promoting farmer and fisher productivity, and ensuring land rights. Nine of the 21 companies assessed showed improvements in the **governance and strategy** measurement area, particularly the indicator focusing on governance and accountability for sustainable development, where seven companies demonstrated progress.

<sup>5</sup> Bayer is partially using WBA metrics to track progress.

TABLE 2: COMPARISON OF AVERAGE MEASUREMENT AREA SCORES BETWEEN THE 2021 BENCHMARK AND THE G7 SSCI

Measurement area	2021 benchmark (350 companies)	2021 G7 SSCI (21 companies)	2022 G7 SSCI (improvement)
Governance and strategy (out of 10)	3.3	5.4	6.2 (+0.8)
Environment (out of 30)	6.4	12	13 (+1.0)
Nutrition (out of 30)	4.2	7.6	8.1 (+0.5)
Social inclusion (out of 30)	5.7	10	10.4 (+0.4)

When compared to the 350 companies assessed in the 2021 Food and Agriculture Benchmark, the G7 SSCI collective performs better across all measurement areas. Over one year, the 21 companies made progress and increased their sustainability reporting on different topics, particularly in the environment and governance and strategy measurement areas. However, there remains considerable room for companies to take action and increase disclosure.

## Environment

Food production is a key contributor to climate change, deforestation, biodiversity loss and freshwater depletion, with almost half of global food production relying on exceeding the planet's environmental boundaries. The private sector is the largest player in food production and is, therefore, well positioned to make industry practices more sustainable. Virtually all industries along the food and agriculture value chain directly or indirectly impact the environment in several ways.

## Climate change mitigation

Six companies showed improvements regarding **reducing scope 1 and 2 emissions** compared to the 2021 benchmark. While two companies improved disclosure on emissions, the other four are notable for aligning their emissions reduction targets with a 1.5-degree trajectory and reporting progress.

In terms of **reducing scope 3 emissions**, five companies improved their measuring and reporting. The improvements ranged from disclosing quantitative reductions in emissions to setting targets to reduce scope 3 emissions. Of the remaining 15 companies, seven are yet to make any significant progress towards setting targets to reduce their scope 3 emissions. As suppliers and other value chain partners often represent the largest contribution to food and agriculture companies' emissions, companies need to step up their efforts to work with their partners to reduce scope 3 emissions significantly in line with the Paris Agreement.

Furthermore, climate action is a priority among policymakers within the G7. For instance, the recent G7 Leaders' Communiqué stated the aim to 'advance ambitious and transparent climate mitigation policies to reduce emissions intensities of participating economies on the pathway towards climate neutrality, by making policies and outcomes consistent with our ambition, strengthening emissions measurement and reporting mechanisms, and countering carbon leakage at the international level'.



## Protection of natural ecosystems

Compared to the 2021 benchmark, none of the companies improved on their commitments and progress towards achieving **deforestation and conversion-free supply chains (DCF)**. Among the collective, only Unilever leads the way for its DCF target covering its high-risk cocoa, palm oil and soya supply chains. While other companies disclose some data, 13 are yet to provide DCF targets and reporting covering all of their high-risk commodities. A further four companies are yet to disclose any commitments towards tackling deforestation and conversion within their supply chains.

The private sector has to enhance its commitments and disclosure on this issue, not least because policy and regulatory developments on ensuring DCF have advanced across the G7. For instance, the European Parliament recently voted to strengthen its [draft regulation](#) on deforestation-free products. Once approved, the new law will require companies and financial institutions active in the European Union (EU) to provide evidence that their products are not produced and sourced from deforested and degraded land.

Compared to the first benchmark, no company demonstrated progress on their commitments and reporting regarding **sustainable fishing and aquaculture**. Of the nine companies in scope of the indicator, five have either set targets to produce and source sustainable seafood and/or disclose quantitative data on their operations and sourcing regarding sustainable fishing and aquaculture. However, none of the companies have set a target to produce and source sustainable seafood across 100% of their portfolio.

## Regenerative agriculture

Several companies in the G7 SSCI published their commitments to and progress on **regenerative agriculture** this year. While regenerative agriculture is yet to have a widely accepted definition or set of principles, the Food and Agriculture Benchmark focuses on an outcomes-based scoring methodology centred on improving soil health and increasing agrobiodiversity, promoting farmer productivity and resilience, optimising the use of inputs and reducing water withdrawal.

Of the 20 companies assessed, three showed improvements on **soil health and agrobiodiversity** (Kraft Heinz, Ingredion, Unilever). In terms of optimising input use, two companies strengthened their commitments towards **optimising fertiliser and pesticide use** (Kraft Heinz and McCain Foods). Four companies showed improvements regarding **reducing water use** across their operations and supply chains, ranging from disclosing quantitative reductions to setting targets across their supply chains (ED&F Man, Kraft Heinz, Sainsbury's, Wm Morrison Supermarkets). One company (Danone) leads the way for its regenerative agriculture commitments and progress on improving soil health and agrobiodiversity, and for optimising fertiliser and pesticide use.

In terms of supporting **farmer productivity and resilience** – a key component of regenerative agriculture – only three companies improved their performance by disclosing programmes, training and finance that support farmers, fishers and/or small-scale producers, and measuring the outcomes and impact of a proportion of their support activities (BASF, McCain Foods, Meiji). However, 11 companies are yet to make significant progress on this topic by measuring the impact of their support activities, with three companies not disclosing any form of commitment towards improving farmer productivity and resilience.

Policy efforts related to regenerative agriculture are growing as policymakers explore how to make regenerative agriculture economically feasible and reward farmers for public goods. These efforts include traceability, subsidies for ecosystem services and provision of extension services. For instance,



the United States' Green New Deal and the EU's Green Deal recognise that the environmental problems caused by our industrial systems are inseparable from the social and economic ones.

More concretely, in June 2022, the EU published proposals for a new sustainable pesticide use directive, which are part of the EU's targets to reduce the use of chemical pesticides by 50% by 2030. Additionally, the EU Soil Strategy will include a new law by 2023, the goal of which is to improve soil health dramatically. Alongside policy efforts, multistakeholder initiatives such as Regen10, which was launched at COP26, aim to scale up regenerative food production, including establishing harmonised outcomes and metrics, bringing further clarity to what is expected of companies.

TABLE 3: NUMBER OF COMPANY IMPROVEMENTS PER INDICATOR

Indicator	Number of companies with best performance	Number of company improvements
B1. Scope 1 and 2 greenhouse gas emissions	4	6
B2. Scope 3 greenhouse gas emissions	2	5
B3. Protection of terrestrial natural ecosystems	0	0
B4. Sustainable fishing and aquaculture	0	0
B5. Protein diversification	0	1
B6. Soil health and agrobiodiversity	1	3
B7. Fertiliser and pesticide use	1	2
B8. Water use	0	4
B9. Food loss and waste	1	4
B10. Plastic use and packaging waste	0	0
B11. Animal welfare	0	0
B12. Antibiotic use and growth-promoting substances	0	1

### Food and plastic waste

Four companies made progress regarding **eliminating food loss and waste** across their operations and supply chains. Of the four, Unilever stands out for its target to halve food waste across its operations and for collaborating with value chain partners to prevent food loss and waste. However, over half the companies are yet to take significant action on this topic, with seven companies still only disclosing qualitative commitments and three companies yet to disclose any relevant information.

No companies improved on their performance in the first benchmark in terms of **eliminating plastic use and packaging waste**. While nine companies lead the way by setting targets to reduce plastic



use and transition to more sustainable forms of packaging, there is an opportunity for the remaining 11 companies to significantly improve their disclosure on this topic.

### **Animal welfare, antibiotic use and protein diversification**

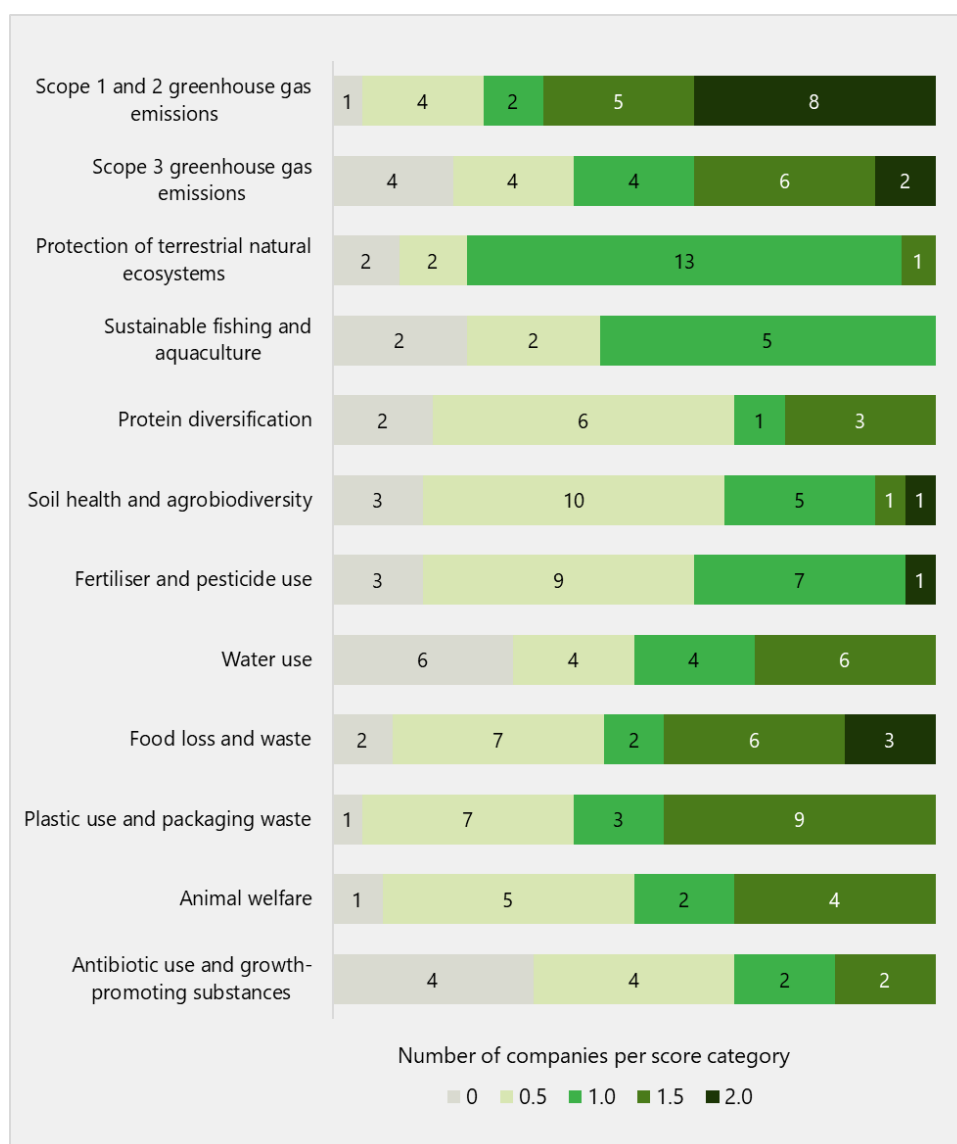
None of the companies improved on their commitments and reporting regarding ensuring high **animal welfare** standards compared to the first benchmark. Of the 12 companies in scope of the indicator, only four companies demonstrate sufficient policies and/or targets addressing key animal welfare issues across all species, geographies and products. Only one company (Sainsbury's) improved on the indicator **antibiotic use and growth-promoting substances** by disclosing a policy on its use of antibiotics across all species and geographies, including reporting on metrics. While companies disclosed evidence of working on this issue, eight companies are yet to provide sufficient policies and targets addressing the prophylactic use of antibiotics and growth-promoting substances.



Furthermore, policy and regulatory developments on this topic have progressed across the G7. Earlier this year, the EU's [new regulations](#) on limiting the use of antibiotics in farming came into force as part of the bloc's efforts to combat antimicrobial resistance (AMR). The new rules include banning the routine use of antibiotics and restricting the preventative use of antibiotics for group treatments. These regulations are part of the EU's overall strategy to halve sales of antimicrobials for animal husbandry and aquaculture by 2030.

Only Sainsbury's strengthened its commitment towards **protein diversification** by disclosing the proportion of protein sales that were from plant-based and meat-free products. In last year's assessment, three companies within the collective demonstrated leading performance for their targets and reporting related to increasing alternative proteins. However, seven companies are yet to disclose any such quantitative data, and two companies do not disclose any information on this topic.

FIGURE 5: NUMBER OF COMPANIES PER SCORE CATEGORY



*Note: for each indicator, a company can receive a score of 0, 0.5, 1.0, 1.5 or 2.0, in accordance with the benchmark scoring guidelines, available through WBA's [website](#).*

## Nutrition

Hunger and malnutrition in all its forms – undernutrition, micronutrient deficiencies, overweight and obesity – are global challenges. They are often the result of food insecurity and unhealthy diets. Together with governments, the private sector plays a pivotal role in ensuring that food systems can deliver healthy and sustainable diets. To make healthy diets available, affordable and accessible to all, action is needed across the entire food value chain.

TABLE 4: NUMBER OF COMPANY IMPROVEMENTS PER INDICATOR

Indicator	Number of companies with best performance	Number of company improvements
C1. Availability of healthy foods	4	1
C2. Accessibility and affordability of healthy foods	0	0
C3. Clear and transparent labelling	0	0
C4. Responsible marketing	0	1
C5. Workforce nutrition	0	1
C6. Food safety	0	3

Of the 20 companies assessed, five improved on at least one topic in the nutrition measurement area. Four companies demonstrated best performance in increasing the **availability of healthy foods**, disclosing their reformulation strategies to reduce sugar, salt and fat and setting time-bound targets to increase the share of products with an improved nutritional profile. However, only one company (McCormick) improved disclosure on this indicator, and half of the companies in the collective are yet to achieve significant progress in disclosing how their business activities positively impact malnutrition.

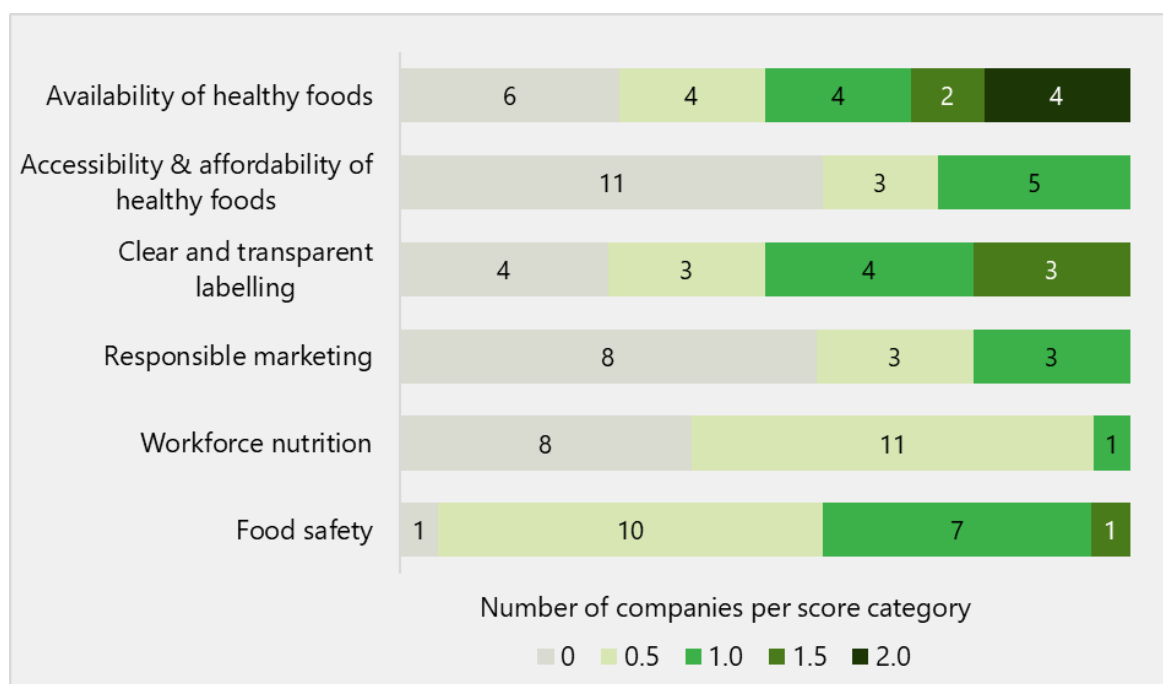
Only Sainsbury's improved its performance regarding **responsible marketing**, by disclosing information about its in-store marketing practices to promote more nutritious food options. None of the consumer-facing companies in the collective made progress on the **clear and transparent labelling** indicator. Four companies are yet to increase disclosure on how they provide nutrition information on key relevant nutrients, and seven companies have not yet adopted a front-of-pack labelling scheme to help consumers make healthy food choices.

Three companies (McCormick, Meiji, PHW Group) increased disclosure on **food safety** standards, demonstrating that they have adopted third-party food safety certifications in their factories and processing facilities. However, only McCormick improved disclosure on the implementation of food safety standards in its supply chain.

None of the companies made progress on ensuring the **accessibility and affordability of healthy foods**, which, together with responsible marketing and **workforce nutrition**, is among the nutrition topics with the poorest performance.



FIGURE 6: NUMBER OF COMPANIES PER SCORE CATEGORY



*Note: for each indicator, a company can receive a score of 0, 0.5, 1.0, 1.5 or 2.0, in accordance with the benchmark scoring guidelines, available through WBA's [website](#).*

Governments support the private sector's efforts to improve nutrition and the consumption of healthier and more nutritious foods by introducing recommendations on nutrient profiles.<sup>6</sup> Companies can use nutrient profiles approved by public health authorities as tools to guide the development of new, healthier food products and the reformulation of existing products to make them healthier. In addition, nutrient profiling systems can be used to implement restrictions on the marketing of unhealthy food and beverages to children and teenagers and to help consumers make healthy choices using clear nutrition labels.

For example, the UK government has introduced several measures in this area: a [nutrient profiling model](#) that was recently revised as well as regulations to restrict [promotions and placement](#) in retail stores and online of foods and drinks that are high in fat, salt and sugar.

In line with the EU's Farm to Fork Strategy, the European Commission is also taking steps to establish [nutrient profiles](#). The initiative is part of a wider package revising EU legislation on food information supplied to consumers through food labelling.

## Social inclusion

Agriculture is a high-risk sector for human rights issues such as child labour, forced labour and human trafficking. In many countries, agricultural workers are often unskilled, not unionised and unaware of their rights. Additionally, the sector is characterised by a high percentage of seasonal and migrant workers, who are particularly exposed to fraudulent recruitment practices and hazardous work conditions. Farm, factory and plantation workers are among the most vulnerable, often lacking a

<sup>6</sup> Nutrient profiling is the science of classifying or ranking foods according to their nutritional composition for reasons related to preventing disease and promoting health ([WHO](#)).

sustainable livelihood and susceptible to income insecurity. Private sector companies are expected to integrate a responsible human rights approach into their business practices and ensure social inclusion and equitable livelihoods throughout the value chain.

Four of the companies assessed have updated their policy requirements to prevent and eliminate **child labour** in their own operations and supply chains. Two of these four companies (McCormick and PHW Group) also improved on **forced labour**, by including policy requirements to prohibit forced labour and any restriction on workers' freedom of movement. However, gaps remain when it comes to introducing policy requirements for companies' supply chain partners. In particular, the requirements not to interfere with the right of workers to form and join trade unions and to establish a monitoring and verification process to identify and assess human rights issues are weak or missing.

Four of the 20 companies assessed demonstrated an improvement on the **land rights** indicator. Three of these companies (Kraft Heinz, ED&F Man and Danone) significantly improved disclosure regarding their commitments to recognise and respect land tenure rights in their supply chains. Nonetheless, 13 companies are yet to formulate robust policy commitments to respect the rights of legitimate tenure holders when acquiring, leasing or using land.

TABLE 5: NUMBER OF COMPANY IMPROVEMENTS PER INDICATOR

Indicator	Number of companies with best performance	Number of company improvements
D19. Child labour	0	4
D20. Forced labour	0	4
D21. Living wage	0	0
D22. Health and safety of vulnerable groups	0	0
D23. Farmer and fisher productivity and resilience	0	3
D24. Land rights	0	4

None of the 20 companies demonstrated progress in ensuring a **living wage** and protecting the **health and safety of vulnerable groups** (e.g. women, migrant workers) in their own operations and supply chains. Twenty companies do not disclose a commitment to pay workers a living wage and 17 do not identify the health and safety risks of vulnerable workers in their operations and supply chains. Only Unilever demonstrates leading practices on both topics.

There has been a substantial push this year from companies, investors and non-governmental organisations (NGOs) to ensure living wages and incomes are included as a human right in the final European Directive on Corporate Sustainability Due Diligence. Multistakeholder initiatives such as The Living Income Community of Practice aim to enhance understanding of this issue and support the alignment of key performance indicators and metrics for companies to adhere to. As society's expectations increase and clearer pathways are set out, we hope that companies will start to make progress on this topic.



FIGURE 7: NUMBER OF COMPANIES PER SCORE CATEGORY



Note: for each indicator, a company can receive a score of 0, 0.5, 1.0, 1.5 or 2.0, in accordance with the benchmark scoring guidelines, available through WBA's [website](#).

## Governance and strategy

A corporate strategy that integrates sustainable development objectives and targets can help the company to deliver on key SDGs and facilitate its ability to adapt and change through forward planning, increasing resilience, managing risks and protecting workers, the company and society at large. Integrating a sustainable development strategy into the core business requires a governance system that assigns oversight responsibility and accountability at the board level and establishes a process to engage regularly with stakeholders impacted by the company's activities.

TABLE 6: NUMBER OF COMPANY IMPROVEMENTS PER INDICATOR

Indicator	Number of companies with best performance	Number of company improvements
A1. Sustainable development strategy	8	3
A2. Governance and accountability for sustainable development	2	7
A3. Stakeholder engagement	3	4

Eight companies have fully integrated a **sustainable development strategy** and objectives into their business model, and three companies (ED&F Man, McCormick and Sainsbury's) have strengthened their sustainability strategy. All companies provide disclosure in this area. Seven companies increased disclosure regarding their **governance and accountability** system for sustainable development, and



four companies elaborated on their **stakeholder engagement** approach. However, eight companies are yet to disclose information about the process they use to identify stakeholders and incorporate the outcomes of stakeholder engagement activities into the sustainability strategy. Two companies (Unilever, Diageo) lead the way by achieving the highest scores on all three indicators.

FIGURE 8: NUMBER OF COMPANIES PER SCORE CATEGORY



*Note: for each indicator, a company can receive a score of 0, 0.5, 1.0, 1.5 or 2.0, in accordance with the benchmark scoring guidelines, available through WBA's [website](#).*



# Realising zero hunger

With only eight years left to realise the 2030 Agenda, including SDG 2 (zero hunger), it is deeply concerning that the world is currently moving backwards in its efforts to end hunger, food insecurity and malnutrition in all its forms. The [2022 State of Food Security and Nutrition](#) report estimates that as many as 828 million people globally are facing hunger, 60 million more than in 2021, which had already seen a dramatic increase due to the COVID-19 pandemic, climate change and ongoing conflicts. The war in Ukraine has exacerbated food insecurity by disrupting supplies of essential commodities such as sunflower oil and wheat as well as agricultural inputs such as fertilisers. The G7 nations have committed to spending a total of USD 5 billion to improve global food security. However, the World Food Programme requires [USD 24 billion](#) to reach 153 million people in need in 2022 alone.

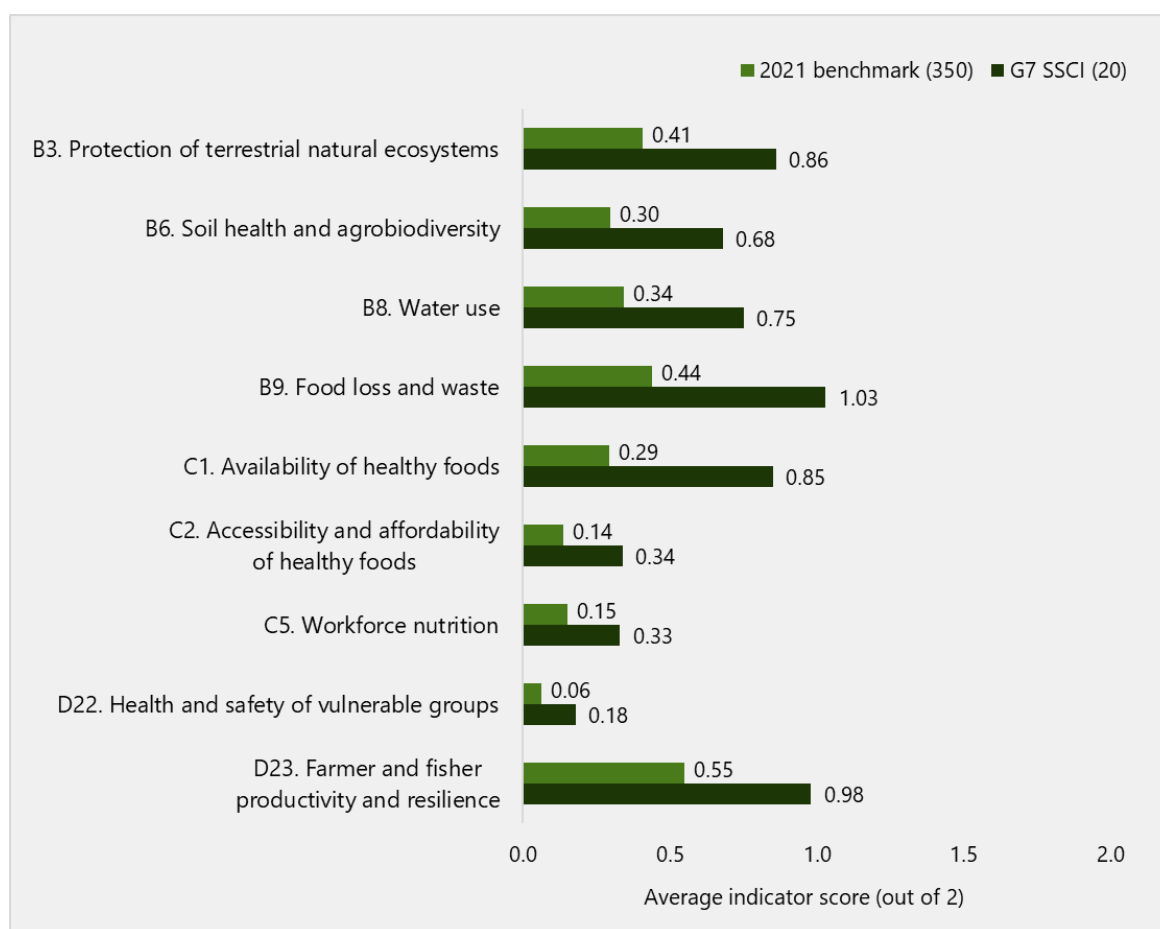
[Ceres2030](#), a partnership between Cornell University, the International Institute for Sustainable Development (IISD) and the International Food Policy Research Institute (IFPRI), identified the [most effective interventions](#) to increase smallholder farmer income and productivity in a way that supports sustainable food systems and reduces the number of people suffering from hunger. These are defined as high-impact investment areas.

FIGURE 9: HIGH-IMPACT INVESTMENT AREAS TO END HUNGER ([CERES2030](#))



For this private sector analysis, companies were assessed on the following indicators in the Food and Agriculture Benchmark that reflect several of the high-impact investment areas to realise zero hunger: protection of terrestrial natural ecosystems, soil health, water use, food loss and waste, availability of healthy foods, accessibility and affordability of healthy foods, workforce nutrition, health and safety of vulnerable groups, and farmer productivity.

FIGURE 10: PERFORMANCE OF THE G7 SSCI COMPANIES AND 2021 BENCHMARK COMPANIES ON THE INDICATORS ALIGNED WITH THE ZERO HUNGER HIGH-IMPACT INVESTMENT AREAS



It is notable that the companies participating in the G7 SSCI outperform the average of the 350 companies in scope of the Food and Agriculture Benchmark. Given the dire need to improve global food security, we urge companies and governments to assess these areas further, especially around improving the health and safety of vulnerable groups and workforce nutrition. Special attention should be paid to how actions can be improved along companies' supply chains in countries and regions facing the biggest food security threats.

Among the G7 SSCI companies, three have signed up to the [Zero Hunger Private Sector Pledge](#). Bayer has pledged USD 160 million for the most affected countries in Africa, Asia and Latin America, while Unilever has pledged almost USD 35 million for the same regions. BASF has pledged investments exceeding USD 11 million in Ethiopia.

We encourage the G7 governments to stay actively informed about the progress of these pledges and for companies to share their learnings with other companies in the G7 SSCI and beyond.



TABLE 6: OVERVIEW OF COMPANY IMPROVEMENTS ACROSS ZERO HUNGER-ALIGNED INDICATORS

Indicator	Number of company improvements
B3. Protection of terrestrial natural ecosystems	0
B6. Soil health and agrobiodiversity	3
B8. Water use	4
B9. Food loss and waste	4
C1. Availability of healthy foods	1
C2. Accessibility and affordability of healthy foods	0
C5. Workforce nutrition	1
D22. Health and safety of vulnerable groups	0
D23. Farmer and fisher productivity and resilience	3

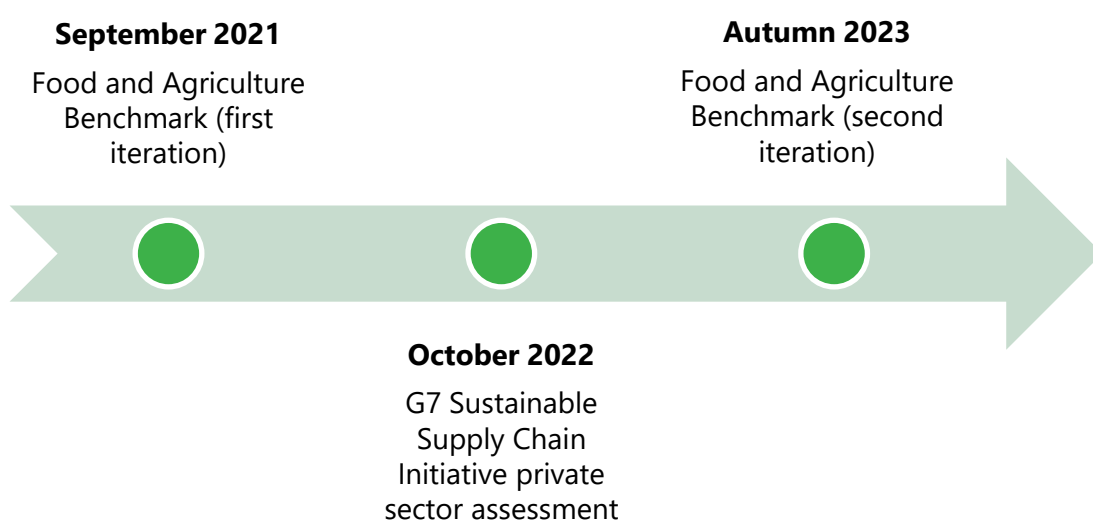


## Next steps

In 2023, the UN Food Systems Summit will take stock, looking at the pledges and targets agreed in 2021 and looking at progress. The G7 SSCI marks an important step towards this global endeavour, encompassing progress made on key environmental, nutritional and social topics by 22 of the world's largest and most influential food and agriculture companies.

The second iteration of the Food and Agriculture Benchmark will be published in time for this stocktaking exercise and assess 350 companies on their progress, including those that are part of the G7 SSCI. We need all companies to assume responsibility for their behaviour and operations, demonstrating leadership by taking bold action and setting ambitious targets. As an independent monitoring mechanism, the benchmark will track progress and ensure accountability is embedded.

FIGURE 11: TIMELINE OF FOOD AND AGRICULTURE BENCHMARK AND G7 SSCI PUBLICATIONS



Leadership and action are required by both governments and the business community to drive systemic change that will enable sustainable agricultural supply chains. Parallel to this is the ongoing dialogue between companies and governments in support of agricultural transformation. It is the initiative's ambition to work together to address blockages and discuss specific policy interventions that support the scaling-up of pilots and embrace sustainable approaches. In December 2022, the OECD will host the G7 SSCI high-level ministerial and CEO meeting in Berlin, which will draw on insights from this WBA report to guide discussions on more specific action areas for progress.

# About the World Benchmarking Alliance

The World Benchmarking Alliance (WBA) brings together a diverse and growing group of organisations from across the globe that are motivated by the common ambition to create a world that works for all – as embodied by the Sustainable Development Goals (SDGs). We share the vision that achieving these goals requires a systems perspective, as the 17 SDGs are interlinked. We also agree that to accomplish systemic transformation, the private sector has a key role to play. WBA uses a systems approach to develop benchmarks, placing a strong emphasis on transforming the systems that have the greatest potential to drive economic, environmental and social progress. Systems thinking helps us make better sense of the issues as well as identify the most influential companies in each system. By 2023, WBA will have benchmarked 2,000 companies – the SDG2000 – across seven systems transformations that we believe are vital for putting our society, planet and economy on a more sustainable and resilient path over the next decade and beyond. Benchmarks will be produced for all seven systems, of which food and agriculture is one, with accompanying methodologies helping to support systems change.

FIGURE 12: WBA'S SEVEN SYSTEMS TRANSFORMATIONS

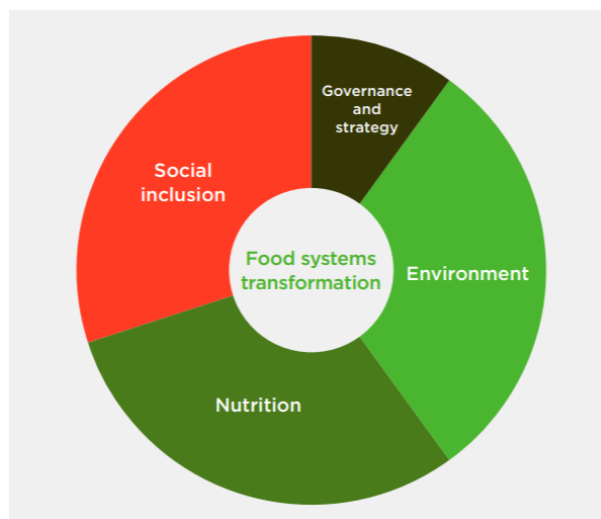


## WBA's Food and Agriculture Benchmark

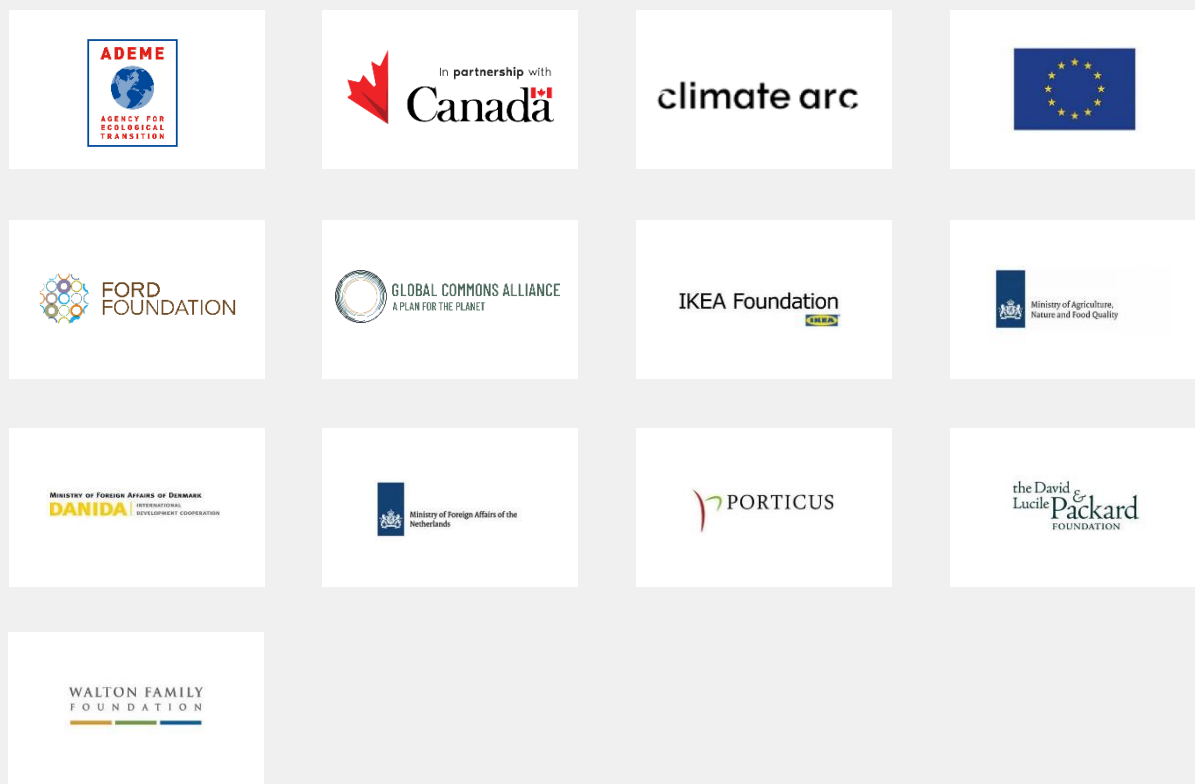
WBA's Food and Agriculture Benchmark is the first to assess the performance of 350 of the world's most influential multinational food and agriculture companies along the entire food and agriculture value chain. The benchmark encompasses companies active in the agricultural inputs, agricultural products and commodities, animal protein, food and beverage processing and manufacturing, retail and food service segments. In accordance with the methodology, the holistic assessment includes 45 indicators across four measurement areas underpinning food systems transformation: **governance and strategy, environment, nutrition and social inclusion**.

The first iteration of the benchmark was launched alongside the 2021 UN Food Systems Summit, a critical moment that underlined the interconnectedness of food systems and global challenges such as hunger, climate change, poverty and inequality. The results found that the food and agriculture sector at large is not on track to transition to a sustainable food system, revealing worrying gaps in the industry's preparedness for climate change, progress on human rights and contribution to nutritious diets. The benchmark, which will be published every two years with the next full publication due out in 2023, tracks and compares company performance. It therefore serves as an accountability and monitoring mechanism, assessing companies on their operations and value chain activities against their peers and against the SDGs.

FIGURE 13: FOOD AND AGRICULTURE BENCHMARK'S MEASUREMENT AREAS



Companies from across the sector must become effective drivers of change and demonstrate strong, equitable and innovative leadership if the SDGs are to be achieved. That is why WBA agreed to support the G7 SSCI by independently monitoring the companies involved on an annual basis, as presented in this report, to help inform companies and governments on the actions needed to deliver on the SDGs. This initial assessment will be followed by the next full benchmarking cycle in 2023, marking the second iteration of the Food and Agriculture Benchmark based on an updated methodology.



## **COPYRIGHT**

This work is the product of the World Benchmarking Alliance. Our work is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of this license, visit: <https://creativecommons.org/licenses/by/4.0/>

## **DISCLAIMER**

To view our disclaimer, visit: [www.worldbenchmarkingalliance.org/disclaimer](http://www.worldbenchmarkingalliance.org/disclaimer)

## **WORLD BENCHMARKING ALLIANCE**

Prins Hendrikkade 25, 1012 TM Amsterdam, The Netherlands. [www.worldbenchmarkingalliance.org](http://www.worldbenchmarkingalliance.org)