

How increased transparency will make food more sustainable

Koen Boone, WUR, 20 September 2022

Masterclass Food & Agri principles for Financials

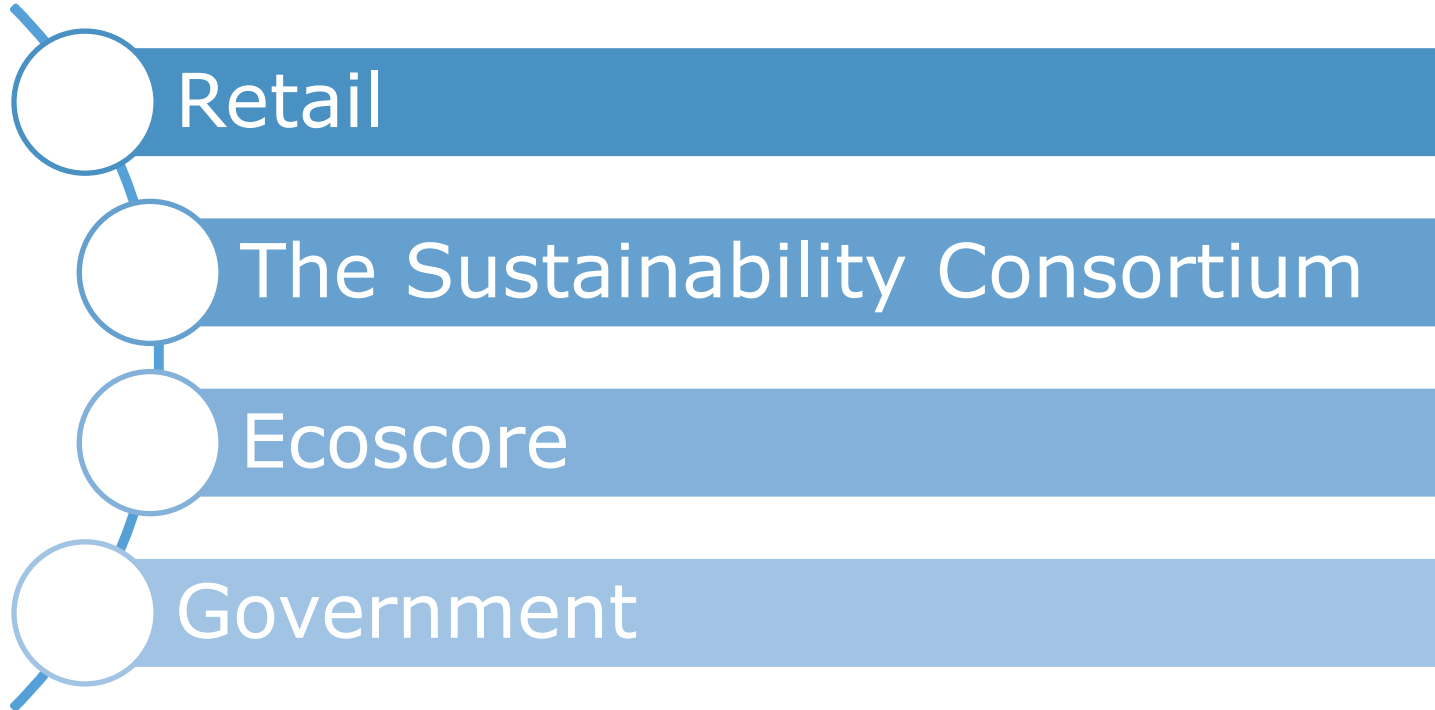


Game changer

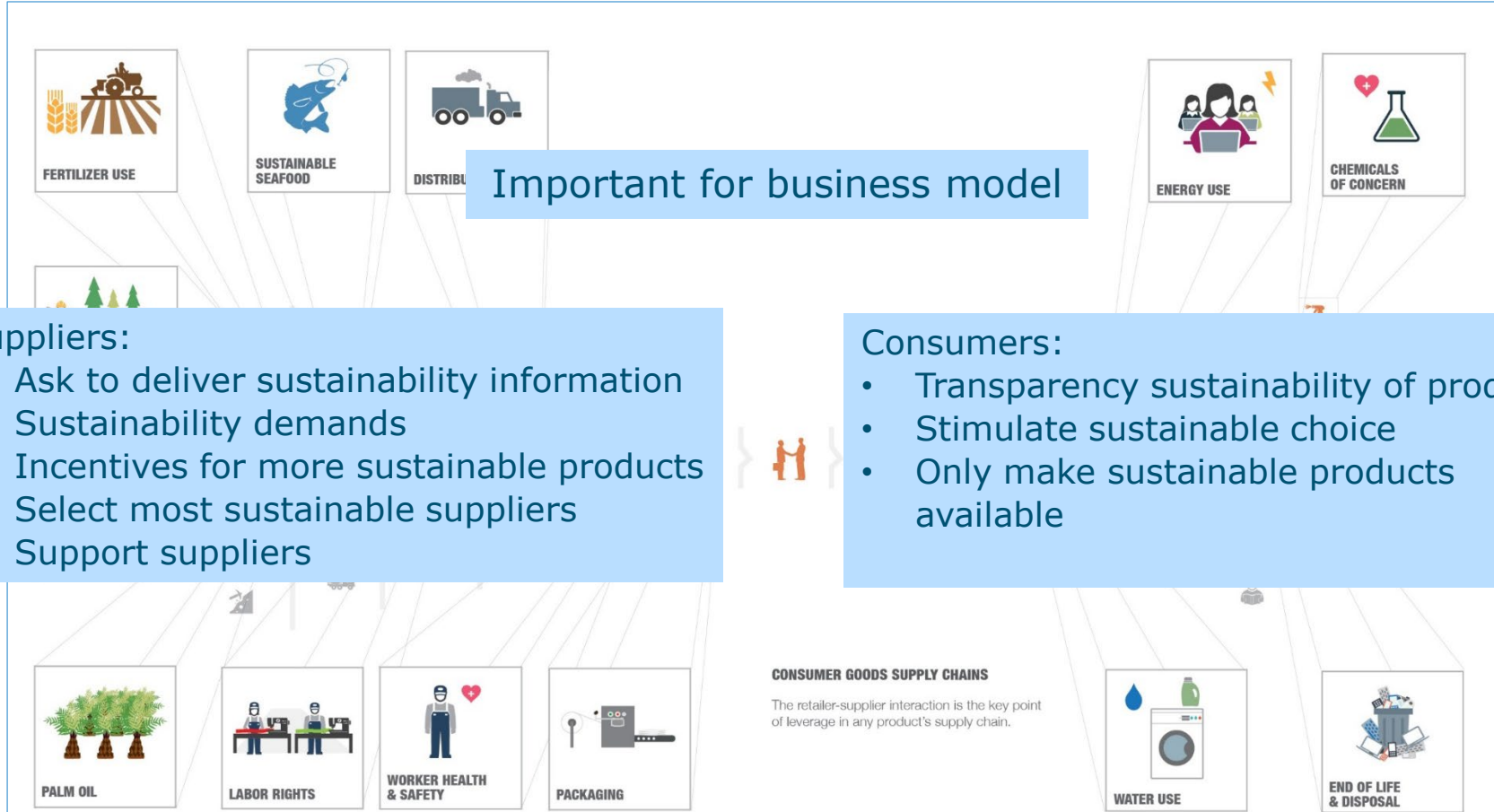
- Now: Transparency on voluntary base using own format/indicators
- Governments, financial sector and retailers: transparency for all using harmonized impact indicators
- Company, Product and Investment level
- Creates new opportunities for incentives from all stakeholders
- Greenhouse gas emissions initiator.... other themes follow



Agenda



Retailer's role in transforming supply chain












Transparantie duurzaamheid Voedsel

- 11 Topkeurmerken (marktaandeel 16%): Beperkt aantal thema's, geen continue verbetering
- Tientallen labels/claims die niet veeleisend zijn
- 84% voedsel geen info duurzaamheid
- Geen ondersteuning bij keuze tussen productcategorieën



Impact (LCA) initiatives

Product Environmental Footprint (PEF)	Eco-Score	Planet-Score	Envirocore	Eco-Impact	The Sustainability Consortium	Made Green in Italy	Coop Sweden Sustainability declaration	French government proposal
								

Supply:

- LCA methodology harmonized
- LCA databases
- Data exchange supply chain

Demand:

- GHG/SBTI
- Prevent greenwashing
- Comparison between product categories

Life Cycle Assessment (LCA):

The systematic analysis of the potential environmental impacts of products or services during their entire life cycle.



Impacts covered



climate
change



water use



land use



acidification



ozone
depletion



human toxicity
non-cancer



marine
eutrophication



eco-toxicity
freshwater



terrestrial
eutrophication



particulate
matter



resource use
minerals and metals



resource use
fossils



freshwater
eutrophication



human toxicity
cancer effects



ionising radiation
human health



photochemical
ozone formation
human health

Normalisation

results divided by normalisation factors
defined based on yearly emissions
of an average global citizen



Weighting

normalized results multiplied
by weighting factors
(expert panels,
planetary boundaries,
reliability of indicator)



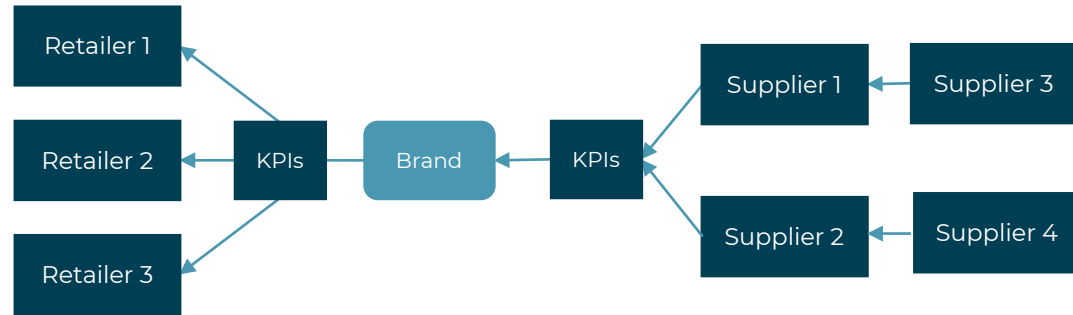
Single score



Additional
environmental
information

TSC's Sustainability Insight System (THESIS)

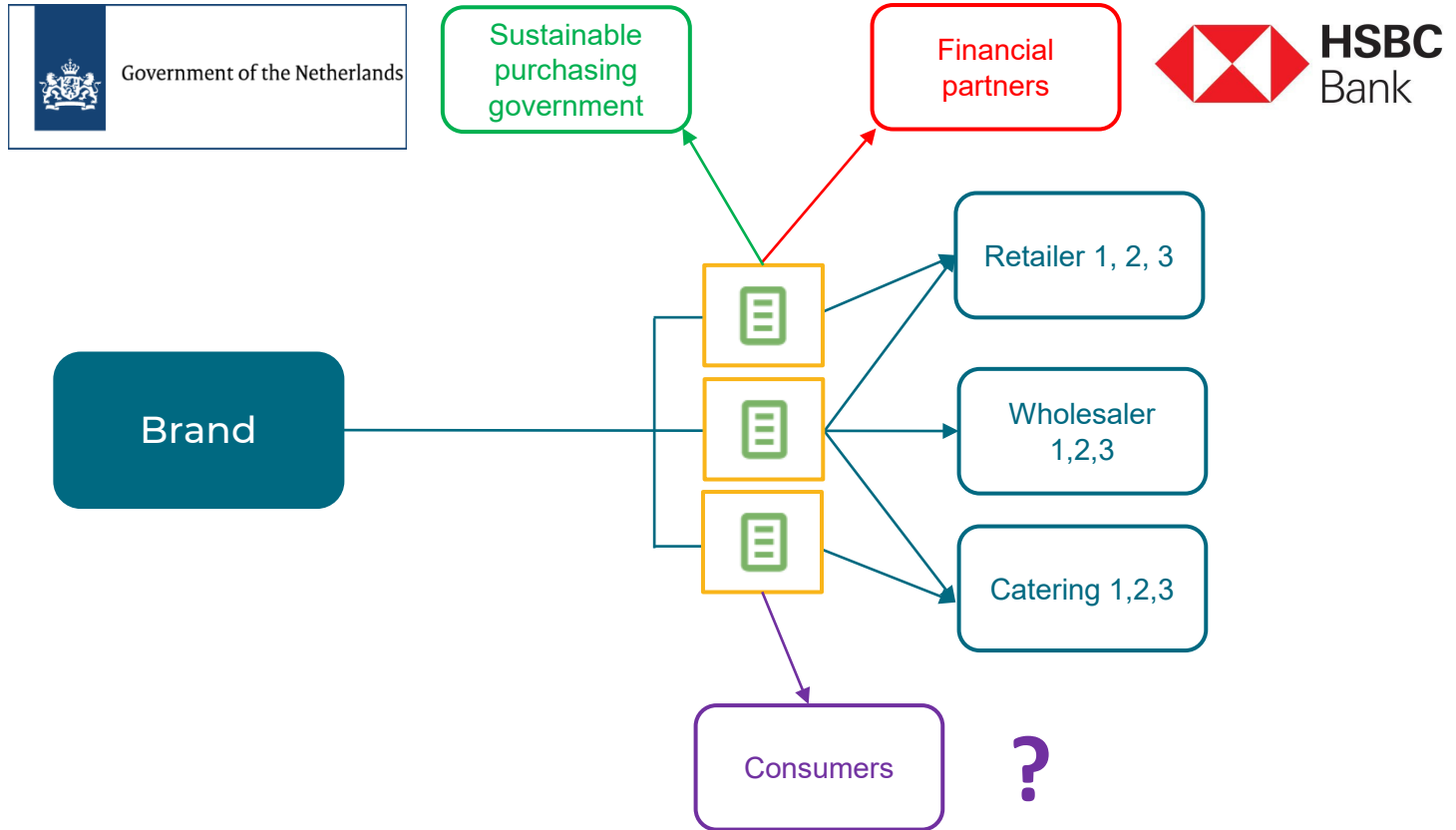
- The Sustainability Consortium: **Cooperation** between **industry**, **ngo's** and **science**
- Indicators for **115** consumer product **categories**
- **Social and environmental**
- **Minimize cost** by global harmonisation, alignment with leading initiatives and scale
- Implemented by nearly 2000 companies to report to retail/wholesale/catering/hospitality



Member Network



Multiple use of the results



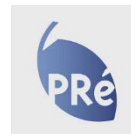
Extensive implementation of TSC in Netherlands



TKI Agri&Food
Postbus 557
6700 AN Wageningen
www.tki-agrifood.nl



TOPSECTOR
TUINBOUW & UITGANGSMATERIALEN



Nederlandse Vereniging voor de Bakkerij



Implementation
2014-2021

About 150 suppliers of
these organisations

50 different product
categories



Rabobank



Ministerie van Economische Zaken

Ecoscore

Product category averages

- French LCA database: Agribalyse
- Based on PEF-methodology
- 2500 productcategories

Product specific data

- Labels
- Origin ingredients : Transport
- Origin ingredients : Environmental policy
- Circularity Packaging
- Threatened species (RSPO/Fish)

Score LCA /100

+

-30/+25

=



<https://docs.score-environnemental.com/methodologie/fonctionnement-general>

Offline/online

Impact measurement: Potential high impact

- Available for all food
- Broad set of impact categories
- Continuous improvement
- Multi-purpose:
 - B2B & B2C
 - Within & between product categories

- Workload
- Assurance
- Methodological issues
 - Integrate politics
- Incentives - Business model

Potential to have high impact on sustainability of food

Critics on use of LCA for consumer communication

“Norwegian Consumer Agency (June 22): [LCA based] Higg Index is misleading and therefore illegal. The index does not document the environmental properties of a particular product but measures the average environmental impact of a particular material, which does not necessarily apply to the exact product”.

Letter of group of NGO's to European Commission (March 22):
“The PEF methodology is not adequate to assess the environmental performance of agri-food products”

Governments





Circular Economy
Action Plan



EUROPEAN
GREEN DEAL

EUROPEAN
GREEN DEAL



Initiative on
substantiating Green
Claims

- Framework for the provision of product environmental footprint (PEF) information to consumers

Nov 2022

Sustainable Food
Labelling Framework

- Sustainable food labeling framework that covers the nutritional, climate, environmental and social aspects of food products.

2023

Consultation
open

Corporate
Sustainability
Reporting Directive

- EU mandatory sustainability reporting standards including assurance and definition of indicators

Reporting
on 2024

First drafts
available



Sustainable Corporate
Governance

- Directors Duty: Integrate sustainability into long term corporate strategies
- Due diligence obligation supply chain

Q1 2022

International
Sustainability
Reporting Standard

- Standard developed by global financial reporting authority (IFRS)
- Expected to be adopted by National regulators

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Goal: Help consumers make sustainable decisions and stimulate sustainable food production

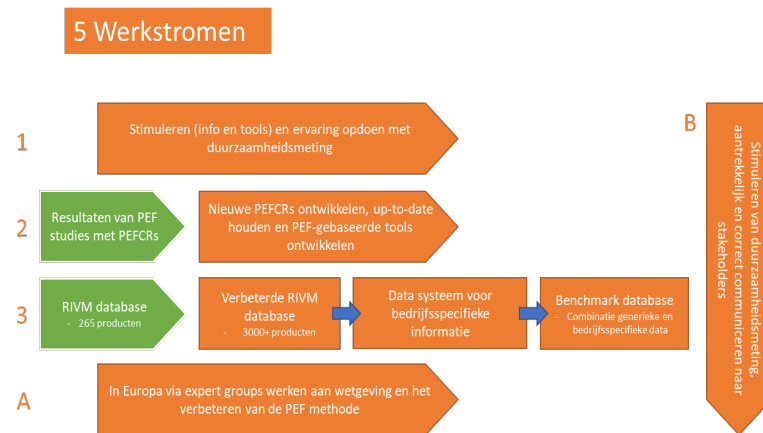
- French government will introduce Ecolabel in 2023
- All foodproducers are expected to report
- PEF based
- SME's report in simple way



Other countries work on similar solutions but with longer time horizon, on voluntary base or only covering climate

Climate covenant: Working group footprint

- Harmonized methodology for measuring environmental footprints of all food consumed in Netherlands
- Method to communicate results in supply chain (including consumers)
- Implemented before 2025
- Voluntary base



Members:

LVN, WUR, CBL, FNLI, MVO, Nepluvi, Nevedi, ANEVEI, COV, NZV, Groenten en Fruithuis, NB/FWS, Vereniging Schelpdierhandel, Avebe, Cosun, Friesland Campina, Do it organic, Agrifirm, Unilever, HAK, Delinuts, Vion, Superunie, Jumbo, ABN AMRO, Rabobank (Joost Wegman), RIVM, Natuur en Milieu en Milieu Centraal

Labeling is not THE solution

- Labeling of all food creates new opportunities
 - Total bill, gaming, green points, true price, financial incentives
- FarmertB, BtB, BtR, BtFinance, BtGovernment
 - Kringloopindicatoren LNV
- Right incentives to act on data
 - Transparency around use of sustainability impact data by all stakeholders and retailers in particular
 - LNV works with WUR on reporting standard for retailers



Conclusions

- Impact measurement becomes scalable
- Still challenges to solve but many resources available
- Game changer if combined with transparency around use and right incentives



Thanks for your attention

Questions?

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