



# *Driving Change:* Business Commitments to Food Systems Transformation

UNFSS Business Declaration Progress Update Report



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## Executive summary

Senior executives representing 163 businesses signed the Business Declaration on Food Systems Transformation as part of the United Nations Food Systems Summit in 2021, committing to actions in six areas:

1. Provide investments in research and innovation
2. Scale science-based solutions
3. Create transparency
4. Incentivize consumers as agents of change
5. Ensure equitable transformation
6. Contribute to improved livelihoods and well-being.

WBCSD and the World Benchmarking Alliance (WBA) have assessed the progress made since then, using both quantitative and qualitative approaches, drawing on data from the WBA Food and Agriculture Benchmark (covering 28 of the 163 business signatories), complemented by expert input from WBCSD's extensive experience working with companies on sustainability solutions.

The main findings are that while the signatory companies outperform on the Food and Agriculture Benchmark as a whole and thus continue to play a leadership role in driving change across the sector, they have *not improved* in their sustainability performance between 2021 and 2023 more than average.

### The main lessons from our assessment based on the six commitment areas

Examples of actions to **scale science-based solutions** include setting and reporting on scope 3 targets and scaling sustainable agricultural practices. There has been some progress across the signatory company group on scope 3 and soil health. However, while the group performs better than average on responsible input use, progress has been very limited over the past two years.

To **create transparency**, companies must develop robust sustainability strategies and governance structures. Almost all the companies that signed the Business Declaration score above average on these indicators.

Performance on **equitable transformation** remains far behind climate and nature, which had been the major focus of sustainability efforts until recently. However, Business Declaration signatories perform significantly better than average on human rights indicators, with an increasing number identifying human rights risks and impacts in their sustainability reports (10% increase since 2021) and acting on these impact assessments (18% increase since 2021).

Significant work is needed to **improve livelihoods and well-being**, with 70% of the Business Declaration signatories scoring 0 on WBA's living wage indicator.

Companies are **providing investments in research and education** through collaborations with governments, research institutes and value chain partners, including initiatives with farmers to scale the adoption of new technologies. Yet, there is a need for greater focus on sustainability in research and innovation strategies. A lack of data prevented a quantitative assessment of progress but recent changes to European Union regulations raise expectations for greater data availability.

To **incentivize consumers as agents of change**, the Business Declaration signatories perform above average in providing nutritious foods and alternative proteins and disclosing information about their marketing activities. A quarter have increased their score on the availability of nutritious foods since 2021, indicating progress in this area.

Overall, the Business Declaration signatories continue to play a leadership role in the industry, but while they show some progress, significant scaling is needed, as the analysis identified a number of areas where signatory companies have not taken action yet. Throughout the sector, there is an **urgent need for a step change in ambition to transform food systems for people, nature and climate**, through accelerated action, strengthened corporate performance and accountability and an enabling environment.

## Background

In 2021, 228 senior executives signed the Business Declaration on Food Systems Transformation at the United Nations Food Systems Summit, committing to help lead the food systems transformation by implementing priority actions in companies, value chains and sectors.<sup>1</sup> This declaration outlines **six commitment areas** for business action for more sustainable and equitable food systems:

1. Provide investments in research and innovation
2. Scale science-based solutions
3. Create transparency
4. Incentivize consumers as agents of change
5. Ensure equitable transformation
6. Contribute to improved livelihoods and well-being.



Two years on, the World Business Council for Sustainable Development (WBCSD), which convened the Food Systems Summit's Private Sector Guiding Group, has worked with the World Benchmarking Alliance (WBA) to assess progress made against the commitments set in 2021. The goal of this report is to provide an overview of progress since 2021, identify gaps that require further work and strengthen accountability to support the food systems transition.

## Method

This report consists of a quantitative analysis accompanied by a qualitative assessment of business progress against the six commitment areas set in the Business Declaration. The quantitative analysis uses the WBA Food and Agriculture Benchmark data from 2021 and 2023.<sup>2</sup> These datasets rank the world's 350 most influential food and agriculture companies on an extensive range of sustainability indicators across the company's full value chain – at the corporate level, in the workplace, in the supply chain, in the marketplace and in the community.

This report quantitatively assesses the 28 companies<sup>3</sup> that both signed the Business Declaration in 2021 and feature in the WBA Benchmark. This means we have not included smaller companies and the business associations and other organizations working with businesses that signed the declaration.<sup>4</sup> As our analysis is limited to a relatively small sample size (17% of the 163 businesses that signed the declaration) and in particular does not necessarily represent progress made by smaller companies, we do not advise generalizing the findings across the full list of businesses.

We identified the most relevant indicators for each of the six commitment areas specified in the Business Declaration. Depending on data availability, a number of indicators represent each commitment area, as listed below. The rationale behind each indicator can be found in the detailed methodology for WBA's Benchmark by searching for the corresponding letter and number.<sup>5</sup>

Table 1: Indicators by commitment area

Commitment area	WBA indicators
<b>Scale science-based solutions</b>	B3. Scope 3 GHG emissions B6. Soil health B7. Fertilizer and pesticide use B9. Food loss and waste
<b>Create transparency</b>	A1. Sustainability strategy A2. Governance and accountability
<b>Ensure equitable transformation</b>	CSI1. Commitment to respect human rights CSI3. Identifying human rights risks and impacts CSI5. Integrating and acting on human rights risks and impact assessments
<b>Contribute to improved livelihoods and well-being</b>	D22. Living wages D23. Farmer and fisher livelihoods
<b>Provide investments in research and education</b>	No WBA indicators available; addressed published literature and legally binding regulations in qualitative assessment.
<b>Incentivize consumers as agents of change</b>	C1. Availability of nutritious foods C4. Responsible marketing

Comparing the various companies' scores between 2021 and 2023 enabled us to explore **progress** on most of the commitment areas. In addition, the analysis explored the **leadership** role played by the 28 Business Declaration signatories by comparing their scores with the average across the 350 agriculture and food companies assessed by WBA and by identifying those that demonstrated best practices (scoring a maximum score of 1) on the selected indicators. Furthermore, we assessed the number of Business Declaration signatories showing a **lack of action** (scoring zero) on the indicators. Note: The signatories of the Business Declaration span the entire agricultural supply chain; therefore, not all the indicators were relevant for each company. The [Annex](#) provides a detailed scoring of the companies.

Limitations to this quantitative assessment include the limited proportion of Business Declaration signatories included in the dataset and changes to the methodology between the 2021 and 2023 benchmarks, which affect some changes in company rankings and which mean that some indicators (such as A1. Sustainability strategy) are not comparable between the two years.

## Findings and recommendations

Overall, the recently released *Food and Agriculture Benchmark*<sup>®</sup> shows that while more companies are reducing their carbon footprint and adopting regenerative agriculture practices, very few have effectively put people at the center of this transition. Moreover, the total score of 35% of the 350 most influential companies is 10/100 or lower, meaning they still fail to recognize their role and impact on sustainable food systems.

Focusing on the signatories of the Business Declaration, our assessment considered three dimensions:

**Leadership:** The Business Declaration signatories **continue to play a leadership role** within the industry. The total average score of these 28 companies (36.0) is significantly higher than the average of the 350 WBA companies (17.4) and 40% of the top ranking 25 companies are Business Declaration signatories. Furthermore, across some of the indicator areas, companies within this group demonstrate best practices, scoring the maximum score of 1; however, under other indicators no companies scored the maximum score, showing a continuing need for best practice examples for other companies to follow. For example, four signatory companies have the maximum score on the scope 3 indicator by setting a scope 3 target aligned with 1.5°C trajectory and reporting on progress, whereas on the soil health indicator, while 26 out of 28 of the companies perform above average, none have the maximum score, due to a lack of targets on improving soil health and agrobiodiversity.

**Progress:** Across the indicators, on average 21% of the signatory companies have improved their score between 2021 and 2023. This shows **some progress over a short period of time, however a significant scaling up of action is need**. The areas which saw the greatest number of companies increasing their scores within this time period are scope 3 (11 out of 28 companies improved their score), availability of nutritious food (eight companies improved their score) and integrating and acting on human rights risks (eight companies improved their score). At the other end, only two companies improved their score on fertilizer and pesticide use, and there remain six companies which do not show commitments to respecting human rights. It should also be noted that while the signatory companies show higher scores on average than the average of the 350 companies including the Food and Agriculture Benchmark, the *improvements* in their sustainability performance between 2021 and 2023 are not greater than average.

**Lack of Action:** The analysis highlighted **a number of areas in which a significant proportion of the signatory companies have not yet taken action**, scoring 0. These include on living wages (where 21 out of 28 companies scored 0), food loss and waste, identifying human rights risks and impacts, and integrating and acting on human rights risks (which all saw 12 out of 28 companies score 0). While other companies *are* making progress in these areas, this highlights the need to more effectively engage a wider group of companies on some of the most entrenched sustainability challenges.

**Overall, while the companies that signed the 2021 Business Declaration are clearly outperforming those in the Food and Agriculture Benchmark as a whole and are thus continuing to play a leadership role in driving change within the sector, there is an urgent need for a step change in ambition to transform food systems for people, nature and climate.**

The following section explores in further detail the six commitment areas defined in the Business Declaration, including outlining: 1) progress over the past two years and challenges holding them back and 2) opportunities to accelerate action.

## Commitment Area 1: Scale science-based solutions

**Commitment Area 1: Scale science-based solutions** that focus on the transition to sustainable food and agriculture business models that allow millions of farmers to adopt regenerative and climate-smart agricultural practices to achieve net-zero emissions and nature-positive food systems.

Companies increasingly recognize the associated risks, needs and opportunities related to sustainability across their supply chains. Over the past two years, they have continued to implement and scale science-based solutions. This is observable in the number of companies setting and reporting progress against scope 3 emissions targets and by analyzing other critical indicators for assessing company performance on committing to and implementing activities related to sustainable agricultural practices, including soil health and responsible input use.

- Focusing on the WBA scope 3 indicator, since 2021 10 (of 28) Business Declaration signatories improved their indicator score through improved commitments and disclosure (e.g., new time-bound targets, alignment with the 1.5°C trajectory, better reporting on reductions).
- Four of the Business Declaration signatories have demonstrated the best practice of setting and reporting progress on a scope 3 target aligned with 1.5°C trajectory. However, four signatories still undertake no sufficient disclosure on scope 3 emissions.
- Five of the signatory companies have improved their score on soil health due to increased commitments onto regenerative agriculture, yet the absence of specific targets for enhancing soil health and agrobiodiversity hinders overall progress.
- While the majority of Business Declaration signatories perform better than average on responsible input use, there has been very limited progress over the past two years. Only two of the companies increased their score over this period and Danone remains the only company from the group demonstrating best practice (score 1) by setting a target to source ingredients from regenerative agriculture practices, including optimized use of fertilizers and minimized use of pesticides.<sup>7</sup>

Despite the growing momentum – and as highlighted by recent research such as such as the latest United Nations publication on *The State of Food and Agriculture 2023 – Revealing the true cost of food to transform agrifood systems*, current actions are insufficient to support over 9 billion people living well within planetary boundaries by 2050.<sup>8</sup> A key challenge companies face is in translating global goals into the local contexts in which they operate as they require extensive knowledge and know-how across their operations and landscapes. Furthermore, the lack of aligned metrics for measuring success and insufficient incentives for farmers to transition to sustainability continue to hold back progress.

### Efforts to accelerate action and recommendations to drive progress

Several company and collective action initiatives are working to develop solutions to these challenges, recognizing the need for businesses to support farmers in their leading role in the transition. For example, the Farmers First Cluster by the Soft Commodities Forum, comprised of six leading traders, aims to eliminate deforestation in soy production by providing a combination of financial and non-financial incentives to farmers.<sup>9</sup> Multi-stakeholder platforms, such as Regen10,<sup>10</sup> aim to leverage collective knowledge to scale regenerative food production systems, including harmonizing a holistic set of farm- and landscape-level metrics<sup>11</sup> for environmental, social and economic dimensions and sharing the lessons that are essential for meaningful action and investment.

## Commitment Area 2: Create transparency

**Commitment Area 2: Create transparency** by integrating environmental and social risks and impacts in governance, through the principles of true value of food, or other audited sustainability indicators and reporting in line with emerging ESG standards to provide greater clarity to capital markets.

To create transparency, companies must incorporate climate and nature risks in their sustainability strategy, using frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the recently introduced Taskforce on Nature-Related Financial Disclosures (TNFD). They must include transparent and time-bound objectives covering all the company's material issues and align their reporting with evolving environmental, social and governance (ESG) standards, with accountability for sustainability performance sitting with the company's higher governance body.

- Among the signatory group, almost all companies (26/28) demonstrate leadership on the topic of transparency, scoring above the average of the 350 ranked agricultural companies on the sustainability strategy and governance and accountability indicators.
- The sector as a whole has made progress but not enough to unlock its transformative potential; while over half of the 350 companies now undertake a materiality assessment to identify and prioritize their most relevant sustainability impacts, only 27 companies follow through with a comprehensive set of sustainability targets.
- Furthermore, many companies need to raise their ambition further. For example, the number of companies both adopting and reporting progress against 1.5°C-aligned scope 1 and 2 GHG reduction targets has increased by 40% since 2021. But in 2023, only 46 of the 350 ranked companies have aligned these targets with a 1.5°C trajectory.
- Comparisons between 2021 and 2023 are not possible on the strategy and governance indicators due to updates in WBA's methodology for sustainability strategy and governance and accountability. Generally, Nestlé and Danone are identifiable as leaders in sustainability strategy, governance and accountability in 2023.

The topic of transparency has received significant attention from business leaders and policymakers alike, with regulation mandating ESG disclosures continuing to strengthen, for instance under the EU Corporate Due Diligence (EUDD)<sup>12</sup> and Corporate Sustainability Reporting Directive (CSRD).<sup>13</sup> Businesses face two main challenges:

- First, the corporate performance and accountability system for agriculture and food is still evolving. For example, the Science Based Targets initiative (SBTi) released the SBTi Forests, Land and Agriculture Guidance (FLAG), the world's first standard method for companies in the land-intensive sectors to set science-based targets, in September 2022. However, further alignment on standards for target setting, emissions and accounting and disclosure is needed to support sector-specific action.
- Second, there is a need for practical accounting approaches and measurement, reporting and verification (MRV) tools for agriculture, including better systems to collect and manage data.

### Efforts to accelerate action and recommendations to drive progress

To fill these gaps in the accountability space, various organizations are developing standardized guidance tools, such as the Corporate Performance and Accountability System (CPAS) CEO Guide<sup>14</sup> and the Greenhouse Gas Protocol Land Sector and Removals Guidance (final draft expected in late-2024). It is critical to ensure this guidance is robust, pragmatic and aligned with clear adoption pathways for business. In addition to further strengthening disclosure requirements, efforts require new technologies to support the gathering of more credible data at scale to monitor actual performance. An example of such a tool is the Partnership for Carbon Transparency



(PACT),<sup>15</sup> which is developing a global methodological and technological infrastructure for product-level emissions accounting and exchange. An example of a pioneer in the field of sustainability reporting is Charoen Pokphand Group.<sup>16</sup>

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*“Our sustainability report has a profound impact on our strategy. It begins with identifying and prioritizing our material issues to ensure that our strategy aligns with the issues that impact our ability to grow and create sustainable value. Risk management is another key area that is involved through the company’s risk management strategy to enhance resilience and safeguard against potential threats. Tracking performance against our KPIs and our goals is key, and we use third-party assurance to enhance the creditability of our management system, performance and reporting. We continuously compare our performance with industry peers and regulatory and reporting frameworks. Once we have launched the sustainability report, stakeholder engagement is essential to building transparency, trust and collaboration. Additionally, companies can gain more strategic value from sustainability reporting by connecting it with the core business strategy. This entails incorporating sustainability goals, performance measures and targets into the organization’s overall goals and integrating sustainability into decision-making processes. Sustainability targets should be specific, measurable, attainable, relevant and time-bound (SMART) to serve as a guidepost for the company’s efforts and a foundation for informed decision-making. We can also find areas for improvement, innovation and efficiency by studying patterns and insights from reporting data.”*

*- Apinya Symsatayakul, Assistant Director, Sustainability Management System at C. P. Group<sup>17</sup>*

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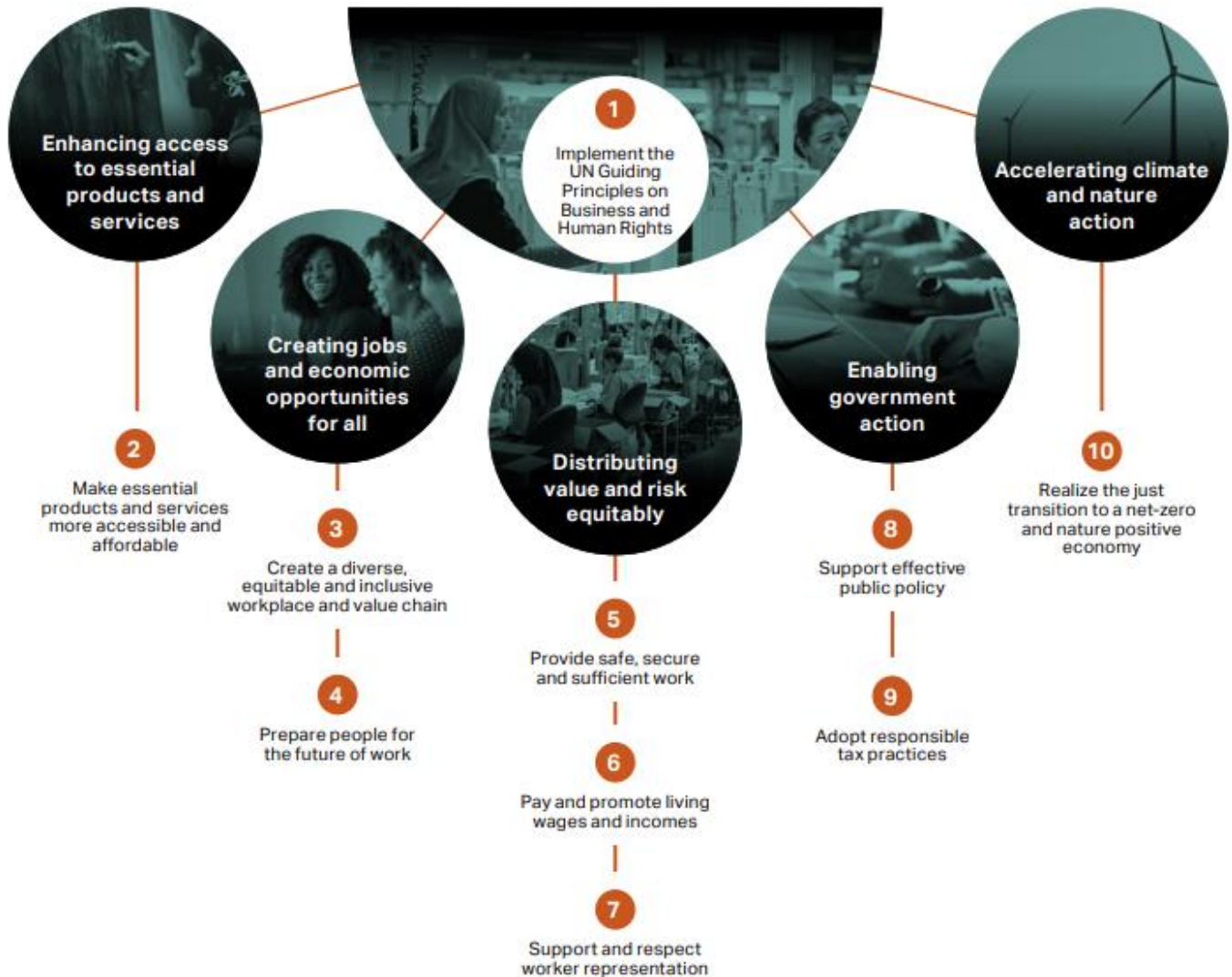


### Commitment Area 3: Ensure equitable transformation

**Commitment Area 3: Ensure equitable transformation** for people everywhere with access to training and employment opportunities as practices and demands shift.

Since the Business Declaration was published in 2021, a number of flagship publications have deepened understanding of the role of business in driving an equitable food systems transformation. For example, WBCSD's Business Commission to Tackle Inequality (BCTI) has a flagship *Tackling inequality: An agenda for business action* report<sup>18</sup> that identifies 10 priority areas (see Figure 1) that can reduce inequality as a systemic issue for business and generate shared prosperity and a just transition, with implementing the UN Guiding Principles on Business and Human Rights at the core. Preliminary insights using the Council for Inclusive Capital's Just Transition Framework for Company Action point to concrete opportunities for agri-food companies to support farmers.<sup>19</sup> The High-Level Panel of Experts on Food Security and Nutrition (HLPE – FSN) of the Committee on World Food Security (CFS) report<sup>20</sup> explores how addressing underlying inequalities in food and other related systems are the most effective way to improve food security and nutrition.

Figure 1: 10 actions for business to tackle inequality



Source: *The Business Commission to Tackle Inequality*.<sup>21</sup>

As this body of evidence continues to grow, we expect industry to step up on this topic. However:

- Performance on equity issues remains far behind climate and nature, which have been the major focus of sustainability efforts until recently.
- In 2021, 25 Business Declaration signatories showed commitments to respecting human rights;<sup>22</sup> in 2023 this number slightly decreased to 22 signatories. This is above the WBA average where only 50% of companies show commitments to respecting human rights.
- There is an upward trend in the number of companies identifying human rights risks in their own supply chain; in 2021, only 13 of 28 declaration signatories identified human rights risks and impacts in their sustainability report. In 2023, this number increased to 16 of 23 (almost 60%) – which is below the WBA average. While lower, a similar trend occurs in WBA companies, moving from 20% to 24%.
- Encouragingly, all Business Declaration signatories that identified such human rights risks in their reports in 2023 also integrated the findings and acted on their impact assessments (16/28).

### Efforts to accelerate action and recommendations to drive progress

While leading companies increasingly recognize their role in supporting the equitable distribution of value across food value chains and driving a just transition, there remains a need to build visibility and understanding of these topics to accelerate progress on equity goals. For example, WBCSD's Human Rights Implementation toolkit<sup>23</sup> provides guidance and case studies, offering a sector-specific lens through which to understand the United Nations Guiding Principles on Business and Human Rights (UNGPs) and operationalize them in agribusiness supply chains. Just Rural Transition's Principles for Just Food Systems Transitions provide guidance on navigating some of the trade-offs companies and others face.<sup>24</sup>

In addition, companies are also seeing increasing pressure from legislators, investors and consumers to disclose their impact on human rights, social and labor issues and must increasingly set up stringent due diligence processes while conducting robust supply chain risk assessments. Initiatives and multi-stakeholder coalitions like the BCTI can support companies and investors with clear guidance on key areas such as due diligence processes, frameworks and scaling investments.

Achieving systemic transformation in the food and agricultural sector requires robust collaboration, coalition building and collective action in areas such as human rights, minimizing food and agricultural losses and promoting soil health across supply chains. Most importantly, businesses must partner with local stakeholders, including governments, small and medium-sized enterprises (SMEs), and communities, to develop the solutions needed for a just transition.

#### **Best practice example: OCP**

Launched in 2018, OCP's AI Moutmir outreach initiative uses innovative and customized solutions to empower farmers to make real and sustainable improvements to their agricultural practices. It helps to build sustainable agricultural and food systems by assisting and providing farmers, cooperatives and agri-entrepreneurs with solutions and access to training that enable them to increase their productivity while preserving natural resources.<sup>25</sup>

Since its inception, the initiative has directly supported more than 50,000 farmers in Morocco in increasing their productivity sustainably. The initiative focuses on supporting farmers through integrated capacity building programs to become "agri-preneurs". It encourages them to view agriculture as a real business from which they can make profitable benefits year after year. The team of agronomists involved in the initiative work with farmers daily, providing agricultural training and demonstrations, as well as monitoring and support to ensure the farmers implement best practices in a sustainable and bespoke way. According to OCP statistics,<sup>26</sup> the program has helped farmers improve the yield of certain crops by up to 21% and increased farmers' net margin by 23% to 34%, depending on the crops.

### **Commitment Area 4: Contribute to improved livelihoods and well-being**

**Commitment Area 4: Contribute to improved livelihoods and well-being** across food value chains by strengthening decent work and income opportunities in line with the SDGs and promoting living income and wages for farmers and workers everywhere.

The call to improve livelihoods by closing the living income gap across agricultural supply chains is increasingly prevalent on the global food systems and climate policy agenda. More than ever, various organizations are calling on business and governments to support farmers in achieving a decent standard of living while implementing sustainable and regenerative agricultural practices. However, delivering living incomes will require a significant raising of ambition across the sector.

- A full 20 of the 28 Business Declaration signatories scored 0 on the living wage indicator, with only 7 scoring above the average score of all ranked companies.
- Furthermore, across both WBA ranked companies as a whole and the Business Declaration signatory group, the average performance dropped from 2021 to 2023.

- Measuring whether the companies improve the livelihoods of farmers and fishers through activities aimed at increasing income and resilience, in 2023 18 Business Declaration signatories (64%) were leading the way, scoring above the overall average.

Smallholders and rural communities require greater financial investments aimed at improving infrastructure and growing levels of insurance, as well as increasing and enhancing access to training on topics such as nature-based solutions and regenerative agriculture, which can support resilience in the longer term. The new EU Corporate Sustainability Due Diligence Directive now recognizes the right to a living wage and a living income throughout global value chains, a policy that many companies support<sup>27</sup> and that indicates an important step forward. However, a number of factors are holding back progress. The complexity of agribusiness supply chains means businesses must consider the specificities of each local context and adapt a place-based approach that reflects the challenges and priorities of farming communities in different parts of the world. Many of the solutions to farmer well-being require stronger multi-stakeholder collaboration. At the same time, there is no single measurement for improvement but rather several ways of understanding what good practice looks like.

### Efforts to accelerate action and recommendations to drive progress

Companies need to embed an equity lens in their activities, ensuring farmers and communities are able to thrive. By providing a living income, farmers will be able to invest in their small enterprises, increase their productivity, break the poverty cycle of subsistence farming and operate within a more resilient supply chain.

To do this, business strategies should include: the mapping of key livelihoods risks relative to each business's supply chains, enabling them to develop place-based solutions; a set of partnerships with organizations that are already active in a specific region and/or have expertise in a specific area of work; and a measurement and evaluation framework that can help the company monitor progress.

Multi-stakeholder efforts that aim to spur the global community to create more equitable livelihoods for those working in food systems provide companies with the opportunity to engage with non-industry partners and, notably, governments worldwide, on the topics of labor rights, decent employment and human rights for those working in food supply chains. One example of such an effort is the Decent Work Coalition (DW Coalition) for Equitable Food Systems.<sup>28</sup> To enable further and



impactful strategies to promote farmer well-being, WBCSD is developing a set of metrics that can advance the understanding of, alignment on and measurement of business commitments on living income.

#### Best practice example: Nestlé

Nestlé's Income Accelerator Program<sup>29</sup> aims to help close the living income gap and reduce child labor risks in its supply chains by providing cash incentives for farmers to adopt sustainable farming practices (including agroforestry, crop diversification and pruning activities) and to enroll children in school. In 2023, Nestlé published the first progress report for this program,<sup>30</sup> which outlines the milestones of the project from inception (2020, with a pilot in Cote d'Ivoire covering 1,000 families) to its 2030 ambition (covering 160,000 cocoa farming families in Cote d'Ivoire and Ghana). The impact of the program since inception has been significant, with 99% of households volunteering to enroll their children in school, 94% of the hectares targeted for pruning reached, 200% of the agroforestry target reached, and 99% of the target for enrolment into Village Savings and Loans Associations (VSLAs) – aimed at helping families diversify incomes – reached. Starting in 2024, Nestlé will embark on a scale-up phase of the Income Accelerator Program, which aims to reach 100% of the company's cocoa supply chains by 2030.

### Commitment Area 5: Provide investments in research and education

**Commitment Area 5: Provide investments in research and education** to support food systems transformation across the value chain, including seeds, fertilizers, farming, processing, selling, trading, transporting and consumption of food, ensuring all farmers have access to digital technologies and innovations.

Currently, it remains hard to assess company progress as there is no consensus on how to report on investment in research and innovation for sustainability. This is in addition to companies reporting on these topics in different ways. However, changes in EU taxonomy and regulations<sup>31</sup> mean that from 2023 on, it is mandatory for companies to report on their environmentally sustainable operating expenditures, including research and development. Some companies were already improving their reporting practices in this regard during the phase-in period in 2022. This gives a promising outlook for the increasing availability of data to measure company investments in innovations for sustainability in the future.

In the meantime, it is clear that a growing number of agriculture businesses recognize the importance of research and innovation to enhance sustainability. Companies are starting to incorporate sustainability criteria into their innovation assessments and frequently highlight the role of research and innovation in their sustainability strategy and vision. Collaborations between agriculture businesses, research institutions and other stakeholders have been on the rise. In particular, public-private partnerships for research and innovation are becoming increasingly common. One example is the USDA's Partnerships for Climate-smart Commodities,<sup>32</sup> which aim to drive public-private collaboration to develop innovative market-based mechanisms that reduce the food and agriculture sector's carbon footprint. Furthermore, companies are undertaking a range of initiatives to collaborate with value chain partners to develop innovative solutions, such as Tetra Pak's start-up collaborations across food, packaging and service<sup>33</sup> or BASF's Smart Stewardship providing training on innovations to farmers in their supply chains, enabling their uptake.<sup>34</sup>

Yet there remains insufficient investment from both public and private sector players in critical areas of innovation, such as digital climate advisory services.<sup>35</sup> Challenges hindering progress include a perceived absence of credible pathways to scale them and insufficient evidence regarding the impact and cost-effectiveness of innovations. Additionally, the financial burden associated with research and innovation activities poses a significant obstacle, especially for smaller businesses, restricting their ability to invest in long-term projects and educational initiatives. Lastly, overcoming silos and promoting effective collaboration is essential, including to build the enabling conditions

needed to help ensure access and affordability, ensuring that technologies meet the needs of the end-users, including farmers.

### **Efforts to accelerate action and recommendations to drive progress**

Within companies, research and innovation strategies could have a greater focus on sustainability, ensuring the needs of users across the supply chain are driving strategies. This involves allocating financial resources strategically to promote innovation and aligning practices with long-term sustainability goals, contributing to building a resilient and sustainable agricultural sector. Furthermore, businesses can take a leading role by advocating for government support for research and innovation for sustainability and collaborating with government bodies, research institutions and NGOs to share both resources and expertise in scaling innovation for sustainability. Joint projects that bring together SMEs and large corporations can enable SMEs, often constrained by limited resources, to actively participate in innovation initiatives alongside larger corporations.

## Commitment Area 6: Incentivize consumers as agents of change

**Commitment Area 6: Incentivize consumers as agents of change** to create demand for sustainably produced, high-quality animal, plant-based and alternative proteins as part of healthy and nutritious diets that are accessible and affordable for all.

To enable healthy and sustainable diets, companies must produce and deliver food with higher nutritional value and plant-based alternatives and prioritize nutritious and sustainable products in their marketing strategies, especially when marketing to children, to drive behavior change.

- A quarter of Business Declaration signatories improved their score related to the availability of nutritious foods, with 24 of 28 demonstrating leadership, scoring above the average of the 350 companies. However, 4 Business Declaration signatories had a score of 0, indicating a lack of action.
- Business Declaration signatories also show leadership on protein diversification, with 12 of 14 companies performing above the average.
- While only 29% of consumer-facing companies across the benchmark disclosed specific information on their marketing activities, 9 of the 13 consumer-facing signatory companies did, showing leadership from the Business Declaration group.

In incentivizing consumers, businesses face the challenge that consumers are diverse and therefore it is necessary to approach them differently. Moreover, there is a wider need to change food environments to improve availability, accessibility and affordability in support of healthy, nutritious, sustainable and locally appropriate diets.

In recent years, there has been a surge in scientific research and academic exploration into understanding behavior change and how to effectively incentivize consumers to act as agents of positive change, particularly in the context of food choices, engaging consumers across the different levers of change.<sup>36</sup> Moving forward, we need to increase efforts to translate the available knowledge on behavior change into practical applications. To ensure that healthy and sustainable choices become the default option for consumers, businesses require guidance. Food companies also need harmonized standards to achieve seamless integration into their practices and greater accountability.





## Efforts to accelerate action and recommendations to drive progress

Responding to the lack of guidance, particularly in the context of fostering healthy and sustainable dietary choices, business toolkits on topics such as shifting behaviors towards plant-forward foods<sup>37</sup> can support companies in changing consumer behavior, taking into account consumer type and company type. In addition, it is necessary to address the need for standardized metrics to evaluate the impact and progress in this transformative journey. One major opportunity to accelerate change is thus the development of harmonized key performance indicators (KPIs) and guidance on ways to measure and report on progress in this transformative space.

Looking ahead, the key to sustained progress lies in the widespread adoption of best practices and the collective accountability of stakeholders involved in driving these transformative initiatives. Business has a critical responsibility for the dietary shift needed to transform food systems by making healthy and sustainable food choices the easy choices.

### Best practice example: Google

Certain companies are already paving the way when it comes to incentivizing consumers to make positive behavior changes. A notable example is Google, which has initiated change internally and taken a leadership role in the topic of positive consumption. Google is dedicated to employee well-being through its food-at-work program, striving to set a corporate responsibility standard. The Global Food Team, operating 380 cafes and 1,500 MicroKitchens, emphasizes intentional environments for healthy and sustainable food choices. The Food Choice Architecture program promotes a balanced, plant-forward approach to eating, backed by commitments like joining the Workforce Nutrition Alliance and increasing ingredient agrobiodiversity. Ongoing initiatives, including culinary training and global roll-outs, demonstrate Google's commitment to fostering a culture of well-being and sustainable nutrition offerings for its employees.<sup>38</sup>



## Conclusions and next steps

This assessment of progress made since the 2021 Business Declaration for Food Systems Transformation has highlighted that while companies have made progress in some areas, such as on commitments to regenerative agriculture and on the availability of nutritious foods, other areas, such as on an equitable transformation, have seen very limited progress or even regressed. A step-change in ambition, learning from best practices seen at signatory companies and in the business community as a whole, is urgently needed. Specifically:

**Accelerated action** is needed across the value chain, from scaling regenerative agriculture to driving the protein transition, while ensuring an equitable and just transition.

**Strengthened accountability**, by harmonizing methodologies, standards and reporting requirements, including in complex areas such as scope 3 emissions, living incomes and nutrition and increasing data availability, is essential to improving corporate performance and building trust.

**An enabling environment**, with policy and financial incentives better aligning with sustainability goals, is critical to supporting and scaling business action and accountability.

## Annex

### Scoring of the 28 companies based on WBA ranking

Indicator	Number of signatories improving score – progress 2021 to 2023	Companies showing leadership (score 1) – 2023	Companies higher than WBA average – 2023	Companies lacking action (score 0) – 2023
<b>B3. Scope 3 GHG emissions</b>	11	4	19	5
<b>B6. Soil health</b>	6	0	27	1
<b>B7. Fertilizer and pesticide use</b>	2	1	21	7
<b>B9. Food loss and waste</b>	4	3	12	12
<b>A1. Sustainability strategy</b>	N/A no comparison possible	25	26	2
<b>A2. Governance and accountability</b>	N/A no comparison possible	1	27	0
<b>CSI1. Commitment to respect human rights</b>	0	22	22	6
<b>CSI3. Identifying human rights risks and impacts</b>	5	12	16	12
<b>CSI5. Integrating and acting on human rights risks and impact assessments</b>	8	16	16	12
<b>D22. Living wages</b>	7	0	7	21
<b>D23. Farmer and fisher livelihoods</b>	N/A no comparison possible	0	18	9
<b>C1. Availability of nutritious foods</b>	8	1	24	4
<b>C4. Responsible marketing</b>	N/A no comparison possible	0 out of 13 ranked	9 out of 13 ranked	4 out of 13 ranked

The detailed overview elaborates on the ranking of each individual company.<sup>39</sup>

## Endnotes

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- <sup>4</sup> The overall list of 198 entities endorsing the Business Declaration included 163 businesses, 21 organizations and 14 associations. In 30 cases, two or more executives from the same organization signed the Declaration. Out of the 163 signing businesses, 28 were eligible for inclusion in the WBA Benchmark as they form part of the 350 most influential agricultural businesses selected by WBA ([methodology](#)).
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The World Business Council for Sustainable Development (WBCSD) is a global community of over 220 of the world's leading businesses, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Together, we transform the systems we work in to limit the impact of the climate crisis, restore nature and tackle inequality.

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