World
Benchmarking
Alliance

2023 Food and Agriculture Benchmark

Insights Report

April 2024

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Executive summary

Our current food system is failing millions around the globe, and food systems are still the primary transgressor of our planetary boundaries. As one of the biggest industries in the world, food and agriculture companies should be accountable when it comes to contributing positively to healthy, sustainable and inclusive food systems.

The World Benchmarking Alliance's 2023 Food and Agriculture Benchmark assessed the performance of the 350 most influential food and agriculture companies. The sector is currently responsible for 90% of global deforestation, 70% of biodiversity loss and a third of global greenhouse gas emissions and uses 70% of our global freshwater supplies. Further, poor diets – heavily influenced by the food system – remain one of the major drivers of global mortality and morbidity, at a time when 828 million people go hungry every day and over 3 billion people cannot afford a healthy diet. Concerningly, the benchmark reveals that most large companies are not taking sufficient action to transform our food system in a way that it positively contributes to human and planetary health.

However, there are promising signs that substantial progress is possible. An assessment of leading practices among the benchmarked companies shows that almost every element examined in the methodology is met by at least one company. This means that the required level of action in relation to each element is possible in practice. These leading companies have their headquarters in different parts of the world – companies from almost every continent and part of the value chain feature among the top 25 in the 2023 Food and Agriculture Benchmark.

While we see companies improving on topics such as regenerative agriculture, setting scope 3 emissions targets or preventing forced labour, most companies continue to lack tangible action supported by target setting and progress reporting. For instance, although 51% of the assessed companies reference working on regenerative agriculture, less than 10% of companies disclose data on optimising the use of fertilisers, and only around 4% of companies disclose data on minimising the use of pesticides. In addition, some important topics, such as the accessibility and affordability of healthy foods or social issues like living wages and health and safety of vulnerable groups, are virtually ignored.

The momentum for companies to act on healthy, sustainable and inclusive food systems has never been greater. Since the first UN Food Systems Summit in 2021, the private sector has been a key stakeholder in the global food systems agenda. In addition, the need for increased engagement by the private sector was underscored by the Secretary-General's Call to Action during the first Stocktaking Moment in 2023. This emphasises the great power and potential that companies hold as well as the need for continued clarity on what is expected of them. With only six harvests left until 2030, corporate accountability for food systems transformation that prioritises health, equity, resilience and sustainability is of utmost importance. With a mounting sense of urgency and heightened clarity regarding corporate expectations, it is imperative for companies to step up and for stakeholders to hold companies accountable for their actions – rewarding those that are taking positive steps and pressuring the laggards to do more.

Sources: Chalmers University of Technology (2022); Angelstorf, L. (2023); Crippa, M., Solazzo, E., Guizzardi, D. et al. (2021); Khokhar, T. (2017); GBD 2017 Diet Collaborators (2019); FAO; IFAD; UNICEF; WFP; WHO (2022); World Bank (2023).

Introduction

The World Benchmarking Alliance (WBA) develops free and publicly available benchmarks that compare the contribution of the world's most influential companies to the United Nations Sustainable Development Goals (SDGs) and other relevant global agendas.

We conduct benchmark assessments based on publicly disclosed information and give all companies the opportunity to review the results prior to publication.

Our aim is to ensure that our benchmarks distil complex topics into tangible metrics, so that companies can be meaningfully assessed and compared based on their activities in their own operations and supply chain. The Food and Agriculture Benchmark methodology translates the global food systems transformation agenda into a set of indicators to assess the 350 most influential food and agriculture companies, from farm to fork, on their contribution to healthy, sustainable and equitable food systems. The methodology was developed over a three-year consultation with a wide range of stakeholders and experts, including our Expert Review Committee with representatives from the EAT Foundation, Forum for the Future, the Global Alliance for Improved Nutrition (GAIN), John Hopkins University, Meridian Institute, Oxfam, Systemiq, Wageningen University, the World Business Council for Sustainable Development (WBCSD), World Bank and the World Economic Forum (WEF).

The first iteration of the Food and Agriculture Benchmark was published in 2021 alongside the UN Food Systems Summit. In October 2023, the second benchmark iteration was published together with the Nature Benchmark. The Food and Agriculture Benchmark and Nature Benchmark methodologies share a set of indicators across the governance and strategy, environment and social inclusion measurement areas, allowing for a joint assessment and analysis.

Methodology summary

The Methodology for the 2023 Food and Agriculture Benchmark includes 46 indicators distributed across the four measurement areas of governance and strategy, environment, nutrition and social inclusion. Eighteen of these indicators are core social indicators (CSI) that are shared across all of WBA's benchmarks (Figure 1). The 350 companies assessed in the Food and Agriculture Benchmark span the entirety of the food and agriculture value chain, classified in six value chain segments as shown in Figure 2. The benchmark encompasses companies active in the agricultural inputs, agricultural products and commodities, animal proteins, manufacturing and processing, retail and food service segments.

FIGURE 1: FOOD AND AGRICULTURE BENCHMARK INDICATORS

Core social indicators
D1 Commitment to respect human rights
D2 Commitment to respect the human rights of workers
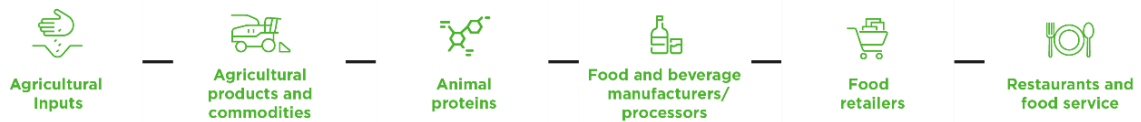D3 Identifying human rights risks and impacts
D4 Assessing human rights risks and impacts
D5 Integrating and acting on human rights risks and impacts
D6 Engagement with affected and potentially affected stakeholders
D7 Grievance mechanisms for workers
D8 Grievance mechanisms for external individuals and communities
D9 Health and safety fundamentals
D10 Living wage fundamentals
D11 Working hours fundamentals
D12 Collective bargaining fundamentals
D13 Workforce diversity disclosure fundamentals
D14 Gender equality and women's empowerment fundamentals
D15 Personal data protection fundamentals
D16 Responsible tax fundamentals
D17 Anti-bribery and anti-corruption fundamentals
D18 Responsible lobbying and political engagement fundamentals

Transformation-specific social inclusion indicators
D19 Child labour
D20 Forced labour
D21 Living wage
D22 Health and safety of vulnerable groups
D23 Farmer and fisher livelihoods
D24 Land rights

Governance and strategy indicators
A1 Sustainable development strategy
A2 Governance and accountability for sustainable development
A3 Stakeholder engagement
A4 Lobbying and advocacy

Environment indicators
B1 Scope 1 and 2 greenhouse gas emissions
B2 Scope 3 greenhouse gas emissions
B3 Ecosystem conversion
B4 Sustainable fishing and aquaculture
B5 Protein diversification
B6 Soil health and agrobiodiversity
B7 Fertiliser and pesticide use
B8 Water withdrawal
B9 Food loss and waste
B10 Plastic use and packaging waste
B11 Animal welfare
B12 Antibiotic use and growth-promoting substances

Nutrition indicators
C1 Availability of nutritious foods
C2 Accessibility and affordability of nutritious foods
C3 Clear and transparent labelling
C4 Responsible marketing and promotion of nutritious foods
C5 Workforce nutrition
C6 Food safety

For more information about the indicators, including specific element breakdowns, definitions of terms and the assessment process, please consult the methodology and scoring guidelines.

FIGURE 2: SIX VALUE CHAIN SEGMENTS

Agricultural Inputs — Agricultural products and commodities — Animal proteins — Food and beverage manufacturers/processors — Food retailers — Restaurants and food service

Methodology revision

To ensure methodologies continue to stay relevant, a methodology review is conducted on biennial basis following the launch of a benchmark. All updates are made carefully and in line with WBA's methodology review principles. Following the first Food and Agriculture Benchmark in 2021, we incorporated learnings and feedback from stakeholders, for example by including an indicator on lobbying in the governance measurement area and changing the scope of the farmer resilience indicator to focus more on living income. More substantially, we changed the benchmark's scoring system. The new scoring approach aligns with other benchmarks, such as the Nature Benchmark, allowing us to generate cross-sector data insights and comparisons for a more effective as well as granular analysis down to indicator level. These necessary changes have, to some extent, impacted company scores and the level of comparability between the 2021 and 2023 results. Although we are still able to compare data regarding companies' commitments and actions for most of the indicators, we are not able to make a comparison on all indicators or a company's benchmark average score.

This report combines the key findings, also available on our website, as well as new insights drawn from the 2023 Food and Agriculture Benchmark data set.

Results and insights

General results and ranking

In line with the 2021 Food and Agriculture Benchmark results, the top three leading companies – food and beverage manufacturers Unilever, Nestlé and Danone – have maintained their leadership in sustainability strategies and reporting and have consistently achieved top rankings across various measurement areas. The top ten companies in the 2023 Food and Agriculture Benchmark features companies spanning different segments of the value chain, including input providers such as OCP (fertilisers) and Bayer (seeds and agrochemicals), as well as retailers Tesco and Sainsbury's and companies producing ingredients for food production like DSM and Kerry Group. In tenth place is Charoen Pokphand Group (CP Group), a large privately-owned Thai company with multiple and diversified food and agricultural operations and a global presence. **The top 25 includes representation from each segment of the value chain, except for the restaurants and food service segment** (Figure 3). In 2023, the average total score for this value chain segment was 14.9 out of 100, highlighting its underperformance compared to the overall average score of 17.4 across all 350 companies. This trend echoes the observations made in 2021, where restaurants and food service companies attained an average score of 17, trailing behind the broader average of 19.5 across all companies. As in 2021, the top four companies in 2023 remain the same, although there have been some changes in performance within the top 30. The most significant improvements were seen in companies such as Ajinomoto, CP Group and Carlsberg.

FIGURE 3: TOP 25 BENCHMARKED COMPANIES

Rank	Company	Headquarters	Region	Score	Gov rank	Env rank	Nut rank	Social rank
1	Unilever	🇬🇧 United Kingdom	Europe & Central Asia	67.8	3	2	4	1
2	Nestlé	🇨🇭 Switzerland	Europe & Central Asia	65.6	1	3	3	3
3	Danone	🇫🇷 France	Europe & Central Asia	60.0	20	1	10	6
4	OCP	🇲🇦 Morocco	Middle East & North Africa	57.3	18	4	6	7
5	Bayer	🇩🇪 Germany	Europe & Central Asia	56.1	2	31	1	10
6	Sainsbury's	🇬🇧 United Kingdom	Europe & Central Asia	48.8	10	7	13	22
7	Tesco	🇬🇧 United Kingdom	Europe & Central Asia	48.7	21	8	15	9
8	DSM	🇳🇱 Netherlands	Europe & Central Asia	46.2	72	54	2	45
9	Kerry Group	🇮🇪 Ireland	Europe & Central Asia	46.0	6	6	37	22
10	Charoen Pokphand Group	🇹🇭 Thailand	East Asia & Pacific	45.3	6	18	21	20
11	Yara	🇳🇴 Norway	Europe & Central Asia	44.3	12	20	98	11
12	PepsiCo	🇺🇸 United States of America	North America	43.4	16	35	16	18
13	Ajinomoto Group	🇯🇵 Japan	East Asia & Pacific	43.4	72	14	23	21
14	Woolworths Group	🇦🇺 Australia	East Asia & Pacific	43.3	12	19	9	85
15	Anheuser-Busch InBev	🇧🇪 Belgium	Europe & Central Asia	43.2	57	73	11	19
16	Nueva Pescanova	🇪🇸 Spain	Europe & Central Asia	43.0	4	17	24	33
17	Coles Group	🇦🇺 Australia	East Asia & Pacific	42.6	21	28	30	14
18	Arla Foods	🇩🇰 Denmark	Europe & Central Asia	42.4	218	40	8	27
19	Mondelez International	🇺🇸 United States of America	North America	42.4	87	59	28	5
20	Wilmar International	🇸🇬 Singapore	East Asia & Pacific	42.1	15	108	32	4
21	Ahold Delhaize	🇳🇱 Netherlands	Europe & Central Asia	42.0	32	24	35	16
22	Carlsberg	🇩🇰 Denmark	Europe & Central Asia	41.5	47	9	31	33
23	The Hershey Company	🇺🇸 United States of America	North America	41.2	43	50	87	2
24	Diageo	🇬🇧 United Kingdom	Europe & Central Asia	41.1	21	58	34	8
25	Fonterra	🇳🇿 New Zealand	East Asia & Pacific	41.0	5	30	14	70

FIGURE 4: NUMBER OF COMPANIES BY SCORE BAND (TOTAL SCORE OUT OF 100)
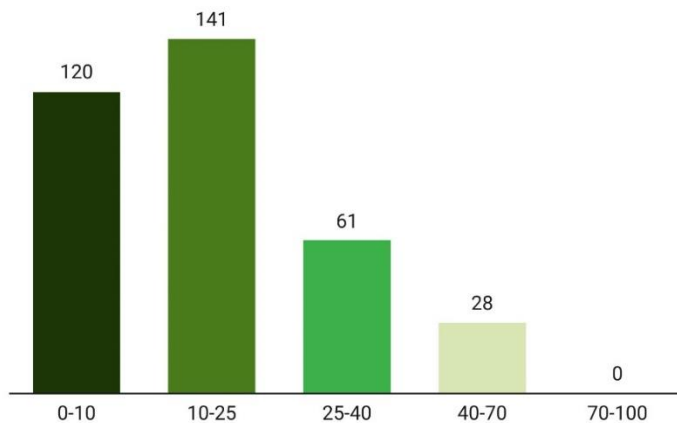
More than one third of the companies (120 out of 350) are ranked at the bottom, with a total score between 0 and 10, as illustrated in Figure . This is primarily due to a lack of corporate disclosure regarding their sustainability strategies and, in some cases, namely for 21 companies, the unavailability of information in English. The majority, 141 of the 350 companies, are in the lower-middle score band (score between 10-25), indicating minimal disclosure on key sustainability topics and a lack of comprehensive strategies along with inconsistent reporting.

Value chain analysis

Looking across the six value chain segments, the 2023 Food and Agriculture Benchmark reveals that agricultural inputs, food retailers, and food and beverage manufacturers are the top-performing sectors, outpacing companies in the other three segments (Figure 5).

FIGURE 5: AVERAGE SCORE BY VALUE CHAIN SEGMENT

Value chain segments	Avg. of total score/100	No. companies/350
Agricultural inputs	19.6	44
Agricultural products and commodities	15.6	144
Animal proteins	13.2	97
Food and beverage manufacturers/processors	17.7	243
Food retailers	18.8	61
Restaurants and food service	14.9	29

Please note that some companies are classified in multiple value chain segments.
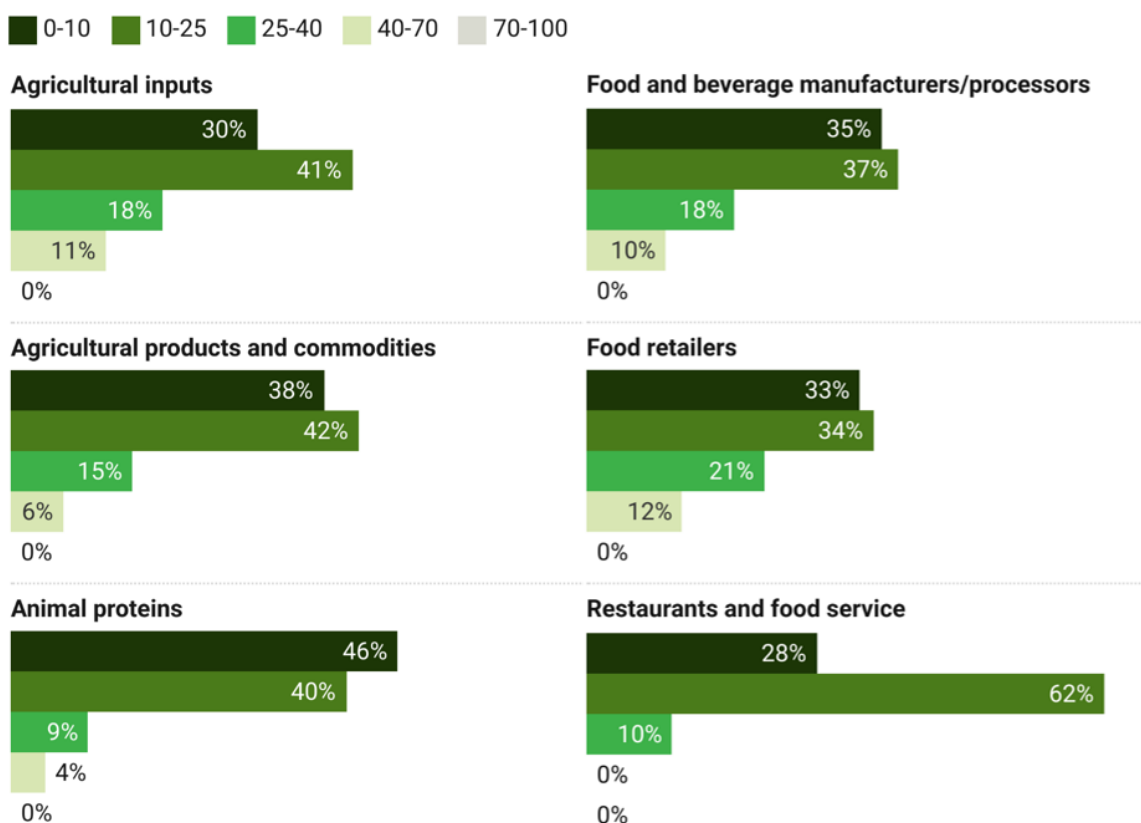
Of the 120 companies in the lowest score band, 45 companies operate in the **animal proteins segment**. This is the lowest performing segment with an average total score of 13.2.

Notably, **86% of the animal proteins companies and 90% of the restaurants and food service companies fall within the lower two score bands** (Figure 6). Within restaurants and food service, it is important to note that global restaurant chains show considerably lower levels of disclosure compared to food service companies. The leaders in this sector – Sodexo and Compass Group – demonstrate the integration of multiple sustainability objectives in their strategies. Regarding the animal proteins segment, **livestock and poultry companies show the lowest levels of transparency and sustainability reporting compared to all the other industries across the value chain.** Dairy and seafood companies lead the animal proteins segment.

The agricultural products and commodities segment encompasses companies involved in the production, sourcing and trading of agricultural products, along with food ingredient producers. Commodity traders generally display the highest level of disclosure on average within the segment, followed by grains and oilseed producers. Except for some industry leaders – Zespri, McCain Foods and Greenyard – companies involved in the production, sourcing and trading of fruit and vegetables exhibit the poorest performance in this segment.

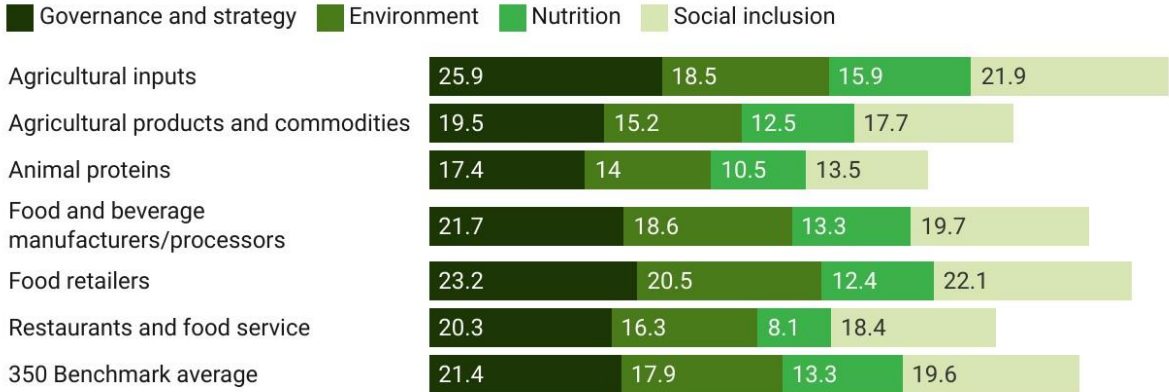FIGURE 6: SCORE BANDS BY VALUE CHAIN SEGMENT

Legend: ■ 0-10 ■ 10-25 ■ 25-40 ■ 40-70 ■ 70-100

Agricultural inputs
- 30%
- 41%
- 18%
- 11%
- 0%

Food and beverage manufacturers/processors
- 35%
- 37%
- 18%
- 10%
- 0%

Agricultural products and commodities
- 38%
- 42%
- 15%
- 6%
- 0%

Food retailers
- 33%
- 34%
- 21%
- 12%
- 0%

Animal proteins
- 46%
- 40%
- 9%
- 4%
- 0%

Restaurants and food service
- 28%
- 62%
- 10%
- 0%
- 0%

When zooming in on the various **measurement areas**, **agricultural inputs, food manufacturers and retailers emerge as the most transparent regarding their governance accountability systems and practices** (Figure 7). For instance, food and beverage manufacturers such as Ajinomoto Group, Friesland Campina and Wilmar International lead in disclosing stakeholder engagement processes. In the **environment measurement area, retailers take the lead** thanks to their advanced commitments in areas where other food and agriculture companies fall short, such as addressing food loss and

waste (see section Food loss and waste) and reducing water withdrawal. Across all segments, there is a critical **lack of evidence** regarding **how companies are addressing these issues in their supply chains and collaborating with value chain partners.**

FIGURE 7: MEASUREMENT AREA SCORE BY VALUE CHAIN SEGMENT

	Governance and strategy	Environment	Nutrition	Social inclusion
Agricultural inputs	25.9	18.5	15.9	21.9
Agricultural products and commodities	19.5	15.2	12.5	17.7
Animal proteins	17.4	14	10.5	13.5
Food and beverage manufacturers/processors	21.7	18.6	13.3	19.7
Food retailers	23.2	20.5	12.4	22.1
Restaurants and food service	20.3	16.3	8.1	18.4
350 Benchmark average	21.4	17.9	13.3	19.6

While retailers and agricultural inputs companies score, on average, higher than others on social inclusion topics, it is noteworthy that some food and beverage manufacturers, like Danone, Mondelez International and Unilever, demonstrate more advanced policies and practices regarding combatting forced labour, supporting farmers' livelihoods and ensuring the health and safety of vulnerable groups. Danone transparently discloses supplier non-conformities, with decreasing incidences of forced labour. Mondelez International actively addresses living income gaps among cocoa farmers and aims to source all cocoa sustainably by 2025. Unilever takes concrete actions to protect women in seasonal labour.

The **animal proteins sector** consistently **lags behind** other industries across all measurement areas. The most significant disparity arises in social inclusion, particularly concerning living wages and child labour, where disclosure remains worryingly low. While companies like BioMar, FCF Co., Ltd., Parlevliet & Van der Plas and Thai Union Group meet fundamental human rights disclosure standards, they often fall short in commitments and support activities for their suppliers.

Restaurants and **food service companies** exhibit staggering underperformance in the nutrition area. These companies, especially those based in the United States, prioritise disclosing compliance with food safety standards. However, they have yet to demonstrate significant shifts in their menus and marketing practices, failing to show how they are taking responsibility for improving consumers' diets (see section Availability of nutritious foods).

A closer look at regional performance

Based on the country where the company is headquartered, the 350 companies assessed are classified into six regions (FIGURE 8). Consequently, an analysis based on the company's headquarter location does not necessarily include the company's global operations (countries where the company has operating subsidiaries, manufacturing plants, plantations, franchised restaurants etc.), geographical reach (e.g. markets where it sells and/or source products) or impact (e.g. environmental footprint).

FIGURE 8: AVERAGE PERFORMANCE OVERVIEW BY REGION

Regions	Avg. of total score/100	No. of companies/350
East Asia & Pacific	15.0	92
Europe & Central Asia	21.6	122
Latin America & Caribbean	12.8	28
Middle East & North Africa	30.8	3
North America	17.2	86
South Asia	5.3	10
Sub-Saharan Africa	10.5	9

When analysing the top-performing companies, the regional composition has remained largely the same compared to the 2021 benchmark results. **The highest scoring companies** (total score within 40-70, see Figure 9) **are predominately based in Europe and Central Asia, followed by the East Asia and Pacific region, specifically companies based in Australia, Japan, Thailand and Singapore**. However, companies headquartered in Latin America and the Caribbean and sub-Saharan Africa did not secure any spots in the top score band in either 2021 or 2023, highlighting challenges and opportunities in these regions. Additionally, a mere four companies out of 86 North American companies achieved a score within the 40-70 score band, indicating considerable potential for improvement among companies based in the United States and Canada.

Among the 120 lowest ranked companies (score band 0-10), South Asian companies – all based in India – exhibit a notable gap compared to their global counterparts, with 90% of them scoring below 10 out of 100 points. The sub-Saharan Africa region follows closely, with 55% of its companies lacking comprehensive commitments to sustainability (score 0-10).
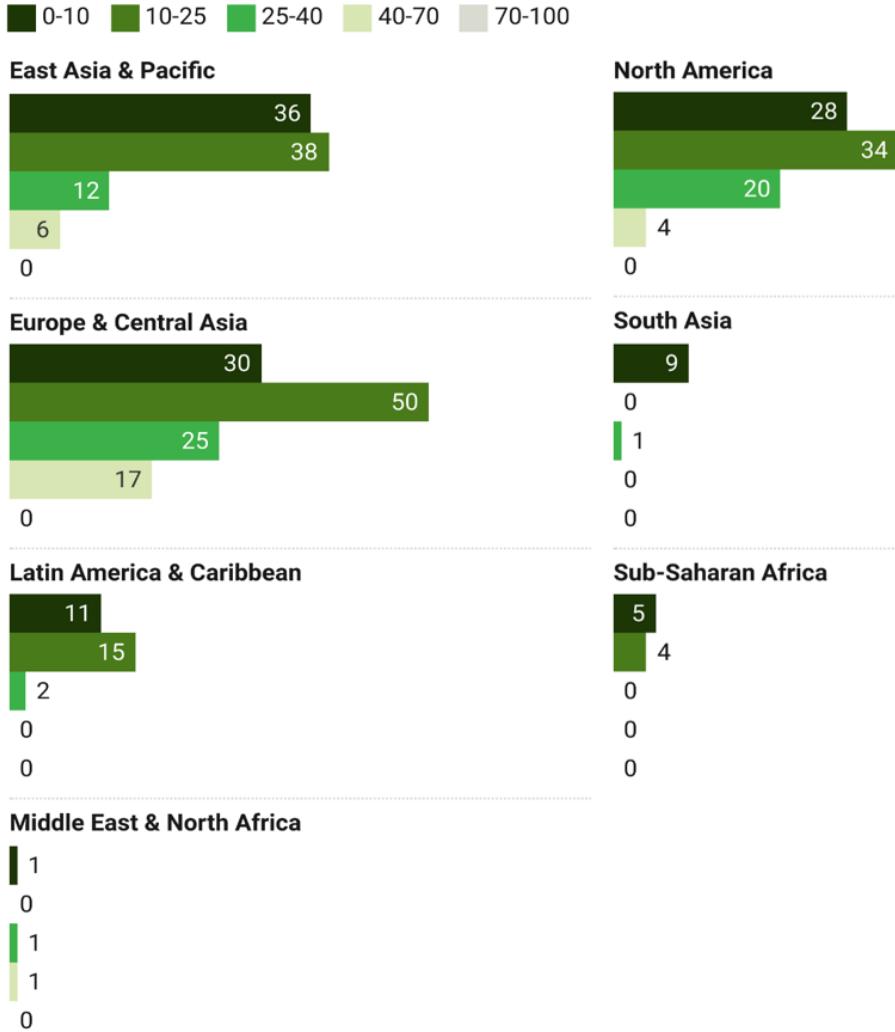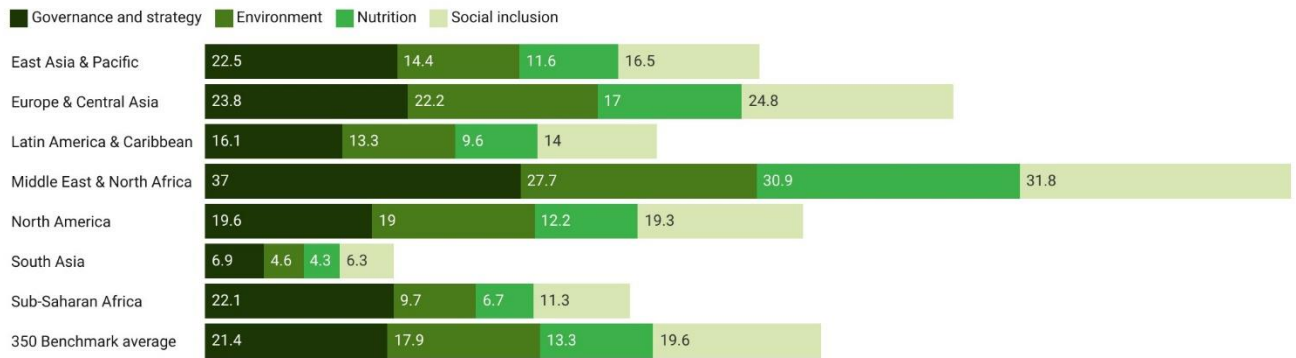
FIGURE 9: SCORE BANDS BY REGION

Legend: ■ 0-10 ■ 10-25 ■ 25-40 ■ 40-70 ■ 70-100

East Asia & Pacific
- 36
- 38
- 12
- 6
- 0

North America
- 28
- 34
- 20
- 4
- 0

Europe & Central Asia
- 30
- 50
- 25
- 17
- 0

South Asia
- 9
- 0
- 1
- 0
- 0

Latin America & Caribbean
- 11
- 15
- 2
- 0
- 0

Sub-Saharan Africa
- 5
- 4
- 0
- 0
- 0

Middle East & North Africa
- 1
- 0
- 1
- 1
- 0

Figure 10 displays average **measurement area scores by region**. Looking at the **governance and strategy** measurement area, the Middle East and North Africa region score highest. It is worth noting that only three companies – OCP, ICL and Savola Group – are headquartered in this region, with OCP contributing significantly to this relatively strong performance, ranking fourth across the entire benchmark and 18th in governance and strategy.

Figure 10: MEASUREMENT AREA SCORES BY REGION

	Governance and strategy	Environment	Nutrition	Social inclusion
East Asia & Pacific	22.5	14.4	11.6	16.5
Europe & Central Asia	23.8	22.2	17	24.8
Latin America & Caribbean	16.1	13.3	9.6	14
Middle East & North Africa	37	27.7	30.9	31.8
North America	19.6	19	12.2	19.3
South Asia	6.9	4.6	4.3	6.3
Sub-Saharan Africa	22.1	9.7	6.7	11.3
350 Benchmark average	21.4	17.9	13.3	19.6

Companies based in the **East Asia and Pacific** region demonstrate relatively stronger performance in the governance and social inclusion areas, meeting minimum sustainability reporting standards regarding governance accountability and commitments to respect human rights. However, critical gaps in environmental reporting are evident, especially among Chinese companies. Similarly, companies in the **Latin America and Caribbean** region perform better in the governance and social inclusion areas, but they, on average, lack disclosure particularly on regenerative agriculture practices and commitments to reduce food loss and waste. The **sub-Saharan Africa** region (South Africa, Nigeria, Zimbabwe) performs considerably below average across all the dimensions.

In **Europe and Central Asia,** companies lead in **environmental** disclosure, setting targets and reporting on their efforts to reduce their environmental footprint. For example, 54% (25 out of 46) of the companies that have set science-based scope 1 and 2 emissions targets are based in this region. While European companies demonstrate relatively better performance in **nutrition** compared to other regions, this measurement area is overall the weakest in terms of companies' performance across all regions. Disclosure on **corporate activities and contributions to improve nutrition and achieve healthy diets is lacking globally**. This is particularly worrying considering that globally, the dominant hidden costs of agri-food systems for national economies arise from dietary patterns (FAO, 2023).

There is a clear divide in performance between companies based in the Global North (high-income countries), which achieved an average total score of 18.26 versus 13.52 for companies based in the Global South (upper-middle and lower-income countries). Some **88% of the companies based in the Global South score between 0-25 (out of 100), highlighting a critical need to foster greater transparency across the private sector and national policy in support of sustainability reporting in upper-middle and lower-income countries.**

Nonetheless, there are standout examples of food and agriculture companies headquartered and operating in the Global South performing better than their global industry peers. Grupo Bimbo, a Mexican food and beverage manufacturer, performs well above average in the environment and nutrition areas, in contrast with its peers based in Mexico or in other Latin American countries (for example, none of the 11 Brazilian companies score above 25). Additionally, Sime Darby Plantations (Malaysia) and Thai Union Group (Thailand) demonstrate leadership across multiple topics in the social inclusion and environment dimensions.

The 'best' vs the 'rest'

The Food and Agriculture Benchmark measures how far along the most influential food and agriculture companies are in their sustainability journeys. A perfect score of 100 points would represent leading practices across all topics covered in the methodology. However, a useful alternative metric for comparison is the best combined performance (BCP). The BCP combines the best observed practices by aggregating the top scores achieved by any of the 350 companies across each element and represents a synthesis of the best performance across all topics that companies can achieve today.

At least one company demonstrates leading practices on 70% of the indicators (32/46 indicators), resulting in a total BCP score for the assessed companies of 98/100. This is 30 points higher than the top-ranking company (Unilever, scoring 68/100), and a staggering 81 points higher than the average company score (17/100). The average total score of the top five companies (best) – Unilever, Nestlé, Danone, OCP and Bayer – is 61/100, compared to an average total score of 17/100 by the 345 remaining companies (rest). This implies that all companies, even the best performing ones, have blind spots that they should strive to address by learning from their peers who perform better in those areas.

The high BCP scores of 95%-100% in all measurement areas show that despite the challenges associated with implementing better governance and environmental practices, most elements of the Food and Agriculture Benchmark are already being implemented by at least one company (Figure 11). Other companies can follow this example and implement improvements across many indicators and issues, without the need to wait for more regulation or frameworks.

FIGURE 11: THE 'BEST' VS THE 'REST' PER MEASUREMENT AREA
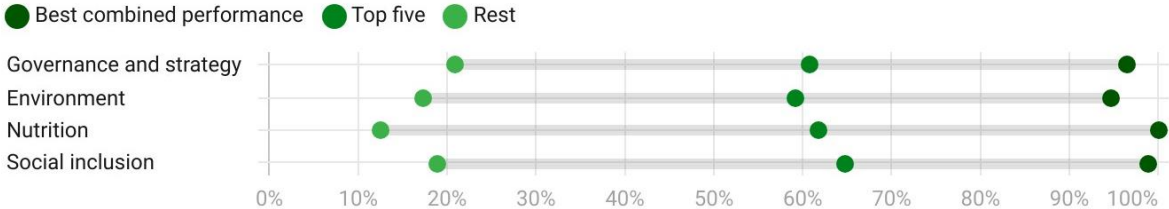
*The best combined performance aggregates the scores of the best performing company per indicator.

The BCP also significantly outperforms the top five companies in the Food and Agriculture Benchmark, showing room for improvement among even the top-ranking companies. The gap widens significantly when comparing the BCP with the remaining companies: on average, the remaining companies score less than 20%, which is a gap of more than 75%-87% compared to the BCP scores.

Nutrition

Figure 12 provides an overview of the BCP analysis for all 46 indicators. The measurement area with the most leading practices is nutrition, but it is also the area with the biggest gap when compared to the performance of the benchmark average. This emphasises the increasing clarity in expectations

regarding how food and agriculture companies can contribute to achieving healthy diets, yet most companies lack comprehensive nutrition objectives and action plans. Shortcomings in corporate transparency and performance are evident across all topics. A clear area for improvement in corporate disclosure concerns the implementation of **food safety in the supply chain**. Only a small number of companies (six) demonstrate that 100% of their suppliers are certified to food safety standards, and only three reports on how they support their suppliers with financial incentives and capacity building to adhere to food safety standards.

FIGURE 12: THE 'BEST' VS THE 'REST' PER INDICATOR

● Best combined performance*   ● Top five   ● Rest

Governance and strategy
Sustainability strategy
Accountability for sustainability strategy
Stakeholder engagement
Lobbying and advocacy
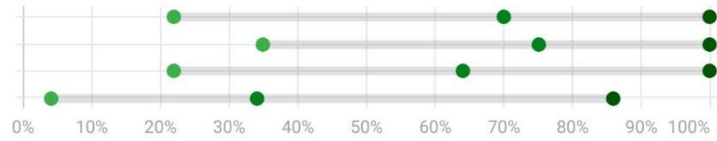
Environment
Scope 1 and 2 greenhouse gas emissions
Scope 3 greenhouse gas emissions
Ecosystem conversion
Protein diversification
Fertiliser and pesticide use
Water withdrawal
Food loss and waste
Animal welfare
Antibiotic use and growth-promoting substances
Soil health and agrobiodiversity
Plastic use and packaging waste
Sustainable fishing and aquaculture
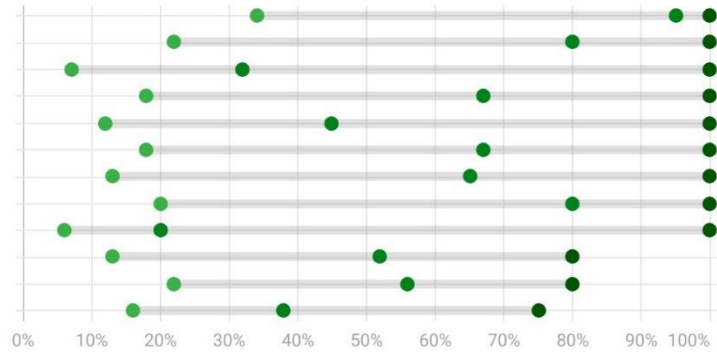
Nutrition
Availability of nutritious foods
Accessibility and affordability of nutritious foods
Clear and transparent labelling
Responsible marketing
Workforce nutrition
Food safety
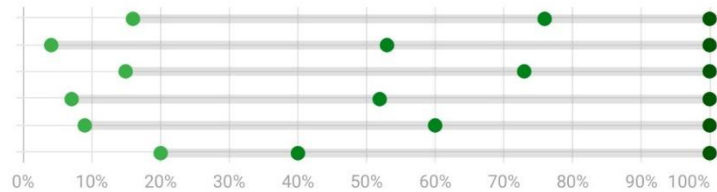
Social inclusion
Commitment to respect human rights (CSI 1)
Commitment to respect the human rights of workers (CSI 2)
Identifying human rights risks and impacts (CSI 3)
Assessing human rights risks and impacts (CSI 4)
Integrating and acting on human rights risks and impact assessments (CSI 5)
Engagement with affected and potentially affected stakeholders (CSI 6)
Grievance mechanisms for workers (CSI 7)
Grievance mechanisms for external individuals and communities (CSI 8)
Health and safety fundamentals (CSI 9)
Living wage fundamentals (CSI 10)
Working hours fundamentals (CSI 11)
Collective bargaining fundamentals (CSI 12)
Diversity disclosure fundamentals (CSI 13)
Gender equality and women's empowerment fundamentals (CSI 14)
Personal data protection fundamentals (CSI 15)
Responsible tax fundamentals (CSI 16)
Anti-bribery and anti-corruption fundamentals (CSI 17)
Responsible lobbying and political engagement (CSI 18)
Child labour
Forced labour
Health and safety of vulnerable groups
Farmer and fisher livelihoods
Land rights
Living wage
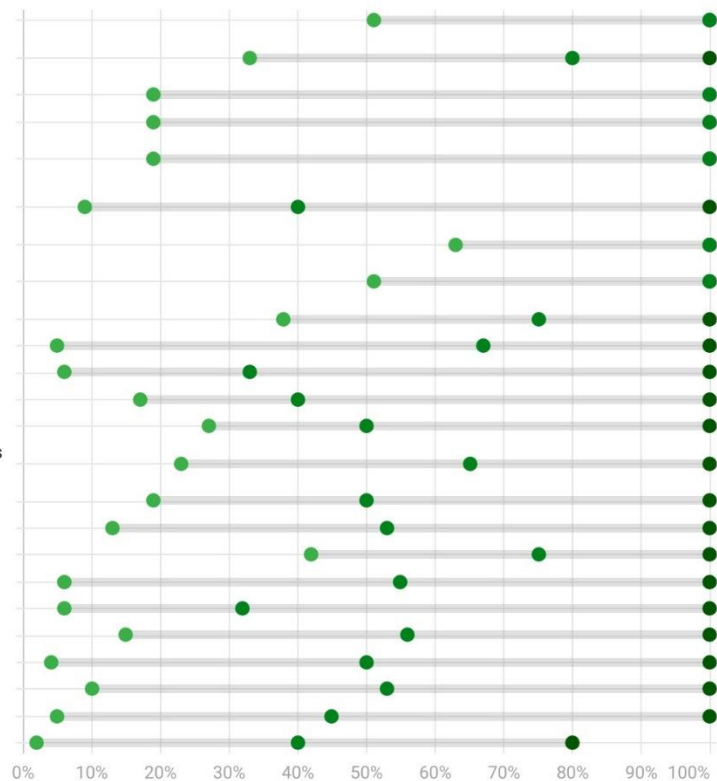
*The best combined performance aggregates the scores of the best performing company per indicator.

Social inclusion

Similarly, a significant gap between the average performance of the remaining 345 companies (rest) and the BCP is evident in **social inclusion**. Within the social inclusion area, challenges also emerge with the implementation of frameworks for paying employees and supply chain workers a **living wage**. Out of the 345 companies, only 32 report targets related to living wages or living wage assessments in the regions they source from. Unilever and Nestlé stand out among the top five companies for their comprehensive disclosure on both activities related to living wages. Overall, performance regarding health and safety of vulnerable groups and land rights is notably low. Only 32 and 48 out of the 350 companies in scope achieve a certain level of scoring on these respective indicators. Particularly concerning is the level of disclosure on land rights, where only seven companies – of which only two are in the top five – engage with their business relationships to enhance practices related to land use and acquisition.

Environment

In the environment dimension, significant challenges and gaps in corporate disclosure are seen in **soil health and agrobiodiversity, sustainable fishing and aquaculture, and plastic and packaging use**. The BCP analysis reveals that ambitious and comprehensive corporate best practices are absent for these three topics. Companies specifically fail to disclose their commitments and practices to preserve soil health and lack consistent reporting on the impact of their regenerative agriculture practices (see section Regenerative agriculture). Moreover, no company provides evidence of sourcing 100% of its portfolio from sustainable fisheries and aquaculture (see 2023 Seafood Stewardship Index Insights Report) or achieving 100% sustainable packaging across its operations (see 2023 Nature Benchmark Insights Report, page 27-28 for more information).

Another environmental topic with meaningful divergence between the BCP and both the top five and non-top five (rest) is **ecosystem conversion**. This indicator assesses whether companies have established time-bound commitments to achieve zero-conversion supply chains and report on their progress on sustainable sourcing of high-risk commodities. Across the 350 companies, a mere 6% have a time-bound target to eliminate deforestation. Insights regarding this topic are discussed in more detail in the 2023 Nature Benchmark Insights Report, page 24-25.

Governance and strategy

In the governance measurement area, the topic with a clear lack of leading practice and overall poor performance is **lobbying and advocacy** (see section Governance and strategy). There is no clear leading practice among food and agriculture companies regarding a detailed lobbying and advocacy framework that addresses misalignments with global sustainability and climate objectives.

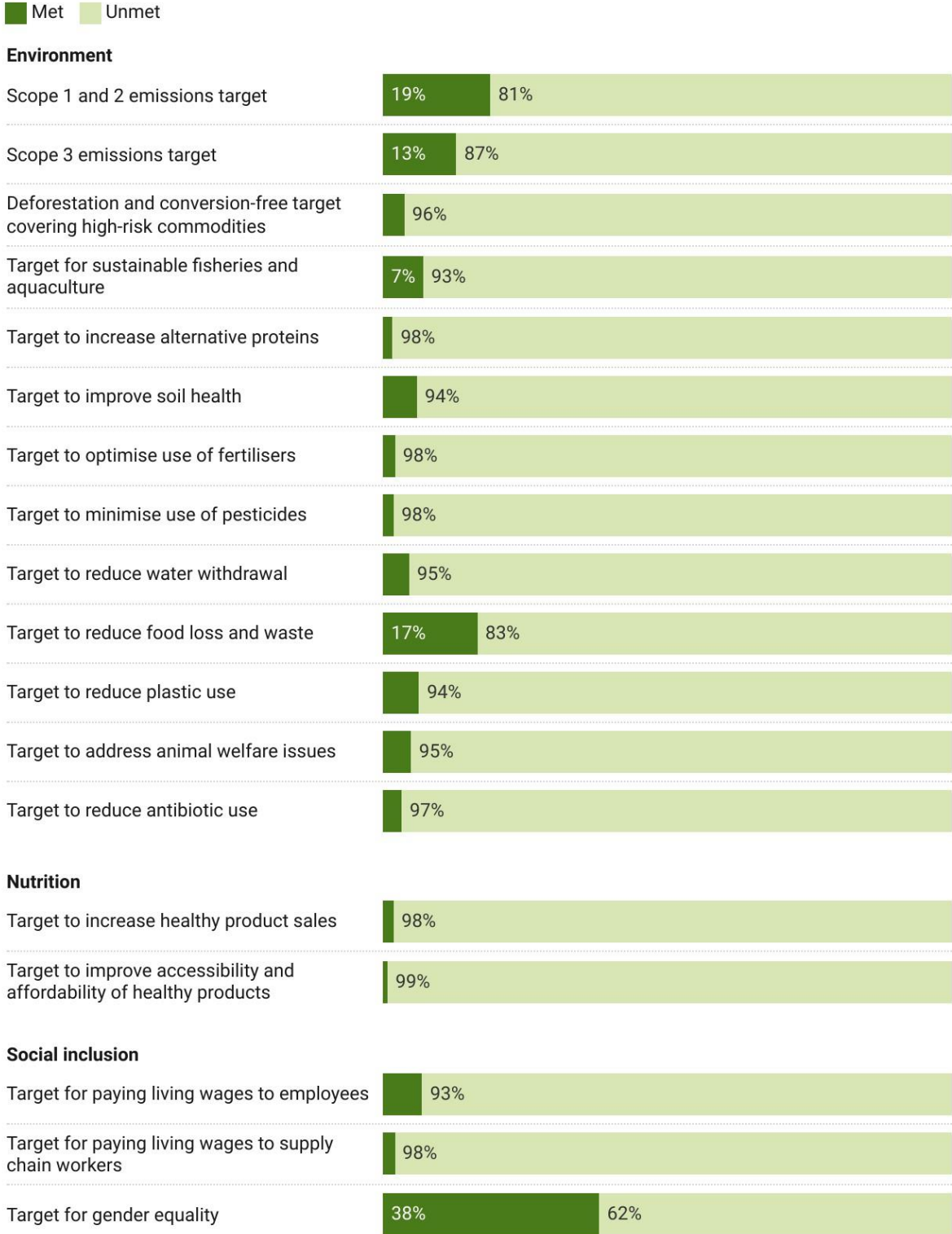## Systemic challenges for business sustainability

A detailed examination of overall performance across the different measurement areas highlights a prevalent issue: **most companies are not setting targets to tackle key environmental, nutrition and social inclusion topics.** FIGURE 13 illustrates this trend, demonstrating that companies are more proactive in setting targets in areas subjected to more advanced frameworks and public scrutiny, namely emissions reductions, food loss and waste (see sections: Climate and Food loss and waste) or

gender diversity targets, particularly focusing on promoting women in leadership roles. While progress on promoting women in leadership roles signals a positive shift, it is important to note that unlike science-based targets, there are no mandatory requirements for companies to establish specific goals in this area. Setting clear targets is a crucial area where companies can improve across all measurement areas, especially nutrition and social themes, where the vast majority of companies have not set such targets.
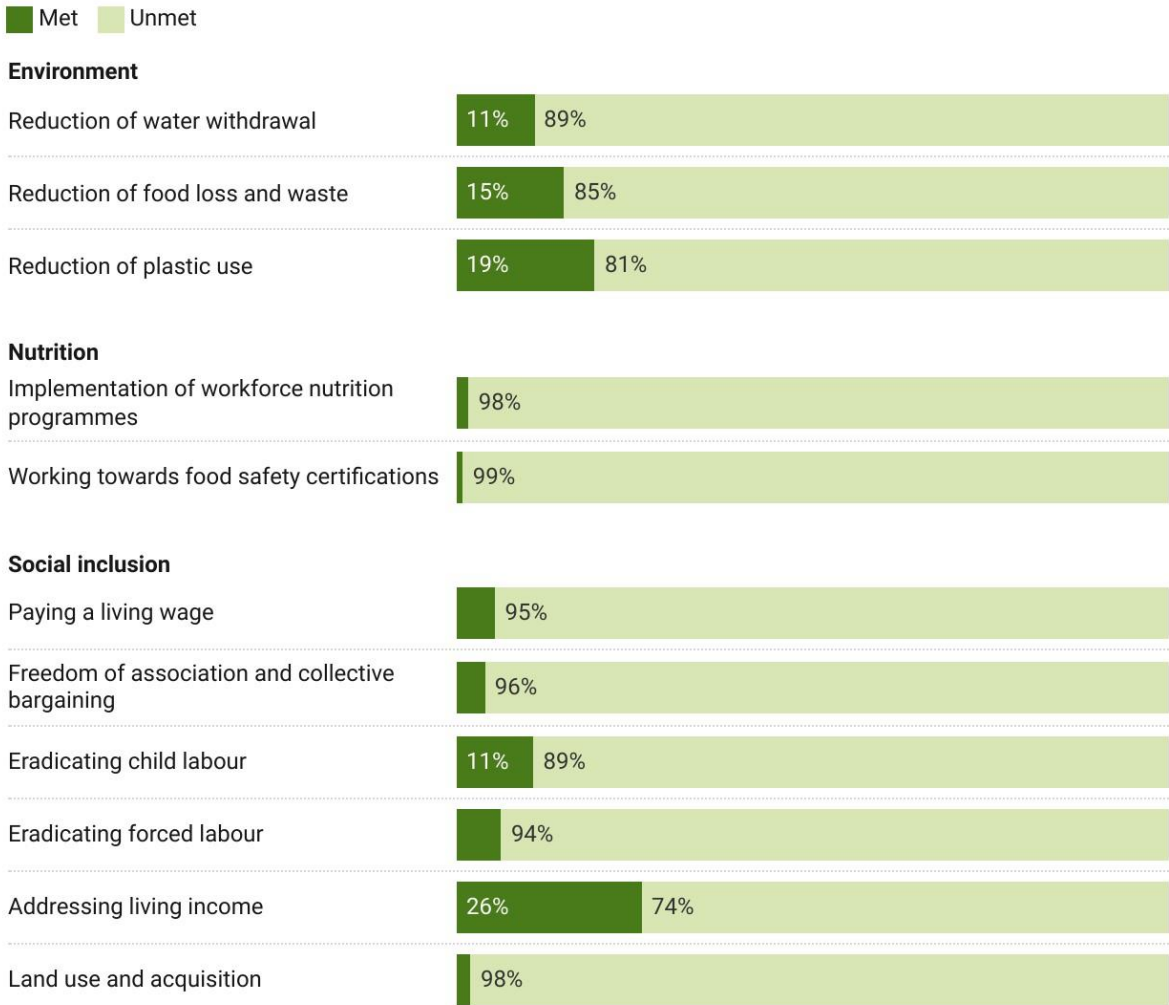
FIGURE 13: PERCENTAGE OF COMPANIES DISCLOSING TIME-BOUND TARGETS

■ Met ■ Unmet

Environment

Scope 1 and 2 emissions target	19%	81%
Scope 3 emissions target	13%	87%
Deforestation and conversion-free target covering high-risk commodities		96%
Target for sustainable fisheries and aquaculture	7%	93%
Target to increase alternative proteins		98%
Target to improve soil health		94%
Target to optimise use of fertilisers		98%
Target to minimise use of pesticides		98%
Target to reduce water withdrawal		95%
Target to reduce food loss and waste	17%	83%
Target to reduce plastic use		94%
Target to address animal welfare issues		95%
Target to reduce antibiotic use		97%

Nutrition

Target to increase healthy product sales	98%
Target to improve accessibility and affordability of healthy products	99%

Social inclusion

Target for paying living wages to employees		93%
Target for paying living wages to supply chain workers		98%
Target for gender equality	38%	62%

Similar trends emerge when examining how companies collaborate with their suppliers to tackle crucial issues related to environmental sustainability, nutrition and social inclusion (Figure 14). Supply chain engagement involves initiatives and programmes implemented by companies to work together with their suppliers.

FIGURE 14: PERCENTAGE OF COMPANIES WITH SUPPLY CHAIN ENGAGEMENT

	Met	Unmet
Environment		
Reduction of water withdrawal	11%	89%
Reduction of food loss and waste	15%	85%
Reduction of plastic use	19%	81%
Nutrition		
Implementation of workforce nutrition programmes		98%
Working towards food safety certifications		99%
Social inclusion		
Paying a living wage		95%
Freedom of association and collective bargaining		96%
Eradicating child labour	11%	89%
Eradicating forced labour		94%
Addressing living income	26%	74%
Land use and acquisition		98%

The findings indicate a consistent pattern of limited supply chain engagement across all measurement areas, with nutrition exhibiting the lowest level of engagement with suppliers. More information and examples of supply chain activities are highlighted in the Food loss and waste and Social inclusion sections below as well as in the 2023 Nature Benchmark Insights Report, page 26-28.

Governance and strategy

This measurement area focuses on the integration of sustainable development objectives and targets into companies' core strategy, business model and governance. It captures a company's overall commitment to sustainable development, including whether the company's highest governing board is responsible for leading its progress on sustainability targets. Furthermore, it evaluates the level of transparency regarding the company's engagement process with stakeholders and its lobbying and advocacy activities.

Sustainability strategy

Key finding – Lack of corporate accountability hinders meaningful change

In the two years since the UN Food Systems Summit (UNFSS), progress has been made but not enough to unlock the food and agriculture sector's transformative potential. More than half of the 350 companies assessed undertake a materiality assessment to identify and prioritise their most relevant sustainability impacts, but only 27 companies (8%) follow through with a comprehensive set of sustainability targets. The biennial UNFSS Stocktaking Moment has the potential to embed corporate accountability to ensure that companies across the value chain scale up their efforts. WBA continues to work with its Alliance members and food systems stakeholders to drive this process forward and articulate companies' roles and responsibilities in the context of global food systems.

Companies setting sustainability targets

187 companies undertake a materiality assessment — 53%

27 companies set targets across material sustainability topics — 8%

163 companies provide no sustainability disclosures — 46%

Accountability for sustainability strategy

In terms of governance disclosure, a higher level of transparency is evident regarding companies' governance structure and how the highest governing bodies are held accountable for achieving sustainability objectives. This reflects the private sector's increasing recognition of the need to assign accountability to boards of directors and senior leadership for overseeing and implementing the company's sustainability vision. However, there are areas within this domain where companies can enhance their governance practices. Connecting senior executives' remuneration to specific

sustainability targets can reinforce the company's commitments, align financial incentives with sustainability goals and promote long-term value creation. Such practices create a framework where the success of the company is intertwined with its ability to contribute positively to the environment and society. Yet **only 32 companies link senior executives' remuneration to specific sustainability targets and objectives that cover both environmental and social issues**.

Additionally, it is crucial for a company to provide evidence that its highest governing body has expertise in the company's most material sustainability topics. This expertise ensures informed decision-making, effective oversight and strategic management of key sustainability issues. However, only three companies **– Bayer, Fonterra, Ajinomoto – provide evidence that their highest governing bodies have expertise in the company's most material sustainability topics.**

Best practices

Bayer

Bayer's ESG Committee, established in 2022, comprises the chair of the supervisory board and seven other members. It focuses on sustainable corporate governance and the company's activities in environmental protection, social issues and corporate governance (ESG). Responsibilities include incorporating sustainability into business strategy, setting targets, non-mandatory ESG reporting, assessing opportunities and risks and advising management while preparing supervisory board decisions. The company integrates group-wide sustainability targets into the board of management's compensation system, including quantitative targets into long-term variable compensation. Specific sustainability targets are disclosed, covering emissions reductions and support for smallholder farmers. The Sustainability Council, comprising experts in biodiversity, digitalisation, health systems, agriculture and more, advises the board of management, oversees sustainability strategy implementation and transparently reports on its work and recommendations annually. The council currently includes eight internationally recognised experts with diverse backgrounds and perspectives.

Fonterra

The board, CEO and Fonterra management team (FMT) are accountable for sustainability, with regular updates provided at this level. Individual sustainability performance accountability cascades throughout the organisation and has been integrated into the Group Short-Term Incentive scheme for employees since the 2020 financial year. The chief operating officer oversees sustainability integration into strategy and business planning, while the managing director of co-operative affairs manages farmer-facing services, corporate sustainability and governance. A sustainability advisory panel of five external experts provides advice on Fonterra's sustainability strategy. Governance oversight occurs at the board level, with committees responsible for specific sustainability elements aligned with their activities. The Co-operative Relations Committee manages relationships with stakeholders and oversees climate, risk and sustainability initiatives, while the Audit, Finance and Risk Committee monitors enterprise-wide risks, including climate risk and other sustainability-related risks. CEO remuneration is linked to time-bound targets regarding gender diversity, nutrition and food safety, and environmental footprint. The board-level sustainability advisory panel has expertise in nutrition, climate, biodiversity, water and ecosystem conversion.

Lobbying and advocacy

One of the areas exhibiting the **lowest level of disclosure** across all topics is **lobbying and advocacy**. This indicator assesses the transparency surrounding a company's lobbying activities, specifically focusing on whether companies provide information regarding the trade associations they are part of globally. It also examines whether companies have implemented a detailed framework to align their lobbying and advocacy activities with sustainability targets (e.g. the Paris Agreement). Finally, it explores if companies have action plans in place to prevent and address misalignments with global sustainability agendas as well as disclose an annual review of their advocacy activities.

Less than 30% (103 out of 350) of companies disclose information on their membership of trade associations, and very few provide evidence of frameworks to assess the alignment of their lobbying activities with sustainability objectives (Figure 15).

FIGURE 15: CORPORATE DISCLOSURE ON LOBBYING AND ADVOCACY

For instance, 34 out of the 77 companies headquartered in North America provide information on trade associations, but none of them disclose how they align their lobbying activities with global sustainability agendas. Three German companies (Bayer, BASF and Aldi South Group), along with Nestlé (Switzerland) and Unilever (United Kingdom), demonstrate the highest level of disclosure regarding lobbying and advocacy, but only Bayer and BASF provide information on their approach to assess alignment with climate targets and report on misalignment action plans. An enabling environment shaped by the right government policies and regulations is critical to incentivise corporate action towards more sustainable food systems. As highlighted in the latest Business for Nature's guide for policy engagement, by advocating measures aimed at achieving climate objectives and more sustainable production systems, and by intervening when their trade groups lobby against those measures, businesses can accelerate the adoption of appropriate government policies which unlock investment and can deliver action at scale (Business For Nature, 2024). Please also refer to the Nature Benchmark's key finding Companies need to cultivate responsible lobbying on nature for more on this topic.

Environment

This measurement area addresses the key issues of sustainable food production. Food production is a key contributor to climate change, deforestation, biodiversity loss and freshwater depletion, with almost half of global 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 transform the food and agriculture system to be more sustainable.

Climate

Key finding – More companies have set climate targets, but progress remains slow

Food systems are responsible for a third of global greenhouse gas (GHG) emissions. Encouragingly, 46 companies have adopted GHG reduction targets in line with the 1.5°C trajectory for their scope 1 and 2 emissions, and they report progress against those targets. This is an increase from 27 companies in 2021. Additionally, 13 companies have set a science-based scope 3 emissions target, which is up from seven companies in 2021. At the same time, 165 companies are yet to disclose any commitments in this area. This is a concern because without urgent action by food and agriculture companies, the Paris Agreement is out of reach.

Climate actions from companies on scope 3

- No disclosure
- Some disclosure on emissions
- Target set
- Target set and reporting progress against it
- Target set aligned with 1.5C and reporting against it
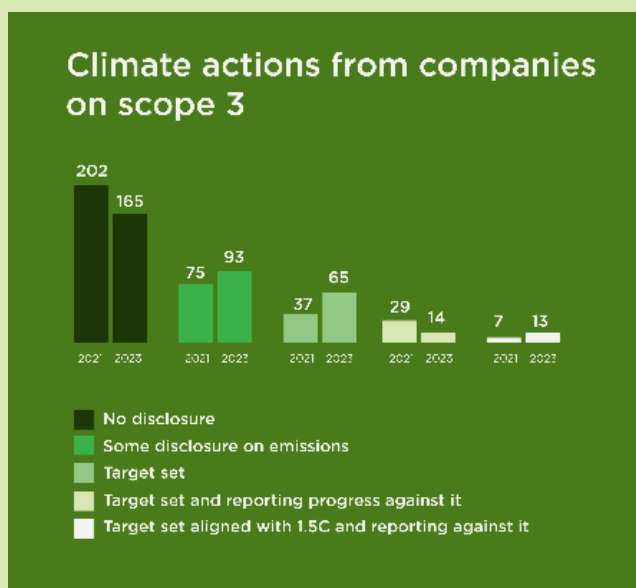
Figure 16 and Figure 17 illustrate the percentage of companies within each value chain segment that have established time-bound emissions targets aligned with the 1.5°C trajectory and report emissions reductions, indicating progress towards these targets.

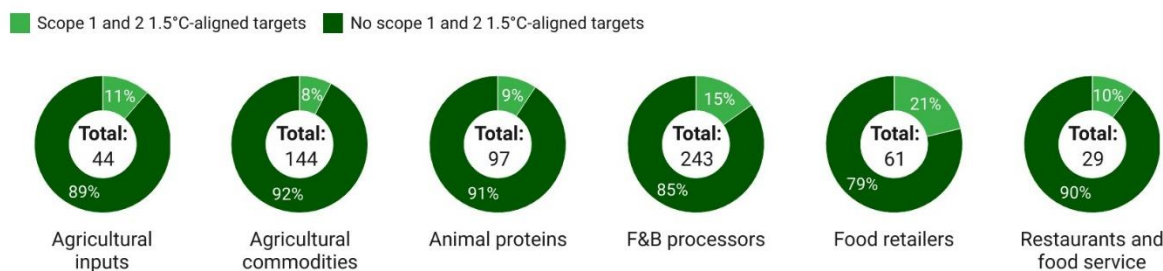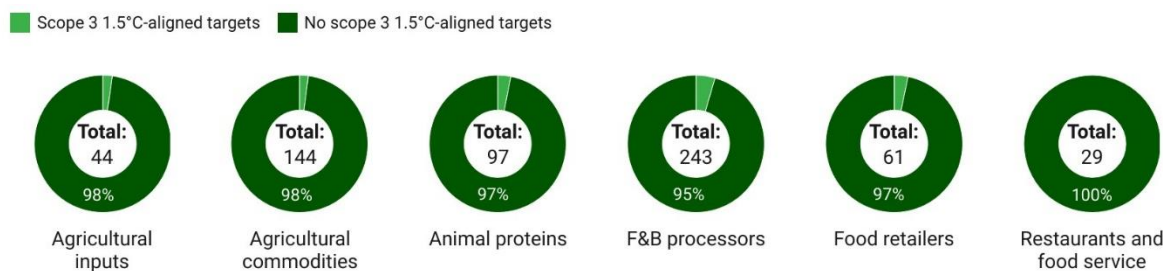FIGURE 16: COMPANIES WITH SCOPE 1 AND 2 SCIENCE-BASED TARGETS BY VALUE CHAIN SEGMENT

■ Scope 1 and 2 1.5°C-aligned targets   ■ No scope 1 and 2 1.5°C-aligned targets

Agricultural inputs	Agricultural commodities	Animal proteins	F&B processors	Food retailers	Restaurants and food service
Total: 44 — 11% / 89%	Total: 144 — 8% / 92%	Total: 97 — 9% / 91%	Total: 243 — 15% / 85%	Total: 61 — 21% / 79%	Total: 29 — 10% / 90%

FIGURE 17: COMPANIES WITH SCOPE 3 SCIENCE-BASED TARGETS BY VALUE CHAIN SEGMENT

■ Scope 3 1.5°C-aligned targets   ■ No scope 3 1.5°C-aligned targets

Agricultural inputs	Agricultural commodities	Animal proteins	F&B processors	Food retailers	Restaurants and food service
Total: 44 — 98%	Total: 144 — 98%	Total: 97 — 97%	Total: 243 — 95%	Total: 61 — 97%	Total: 29 — 100%

Notably, companies operating in high-emitting segments, such as animal proteins and agricultural commodities, exhibit significant lag, with only 8% and 9% respectively having established science-based targets. Specifically, **only two livestock companies (Charoen Pokphand Group and Symrise) have set 1.5°C-aligned targets to reduce scope 1 and 2 emissions**, and none of the livestock-producing companies have set scope 3 emissions targets. This is particularly alarming, especially considering that global animal production is estimated to contribute approximately 12% of all anthropogenic greenhouse gas emissions, amounting to 6.2 gigatons of CO_2 equivalent emissions. Cattle are identified as the primary contributors to these emissions (FAO, 2023).

Within the agricultural commodities segment, ingredients companies are leading the way in setting emissions targets and reporting progress against them. Producers and marketers of fruit and vegetables, as well as the companies active in the grains and oilseed business, are the laggards, highlighting an urgent need for these sectors to establish emissions reductions targets and transition towards more sustainable production practices. Additionally, none of the restaurants and food service companies have established a target to reduce scope 3 emissions.
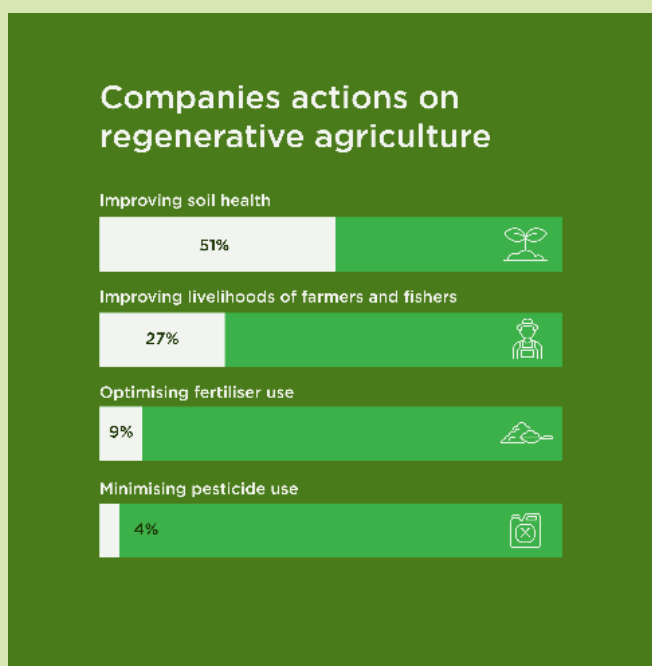
In conclusion, the results indicate a growing level of transparency and alignment in establishing climate targets in line with the 1.5°C trajectory. This trend is further supported by the increasing clarity regarding frameworks and guidance for long-term target setting provided to the private sector. The Science Based Targets initiative (SBTi), and its SBTi FLAG Guidance tailored specifically to land-intensive sectors, have been providing companies with detailed methodologies for setting net-zero standards and emissions targets (SBTi, 2023). However, progress is worryingly slow, especially in some key high-emitting sectors.
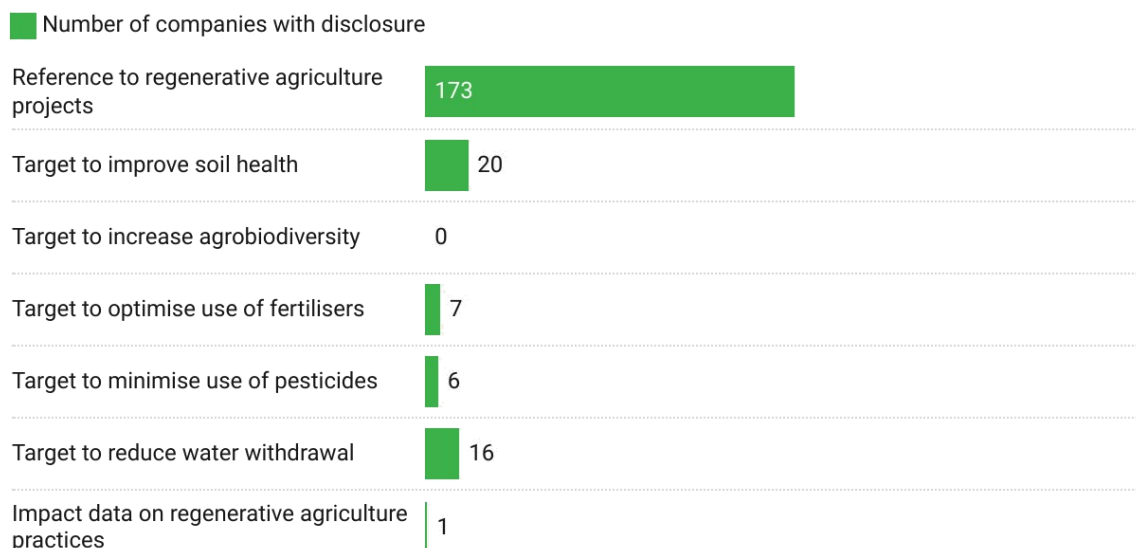
Regenerative agriculture

Key finding – Regenerative agriculture is gaining traction, except when it comes to input use

With almost 50% of agricultural lands moderately to severely degraded, regenerative agriculture practices are hailed as an important lever to restore soil health, increase climate resilience, protect water resources and biodiversity, and enhance farmers' productivity and profitability. This agricultural approach has gained traction in recent years, with 51% of companies assessed referencing it and 27% implementing strategies to improve the livelihoods of farmers and fishers through procurement practices and pricing strategies. Worryingly, less than 10% of companies disclose data on optimising the use of fertilisers, and only around 4% of companies disclose data on minimising the use of pesticides.

Companies actions on regenerative agriculture

Improving soil health
51%

Improving livelihoods of farmers and fishers
27%

Optimising fertiliser use
9%

Minimising pesticide use
4%

Only seven companies have established a target to optimise the use of fertilisers and report progress against it, and six companies have done so for minimising the use of pesticides (Figure 18).

Number of companies with disclosure

Reference to regenerative agriculture projects	173
Target to improve soil health	20
Target to increase agrobiodiversity	0
Target to optimise use of fertilisers	7
Target to minimise use of pesticides	6
Target to reduce water withdrawal	16
Impact data on regenerative agriculture practices	1

Inappropriate agricultural practices are major drivers of biodiversity loss. They contribute to the disruption of ecosystem services that are necessary for agri-food systems. Sustainably managed agricultural lands are crucial for reaching the target of conserving 30% of the planet's land area by 2030, as set out by the Global Biodiversity Framework. Target 10 specifically highlights the importance of ensuring that areas under agriculture, fisheries and forestry are managed sustainably, including the promotion of sustainable use of biodiversity and implementing biodiversity-friendly practices.

While there is no universally agreed-upon definition, 'regenerative agriculture' generally refers to agricultural practices aimed at improving soil health, enhancing water infiltration and storage, increasing farm resilience and reducing reliance on chemical inputs. These practices can have a positive impact on farm biodiversity, carbon sequestration and farmers livelihoods (FOLU, 2023). The majority of the food and agriculture companies assessed report on various regenerative and sustainable agriculture programmes in specific countries or locations or related to specific commodities. However, there is a significant gap when it comes to setting time-bound commitments for the adoption of regenerative agriculture practices across all companies' operations and sourcing. Additionally, it is noteworthy that none of the 350 companies have taken concrete steps to increase and safeguard crop and species diversity. Neither have any of the companies explicitly stated their commitment to improving **agrobiodiversity** in the areas where they source and produce agro-commodities.

Only one company – The Hershey Company – reports on carbon sequestration, indicating that it is measuring the impact and associated benefits of its regenerative agriculture practices. The rest of the companies are yet to demonstrate how they measure the impact of their regenerative agriculture programmes.

There is a need for increased alignment and clarity, both at the farm and global level, on metrics for measuring and assessing the impact of regenerative agriculture practices. The global initiative and coalition Regen10 is playing a pivotal role in developing principles and frameworks to measure how regenerative agriculture practices can achieve positive outcomes at the farm and global level.

In conclusion, while there is increasing implementation of regenerative agriculture practices within the agri-food industry, a critical advancement is needed when it comes to setting concrete, outcome-based targets that can drive this transition. This applies especially to the responsible use of synthetic inputs and protection of agrobiodiversity. Farmer involvement and experience are essential to implement these changes in production systems in a fair and equitable manner. However, companies have not demonstrated significant progress in putting livelihood security at the centre of this transition (see Farmer and fisher livelihoods). Moreover, in order to be held accountable for its contribution to nature and biodiversity conservation, the private sector is encouraged to increase transparency regarding how it measures the outcomes of its sustainable agriculture practices. Please refer to the 2023 Nature Benchmark Insights Report for more information regarding water use and water security.

Best practices

Grupo Bimbo

The company has set two time-bound targets: by 2030, 200,000 hectares will utilise regenerative agriculture practices, and by 2050, all of the company's main ingredients will be sourced from land cultivated using regenerative agriculture practices. Grupo Bimbo is committed to promoting sustainable farming practices and has developed its Global Regenerative Agriculture Framework, outlining its key regenerative agriculture principles. These practices include tillage minimisation, crop rotation, cover crops, integration of livestock and reduction of synthetic inputs. It discloses that it has started regenerative agriculture practices in Guanajuato on 6,776 hectares. It is also conducting corn production projects in the states of Sinaloa and Jalisco and is on track for 3,158 hectares to be farmed regeneratively.

McCain Foods

The company has published a commitment to implement regenerative agriculture practices across 100% of its potato acreage by 2030. The McCain Foods Regenerative Agriculture Framework is used as a pathway to monitor progress. It revolves around six principles and associated regenerative agriculture indicators developed in partnership with other stakeholders. Specifically, the framework includes commitments to ensure farm resilience, protect soils, preferably with living plants, enhance crop diversity and ecosystem diversity, minimise soil disturbance, reduce agro-chemical impact and optimise water use, and integrate organic livestock elements. McCain Foods discloses information on the progress of its regenerative agriculture plans. As of 2022, it indicates that 362 growers were trained on the McCain Foods Regenerative Agriculture Framework, including principles of soil health; and 47% of global acreage implemented at least one indicator from the 'Beginner' level of the framework in four identified priority countries, namely Canada, Great Britain, France and New Zealand.

Food loss and waste

Around 14% of the world's food valued at USD 400 billion per year continues to be lost in the supply chain after it is harvested and before it reaches retail. A further 17% – approximately 931 million

tonnes of food – ends up being wasted in retail and by consumers. Food loss and waste accounts for 8%-10% of annual global greenhouse gas emissions.

The number of companies with targets to halve food loss and waste has seen a modest rise compared to 2021. As of 2022, 33 companies (up from 29 in 2021) have set a target and report on progress against it. While this is an encouraging positive trend, food companies are yet to make significant progress. Currently, only 11% of companies actively report reductions in food loss and waste, while a significant 68% do not indicate any initiatives to address this issue throughout their value chain.

Figure 19 shows the average performance by value chain segment. According to FAO data on food loss and waste, **post-harvest, households and retail** are key stages in the value chain with the **highest percentages of food loss and waste** across multiple countries and commodities. This data highlights the significant roles of agricultural trading companies and retailers in addressing food loss and waste throughout the supply chain. Retailers are at the forefront in terms of making commitments to address the issue (scoring 0.31 on average out a maximum of 1), demonstrating leadership in setting time-bound commitments aligned with SDG 12.3 and collaborating with value chain partners. Progress achieved by food retailers and manufacturers was also driven by initiatives such as the Consumer Goods Forum's Food Waste Coalition and the 10x20x30 initiative. In contrast, **agricultural companies involved in producing, sourcing, trading and transporting agricultural commodities have yet to take concrete steps.**

FIGURE 19: PERFORMANCE ON FOOD LOSS AND WASTE BY VALUE CHAIN SEGMENT
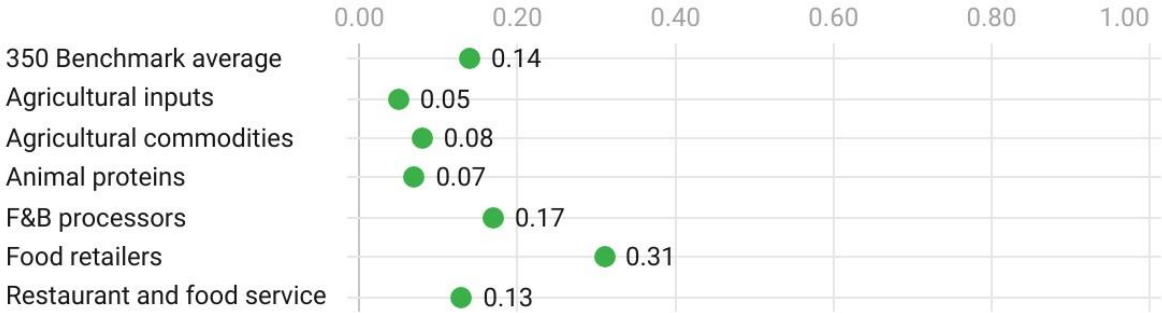
Best practices

Auchan

The company discloses its food loss and waste (FLW) reduction targets in line with SDG 12.3 and regularly reports progress towards them. Furthermore, it discloses various collaborations with its value chain partners to combat FLW. For example, Auchan Retail France joined the Consumption Dates Pact. This includes ten commitments that involve rescuing food products whose best-before dates have expired, thus preventing FLW from occurring.

Metro

The company demonstrates that it is measuring FLW across its own operations while registering a reduction of -11% of food waste produced in FY 2017/18. It also discloses a target to reduce food waste in its own operations (stores and warehouses) by 50% by 2025, in line with the Consumer Goods Forum Resolution, and reports progress against it. Further, it will engage 20 of its suppliers to commit to halving their food waste by 2030 in line with SGD 12.3. The company provides evidence of activities to collaborate with value chain partners to prevent FLW from being generated, such as joining the World Resources Institute's 10x20x30 initiative in September 2019 and the Too Good To Go initiative.

Nutrition

This measurement area addresses key actions that are needed to achieve healthy and sustainable diets. Globally, one person in ten is hungry or undernourished, while one in three adults is overweight or obese. Healthy diets are unaffordable to 3 billion people in the world, and diet-related health costs are projected to exceed USD 1.3 trillion per year by 2030. Food and agriculture companies have a unique role to play in realising this transformation.

Availability of nutritious foods

Key finding – Food companies are not prioritising health

Malnutrition impacts approximately a third of the global population. We need urgent action from companies to help prevent food insecurity, micronutrient deficiencies and diet-related diseases. Reformulation, a change to a food or beverage's processing or composition, can reduce potentially harmful ingredients or nutrients – salt, added sugar, saturated and trans-fat – or increase potentially beneficial ingredients or nutrients – micronutrients, vitamins, fibre or protein. Currently, **only 49 (18%) consumer-facing companies share progress on their reformulation activities to improve the nutritional quality of their products.**

The use of nutrient profiling systems serves to differentiate between foods likely to have a positive impact on diets and those less likely to do so. They can be used to guide product reformulation, implement easy-to-understand nutrition labels (front-of-pack) and introduce marketing restrictions.

While in recent years, the private sector has developed various internally designed nutrient profiling models, several governments – in Australia, New Zealand, Chile, United Kingdom, Denmark and Norway, among others – have attempted to harmonise nutrition criteria by translating key public health nutrition recommendations into nutrient profiling models.

Although there is an encouraging trend of companies adopting nutrient profiling systems, **only 18 companies utilise externally validated systems aligned with governmental or widely recognised nutritional guidelines.** Several companies headquartered in countries such as Australia, France and the United Kingdom (Figure 20) employ nutrient profiling systems endorsed by the respective governments. These companies are also the ones stepping up their nutrition commitments by setting targets to increase the share of sales from healthy foods, as defined by the nutrient profile models. **Only five companies – Danone, Woolworths Group, NorgesGruppen, Tesco and Sainsbury's – have set these targets, with retailers leading the way.**

Country	Nutrient profiling systems	Target to increase healthy product sales	Front-of-pack labels	No. of companies
Australia	67%	33%	100%	3
France	19%	5%	38%	21
Ireland	50%	0%	50%	2
Japan	3%	0%	7%	29
Mexico	14%	0%	14%	7
Netherlands	25%	0%	38%	8
New Zealand	100%	0%	100%	1
Switzerland	20%	0%	20%	5
United Kingdom	44%	22%	67%	9
United States of America	2%	0%	20%	60
Norway	0%	33%	100%	3
Belgium	0%	0%	67%	3
Canada	0%	0%	14%	7
Colombia	0%	0%	100%	1
Denmark	0%	0%	25%	4
Germany	0%	0%	42%	12
Indonesia	0%	0%	50%	2
Italy	0%	0%	14%	7
Portugal	0%	0%	100%	1
Singapore	0%	0%	40%	5
South Africa	0%	0%	17%	6
Spain	0%	0%	25%	4
Thailand	0%	0%	20%	5
Luxembourg	0%	0%	100%	1

Sixty companies, a third of which are retailers, disclose that they have adopted front-of-pack labelling systems. These systems, which are aimed at assisting consumers in selecting healthy choices, encompass various nutrition labelling schemes, including reference intake and interpretive systems like Nutri-Score and Health Star Rating.

These findings highlight the importance of supportive policy interventions aimed at increasing harmonisation of dietary guidelines and nutrition regulations. Some food and beverage processors, such as Grupo Bimbo, Nestlé and Unilever, are also using widely recognised nutrient profiling systems to measure the healthiness of their global portfolios. Nonetheless, concrete action is only visible in a smaller set of leading food manufacturing and retailing companies, mostly based in Europe and the Asia-Pacific region.

Best practices

Danone
Target to increase healthy product sales – The company has set a 2025 target to achieve more than 85% volume sold of dairy, plant-based, water and aquadrinks rated ≥3.5 stars by Health Star Rating. It discloses that 88.0% of product volumes sold scored 3.5 stars according to the Health Star Rating system, and 89.3% of product volumes sold were compliant with Nutri-Score A or B, stable relative to 89.3% in 2021. Danone was also ranked first in the Access to Nutrition Global Index's product profile assessment.

Woolworths Group
Target to increase healthy product sales – The company has a target to grow the proportion of sales of healthier products (≥3.5 Health Star Rating) in its supermarkets by 50 basis points annually (2022

Key finding – Restaurants and food service companies are lagging behind

As food away from home is rapidly expanding across the globe, restaurants and food service providers in particular need to step up. In South-East Asia, for example, many people consume one or more out-of-home meals daily. However, most companies serving these people fail to make their food offerings healthier. Restaurant chains and food service companies perform significantly worse compared to other consumer-facing companies assessed in the benchmark.

Restaurant and food service menus

14/29 companies work towards healthier menus

3/29 companies reduce sugar, salt, fat in their menus

0/29 companies set targets to increase healthier options

Only three companies in this segment report evidence of reductions in sugar, salt and fat across their menus, and no restaurant chain mentions an increase in the availability of healthier menu options that include more fruit and vegetables, wholegrains and fewer highly processed foods. Food service companies perform better than restaurant chains, and companies such as Sodexo, Aramark and SSP demonstrate clearer commitments and are implementing strategies aimed at promoting healthier options for consumers. Only one company – Elior Group – is using a nutrient profiling system to guide improvements in its menus and support consumers in identifying healthy menu choices.

The risk of child overweight is growing due to high consumption of highly processed foods and consumption of food away from home, especially in urban centres but increasingly in more rural areas (FAO, IFAD, UNICEF, WFP and WHO, 2023). Globally, one in five children aged 5-19 years is overweight, and food environments, including how foods are marketed, play a critical role in influencing children's diets (WHO, UNICEF, 2023). Worryingly, **only one company in the restaurants segment has introduced a policy to restrict marketing to children.** All the other companies have yet to demonstrate how they are restricting children's exposure to marketing of unhealthy foods, such as those high in saturated fats, trans-fatty acids, free sugars or salt.

Social inclusion

This measurement area incorporates WBA's 18 core social indicators that assess companies on their efforts to respect human rights, provide and promote decent work and act ethically. In addition, the measurement area includes six transformation-specific social inclusion indicators which are particularly relevant for the agricultural sector due to the large impacts companies have on local communities and the high rates of related incidents occurring throughout the supply chain and in developing countries. The topics range from land rights to human rights such as forced labour and health and safety of vulnerable groups. Each company across the value chain has a responsibility to promote social inclusion throughout its operations and supply chain.

Farmer and fisher livelihoods

Key finding – Companies are not closing farmers' and fishers' living income gaps

The 350 companies in scope source at least 30 different food commodities, such as coffee, cocoa and palm oil, from around 75 million small-scale producers based in 40 low- and middle-income countries. Most of these countries are impacted by persistent poverty. Thus, companies need to address farmers' income challenges. Encouragingly, 27% of companies support farmers' income stability through procurement and pricing practices. However, less than 4% of companies identify living income benchmarks or calculate living income gaps. These steps are crucial to design impactful and tailored interventions that support farming households to earn a sufficient income for a decent standard of living, while considering the diverse realities of farmers across the globe.

Companies commitments to paying farmers a living income

27% with activities to improve livelihoods of farmers and fishers

4% work to bridge living income gaps
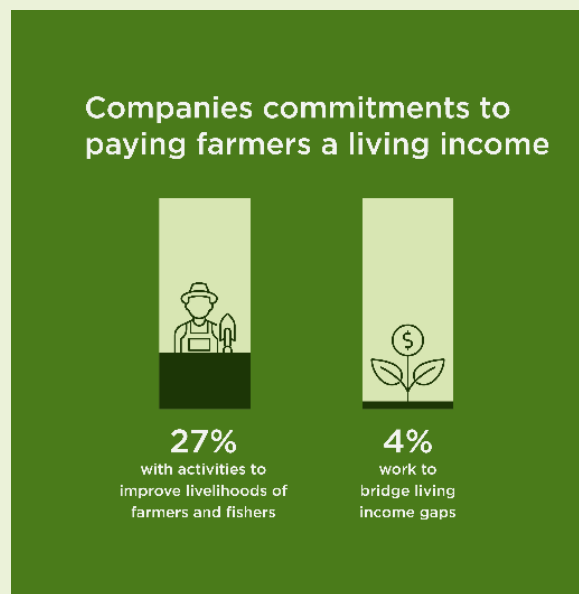
According to a study (Fair Trade, Sustainable Food Lab, 2022) conducted by the Living Income Community of Practice, companies should support a living income because it is a moral or legal imperative to ensure smallholder producer partners can afford a decent standard of living. Many smallholder farmers who produce food for global supply chains live in poverty. Secondly, from a reputational standpoint, it is wise for companies to protect and promote their image with stakeholders and consumers in the face of growing advocacy pressure and consumer expectations. Finally, to ensure supply chain security, it is necessary for farming and fishing to be economically viable so that farmers and fishers continue to produce quality products that meet company specifications and consumer preferences. **However, food and agriculture companies do not implement these steps at scale: 64% of companies do not disclose activities to assess and support farmers' or fishers' living income.**
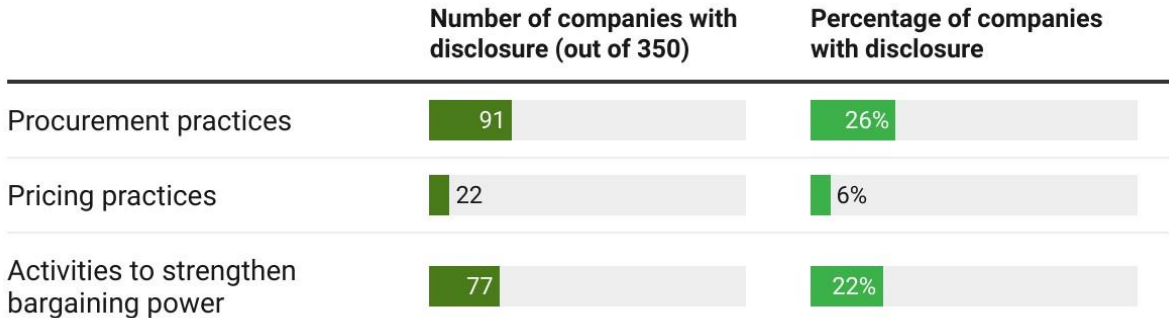
Only 2% of companies disclose how they assess living income gaps, a necessary step for companies to undertake to identify and support small producers with a higher, more stable and equitable income. Among those, OLAM International discloses a tool called LIGHT (Living Income Gap Heuristic Tool) that it developed with the Rainforest Alliance, Ofi and Agri-Logic to estimate the living income gap of

farmers across its supply chains. Unilever assesses living income gaps in agriculture supply chains on five key crops (tea, palm oil, vanilla, cocoa and vegetables), with 85% of the farmers in scope assessed for living income gaps. Unilever further launched the Living Wage/Income Partner Promise, which is a public declaration by its partners to identify living wage gaps in their businesses.

Companies can improve farmer and fisher resilience through a range of activities, including procurement and pricing practices or by strengthening farmers' and fishers' bargaining power. Eighty-five companies (24%) disclose activities in one or more of these areas. Companies can positively influence the income prospects and stability of farmers and fishers by sourcing more types of products from these producers; by paying the living income reference price or living income differential for some commodities; or by fostering the active participation and leadership of farmers and fishers and their representative organisations in the design and implementation of living income strategies. Figure 21 illustrates that companies exhibit stronger disclosure in certain areas, highlighting a notable gap in the development of pricing practice activities on the ground.

FIGURE 21: NUMBER OF COMPANIES SUPPORTING ACTIVITIES ON LIVING INCOME

	Number of companies with disclosure (out of 350)	Percentage of companies with disclosure
Procurement practices	91	26%
Pricing practices	22	6%
Activities to strengthen bargaining power	77	22%

Best practices

Flour Mills of Nigeria
Procurement practices – The company exemplifies best procurement practices through its YALWA project. The Golden Fertilizer plant in Kaduna serves as a central hub, offering agro-inputs, agronomy training and soil testing to bridge supply gaps. The YALWA Abundance project engages 10,000 smallholder farmers, providing cultivation support, agronomic training and input loans. This initiative aims to enhance maize and soyabean productivity while minimising post-harvest losses.

Mondelez International
Pricing practices – Through its Cocoa Life programme, the company not only pays the living income differential but also provides additional premiums to cocoa farmers in Ghana and Côte d'Ivoire. This approach ensures that farmers receive not just the essential living income support but also extra compensation, underscoring Mondelez's dedication to fostering sustainable and equitable practices in the cocoa supply chain.

Yili Group
Strengthening bargaining power – In an effort to enhance farmers' bargaining power, Yili Group initiated a dairy cooperative in Bayannur, Mongolia, using a crowdfunding model. Over 230 farming households became shareholders in the newly established Zhongcheng Dairy Cooperative. Yili Group provided subsidies for cow purchases, financial support and signed agreements with members. The company also collaborated on special dividend policies, particularly benefitting households in economic hardship. This comprehensive approach showcases Yili Group's commitment to empowering farmers and fostering a sustainable dairy ecosystem.

Child labour and living income

Achieving a living income is crucial for reducing the likelihood of other human rights risks occurring. For example, rural families lacking a living income are more inclined to retain their children on the farm for labour (Fair Trade, Sustainable Food Lab, 2022). Child labour and the lack of a living income for farmers are pressing issues in the agricultural sector, with profound implications for global food and agriculture companies. The International Labour Organization (ILO) further stresses the provision of a living income as a tool for companies to guarantee children do not engage in labour by promoting adequate rural livelihoods and resilience for farm families (UNICEF,ILO, 2021). Case studies further illuminate the nexus between the lack of a living income for farmers and the prevalence of child labour in agriculture. In Pakistan, a study conducted in rural areas highlighted that farmers grappling with meagre incomes were more likely to engage children in agricultural tasks, thereby impeding their education and perpetuating a cycle of poverty (Sciences, Sri Lanka Journal of Social, 2020). Similarly, in sub-Saharan Africa, a report documented the experiences of smallholder farmers struggling with low incomes, leading them to enlist children in hazardous tasks, contributing to adverse health outcomes for the children involved (FAO, 2022). These case studies provide real-world examples of the challenges faced by farming communities worldwide.

Companies must have strong policy commitments on the prohibition of child labour, including on assessing the age of employees for all their suppliers. Policy commitments serve as a legal ground for the private sector to hold suppliers accountable, thus playing a crucial role in combatting child labour.

Despite the international focus on and established frameworks aimed at addressing child labour, a mere 39 companies (11%) include child labour requirements in their contractual arrangements with suppliers. This highlights a significant gap in governance actions, where companies fall short in translating global standards into tangible policies.

As incidents are present, it is important for companies to be **transparent and to work with suppliers on eradicating social risks and remediating negative social impacts on the ground. However, only 8% of the 350 companies assessed showcase how they support suppliers in combatting and reducing the risk of child labour.** As Figure 22 shows, European companies have a higher level of disclosure on commitments and activities to prevent child labour.

FIGURE 22: PERCENTAGE OF COMPANIES WITH DISCLOSURE ON CHILD LABOUR COMMITMENTS AND ACTIVITIES WITH SUPPLIERS PER REGION

	Child labour supply chain requirements	Activities with suppliers	No. of companies
East Asia & Pacific	26%	22%	92
Europe & Central Asia	38%	52%	122
Latin America & Caribbean	0%	0%	28
Middle East & North Africa	0%	0%	3
North America	33%	26%	86
South Asia	0%	0%	10
Sub-Saharan Africa	2%	0%	9

Exemplary activities regarding how companies can work with suppliers to prevent child labour:
- Organise capacity-building programmes for suppliers such as child labour e-learning, educational and awareness activities, and workshops.
- Use the Child Labour Monitoring and Remediation Systems, specifically in the coffee, cocoa and palm oil sectors.
- Have in place remediation processes that include: (a) the provision of school kits and birth certificates, (b) a requirement to enable attendance at school, (c) supporting families and communities as well as suppliers with education and training on child labour awareness and follow-up visits.
- Conduct projects on child labour with specific suppliers for high-risk commodities or areas.
- Join on-the-ground projects with NGOs which directly address the issue of child labour within the private sector (such as Save the Children, Rainforest Alliance, Child Rights and Business or the ILO). An example is the Accelerating Action for the Elimination of Child Labour in Supply Chains in Africa (ACCEL Africa) project in Côte d'Ivoire.

A few leading companies use living income and financial support to reduce child labour in communities. OLAM International and ED&F Man disclose activities related to improving farmers' livelihoods. Lidl and Sucden directly support families with financial provisions when child labour has been identified, while the Hershey Company and Cargill have a positive impact on the ground by providing income-earning opportunities.

Human rights due diligence

The food and agriculture sector stands out as a high-risk area for human rights abuses on a global scale. The sector is known for its possible human and labour rights violations. Its complex supply chain makes it crucial for companies to proactively identify and address human rights risks throughout the entire value chain. Despite the existence of well-defined global frameworks – such as the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's Conventions – WBA's Food and Agriculture Benchmark shows that many companies are slow to disclose a comprehensive human rights due diligence process. This hinders their ability to manage risks and to protect employees and local communities affected by their activities. **Nevertheless, the 2023 research shows a positive trend as 12% of the 350 companies – compared to 8% in 2021 – disclose having a comprehensive human rights due diligence mechanism in place.** This enables companies to manage potential and actual adverse human rights impacts and involves, among others, (a) the identification of human rights risks, (b) the assessment of the most relevant or salient human rights risks and (c) a global system to prevent, mitigate or remediate the salient human rights issues.

Therefore, identifying human rights risks within the supply chain is the first step of a human rights due diligence process and is essential for creating an understanding of the types of human rights risks faced within a company's supply chain. **Only 5% of the companies assessed disclose the process of human rights risk identification for all their business activities.** Among this 5% (18 companies), 53% are headquartered in Europe, followed by East Asia and Pacific (26%), with the majority of those (68%) in Japan.

Recommendations

Benchmarked companies

Companies should assess their impacts – taking a full value chain perspective – and make decisions which will contribute to healthy, sustainable and just food systems. Key actions include:

- Setting SMARTER targets – specific, measurable, ambitious, relevant, time-bound, evaluated, and reviewed – to demonstrate tangible commitments on key sustainability topics.
- Engaging and collaborating closely with supply and value chain partners on key sustainability topics.
- Building expertise across the key areas of food systems transformation – environment, nutrition and social inclusion – by investing in training and capacity building across executive and management teams.
- Engaging with WBA during the company assessment process and subsequent 'Community of Practice' learning sessions.

Financial institutions

Financial institutions should make efforts to provide products, services and capital to support the global food systems transformation agenda, and engage customers, investees and other stakeholders on this journey. Key actions include:

- Identifying and monitoring positive and negative impacts that companies have on sustainable food systems and using these findings to guide capital allocation and company engagement.
- Advocating financial flows aligned with science-based global targets, and evidence-based guidance on healthy diets to drive transformation.
- Fostering a shared understanding of goals and responsibilities among investors, investees and other financial actors in the food and agriculture sector.
- Joining finance networks like FAIRR or the Good Food Finance Network to coordinate action towards sustainable food systems.
- Working with other stakeholders to build momentum for food systems transformation, for instance by joining the WBA Food Collective Impact Coalition kicking off later this year.
- Using available tools and guidance in stewardship activities such as WBA's Food and Agriculture Investor Guidance and benchmark findings to inform the engagement rationale.

Policymakers

Policymakers can use the results of the benchmark to contribute to the transformation of food systems, ensuring greater equity and resilience. These insights feed into the improvement of key areas in the food and agriculture space, notably:

- *Living wage and income* – encouraging the adoption of living wage and living income principles in national policies for sustainable value chains in line with ILO agreements or similar to initiatives undertaken by Germany, the Netherlands, Belgium and Luxemburg.
- *Public-private partnerships* – establishing public-private partnerships to support farmer livelihoods, as demonstrated by initiatives like the Coffee Public-Private Taskforce in Mexico, and providing incentives for companies to participate in initiatives that promote living incomes for farmers, such as facilitating market linkages.
- *Corporate reporting* – ensuring that companies align with global reporting standards to set and report against key sustainability targets relevant to the food system such as climate and social standards.
- *Alignment with global agendas* – aligning national policies and programmes with the SDGs and the global food systems transformation agenda through initiatives such as the UN Food Systems Summit Stocktaking Moment.
- *Protection of small-scale producers* – ensuring that public policy aimed at changing the conduct of large multinational corporations with respect to issues such as environmental protection, labour standards or product safety places the responsibility for compliance and adherence on large corporations and avoids any unintended consequences for smallholder farmers and small-scale suppliers.

Civil society organisations

Civil society organisations have an important role in articulating societal expectations of businesses and holding them accountable for their actions. Key actions include:

- Continuing to push for progress through advocacy and campaigns to limit the negative impacts businesses have, or via research and investigations to expose business violations of human rights and the environment.
- Engaging and educating companies on best practices, including effective stakeholder engagement with meaningful participation by rightsholders, and obtaining and maintaining their free, prior and informed consent (FPIC).
- Working with other stakeholders to build momentum for food systems transformation. For instance, by joining the WBA Food Collective Impact Coalition kicking off in Q2 2024.
- Positioning the private sector as a key contributor to the food systems transformation by socialising the results of the benchmark and establishing the need for corporate accountability.

Acknowledgements

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