

Net zero for food and drink: The challenges and opportunities

There are three elements to any net zero journey



- Engaging leadership and strategy setting
- Developing plans and implementing
- Analysing data and reporting

1. Strategy



The challenges of setting the strategy

A fast pace of change

Sustainability and climate action is a fast-moving area. The standards, expected disclosures and required ambition continue to evolve. This can be difficult to succinctly summarise for senior decision makers within an organisation.

The need to future-proof

How can we develop a strategy around carbon that is both fit for today and the likely needs of tomorrow?

Governance of the whole supply chain

It is not always clear who should own these targets. As a food and drink company so much of our emissions sit in our supply chains. How can we create a governance structure that can deliver against our ambitions?

Aim for zero

Overcome the challenges

“Carbon has risen steadily up the c-suite agenda for food companies the past few years. TCFD, the UK government’s net zero commitment and increasing customer expectation means it will be there for some time. Navigating the terminologies and evolving standards and reporting expectation can be difficult. Our briefing sessions on the net zero landscape have been very well recieved by clients.”

[Find out more about Aim for zero](#)



Tim Crozier-Cole

Head of Aim for zero (corporates)

The opportunities of setting the strategy

A good strategy can compliment and enhance the core business

The development a robust net zero strategy should compliment your core business and help manage risks and take advantage of opportunities which climate change creates for your business. Look for opportunities where net zero outcomes are aligned with other areas of focus such as food and water reduction or water efficiency.

Innovation to drive improvement

The transition to a low carbon economy is growing in momentum. This will create opportunities to challenge the current conventions and provide opportunities for innovation.

Expectations are high

There is an increasing expectation from investors for companies to be actively managing the climate change risk within their on operations and supply chains.

In Blackrock's letter to CEOs there was a very clear expectation for companies to be achieving net zero carbon emissions by 2050.

Aim for zero

Capitalise on the opportunities

“It is important that companies organise themselves to ensure they are able to deliver the ambition. The pathway to net zero for a food and drink company will be complex requiring contributions from most parts of the business. Ensuring that someone has oversight and responsibility for the overall target is important. They will be able to join the dots between the different business functions as well as ensure the approach is tweaked as the regulatory and reporting landscape continues to evolve.”

[Find out more about Aim for zero](#)



Andrew Todd

Director - Corporates

2. Project delivery



The challenges of project delivery

Tools for zero are not ready

We cannot see a path to achieving net zero yet. The technology, market instruments and reporting standards are currently not developed enough.

Limited influence over emissions

We have very little or no influence over so much of the emissions in our supply chain, how can this be managed?

The question of offsets

How are we to deal with the emissions we are not able to eliminate? Are offsets allowed and how are we able to select the right one?

Deliver for zero

Overcome the challenges

“When looking to develop plans for long term carbon reduction, the temptation can be to focus on the challenges that will need to be overcome in the long term. In food and drink the decarbonisation of heat is often a big challenge. Whilst it is true that there are certain technology and market challenges to completely decarbonise this area at the moment there is often still more than enough to keep companies busy for the next five years at least. The trick is to develop a plan which initially focuses on the “no regret” actions, keeping an eye on the medium to long term especially at specific intervention points such as energy generation and critical plant replacements.”

[Find out more about Deliver for zero](#)



Athanasios Patsos

Head of Deliver for zero (Corporates)

The opportunities of project delivery

Reduced cost from reduced emissions

A robust net zero strategy will build on good business. In many cases reducing emissions will be accompanied by a reduction in costs, be it from reducing energy or improvement of material resource efficiency.

Consumer demand for action

Consumer's appreciation of the effects that their choices have on the environment are growing. A brand's reputation for sustainability is also becoming increasingly important and will be a useful differentiator.

Increased business resilience

The delivery of a robust net zero strategy is likely to increase business resilience through a number of ways, improved energy security, lower cost base, lower exposure to carbon taxes/regulation and increasingly access to cheaper debt.

Deliver for zero

Capitalise on the opportunities

“It is important to remember that demand reduction is still essential. Given the challenges of decarbonising industrial heat anything that can be done to reduce demand will help.

Remember these savings can come from behavioural changes, technology interventions and process optimisations. When looking at the challenges around heat it is also important to consider whether there are any process innovations which could reduce the temperature required as this may increase the potential decarbonisation technology options.”

[Find out more about Deliver for zero](#)



Diarmaid Sheehan

Services Manager Ireland (Corporates)

3. Reporting and analytics



The challenges of reporting and analytics

Proving the relationship between direct action and improvements

Our scope 3 reporting is based so much on assumptions and industry averages it is very hard to demonstrate improvements through internal action.

Reporting burden- multiple reports for multiple disclosures

We find we have to report similar data for many different disclosures how can we streamline this process?

Production variables

Given the variability in production it can sometimes be difficult to understand how we are performing against targets and forecast future performance.

Report for zero

Overcome the challenges

“The data and methodology challenges around scope 3 continue to grow and will do for some time. Navigating this can be difficult and it can sometimes be difficult to know what to focus on. We have found that it is really important to have a good idea of the likely reduction levers you will be able to influence and develop a methodology and data structure that allows you to recognise future savings. There is nothing more frustrating than getting something done but then not having the reporting methodology to demonstrate the improvement.”

[Find out more about Report for zero](#)



Zahir Lazcano

Principal consultant

The opportunities of reporting and analytics

Use technology to streamline

Getting the data architecture and solution right for the business can really streamline the various reporting needs – ideally data should only be entered once and then be able to meet all your reporting and disclosure needs.

Optimisation

With increasing data comes increasing opportunity for optimisation. Whether this is through benchmarking sites / processes to prompt knowledge transfer through to the use of high frequency data for process optimisation, in general more data presents greater opportunity. This benchmarking can also be used to compare suppliers and identify potential for supply chain decarbonisation.

Collaboration

A well structured value chain reporting and data solution will be able to provide a lot of useful other insights beyond just value chain reporting. It may well be able to provide much of the information needed for product footprints or to support other initiatives such as looking at carbon messages around specific brands.

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Capitalise on the opportunities

“Companies often want to understand how their value chain emissions are likely to change. This can be complex for food and drink companies especially if the company has a diverse product mix with significantly different carbon Intensities spread across different geographies.

If you want to develop a forecasting solution / tool this is best considered at the same time you are developing a reporting solution as the forecasting functionality will utilise much of the same activity data and calculations needed for reporting. Getting this right can be very powerful by allowing companies to run different scenarios ensuring confidence in decision making.”

[Find out more about Report for zero](#)



Hannah Jones

Consultant

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