



Supplier Decarbonization Playbook

September 2025



With the support of
BCG BOSTON
CONSULTING
GROUP



Climate Transition Coalition members agreed to set supplier sustainability targets across six material dimensions

	 Dimension	 Supplier targets	By end of
Emissions	1 Emissions measurement & disclosure	• Assess and publicly disclose Scope 1, 2 & 3 emissions, in line with GHG Protocol	2026
	2 Emissions reduction plan/strategy	• Set targets ¹ aligned with limiting global warming to 1.5°C for Scope 1, 2 & 3 ¹ and build a science-aligned action plan to reach these targets ²	
Energy	3 Renewable electricity	• Set targets to switch to majority renewable electricity globally by 2030 ideally, 2035 at latest ³	2030
	4 Renewable heat	• Demonstrate progress towards switching operations to clean heat ⁴	
Resource use	5 Deforestation and Conversion-Free	• Commit to demonstrating progress towards DCF for all relevant commodities (notably soy, palm, paper, pulp and packaging, and beef) by setting a DCF commitment with ambitious cut-off and target dates and with regular milestones and action plans, and publicly reporting on %DCF ⁵	2026
	6 Regenerative Agriculture	• Start adopting regenerative agriculture practices to protect soil health and reduce carbon emissions	2026
		• Scale up regenerative agriculture practices, preferably in line with external frameworks e.g. OP2B or SAI, and adopt a landscape approach where relevant	2030

For more details on the targets, and additional resources, see [the CGF Supplier Requirements Resource Guide](#)

1. Ideally near term and net zero 2. Recommendation to align with the frameworks and principles for transition plan as designed by ESRS/CSRD, Transition Plan Taskforce Framework and CDP, or other external frameworks depending on regional context 3. Leveraging guidance from RE100 or similar to support the transition 4. Clean is defined as zero carbon / carbon neutral technologies including but not limited to electrification-heat technologies (e.g. heat pumps, e-boilers), biofuels (e.g. biomethane, biomass), other technologies (e.g. solar thermal, geothermal, Green hydrogen). Natural gas is not included. Heat includes both building and process heat emissions and spans all possible temperature ranges 5. In alignment with the CGF Forest Positive Coalition Commodity Roadmaps.

Contents | This document provides an overview of each sustainability dimension & addresses key questions to help suppliers make progress

The purpose of this playbook is to accelerate action by:

- Making the sustainability dimensions tangible
- Answering suppliers’ “how” questions
- Providing key insights to drive implementation

Page	Key questions addressed
Summary of Info Packs resources	<ul style="list-style-type: none">• What CGF resources already exist?
Progress roadmap	<ul style="list-style-type: none">• Where should suppliers start?• What do different maturity levels look like on this dimension?
Key actions & Best practices	<ul style="list-style-type: none">• What specific actions should a supplier at a given maturity level take to progress?• What best practices should suppliers keep in mind?
Case studies & Resources	<ul style="list-style-type: none">• What are some examples of companies successfully making progress in this area?• What additional resources should suppliers engage with?

1

2

Emissions measurement & reduction

How to scale emissions reporting & reduction in three steps

TARGET	EXPECTED BY
Publicly disclose Scope 1, 2 & 3 emissions, in line with GHG Protocol	2026
Set 1.5°C targets and develop action plan to meet them	2026

Foundational



1. Target setting & baseline reporting

- Set emissions reduction ambitions & targets
- Assess current maturity level and areas of improvement
- Disclose company-level¹ Scope 1,2,3 emissions:
 - Estimate emissions using self-reported data
- Ensure cross-organizational buy-in

Target
timeline:

~6 months

EOY 2026²

Expanded



2. Supplier engagement & verification

- Shift to category-level emissions recognition:
 - Calculate emissions using supplier-reported data
 - Make more informed sourcing decisions
- Adopt 3rd party verification standards
- Identify and partner with right data management platform
- Improve transparency for customers and mitigate reputational risk

~2 years

EOY 2027²

Granular



3. Product-level impact & industry leadership

- Unlock product-level emissions tracking (PCF):
 - Calculate emissions using verified LCAs
 - Geo-locate emissions down to product origin
 - Optimize assortment of lowest-GHG products
- Validate ongoing progress against recognized standards
- Advance standardized reporting and emissions reductions across the ecosystem

Continuous improvement

EOY 2029
and beyond

1. Company-level reporting requires internally-developed methodology to estimate emissions, typically by category. No supplier engagement required
 2. Timeline is subject to change based on corporate strategy, local regulations, voluntary commitments, or supply chain factors. Not exhaustive.

Building strong emissions reporting & reduction foundations starts with establishing internal readiness and defining a shared approach



Key actions

1 Set emissions reduction ambitions & targets

Clarify decarbonization vision and priority areas (e.g., high-risk ingredients or geographies) and set science-based targets in line with global frameworks like the GHG Protocol

2 Assess current maturity level and areas of improvement

Evaluate your current emissions reporting capabilities, identify gaps against international standards (e.g., scope 3, geo-location), and prepare for upcoming regulations and voluntary standards updates

3 Disclose Scope 1,2,3 emissions and abatement roadmap

Report emissions publicly (via ESG report, CDP, or corporate website), while phasing in improved data quality – from estimations to product-level detail – to enable more precise reductions

4 Ensure cross-organizational buy-in

Align sustainability, sourcing, and finance teams to develop a unified decarbonization strategy and drive company-wide traction



Best practices

Co-develop and publish credible decarbonization objectives

Tailor decarbonization goals to strategic priorities (e.g., regulatory compliance, voluntary commitments, customer transparency) and set starting data granularity level that fits supplier capacity. Share targets across the value chain

Develop a data collection and management system

Implement foundational decarbonization metrics¹ and build the capacity to meet evolving regulatory and voluntary demands – using tools like the Common Data Framework – to track progress and accelerate impact

Estimate emissions using self-reported data: combine own procurement metrics¹ and industry-average EFs² to estimate early Scope 3 emissions insights

Establish an initial emissions baseline: use estimates to inform a realistic CSRD-compliant roadmap and identify hotspots and pilot interventions

Engage Finance, Procurement and other commercial functions early

Integrate decarbonization KPIs into financial planning and supplier scorecards (e.g., emissions intensity per unit of product, cost of abatement per ton CO₂e avoided) to drive shared accountability and organizational legitimacy

1. Includes purchase data expressed in spend (\$), weight/volume (e.g., kg, tons, liters), or item count (e.g., units, cases, packs)

2. Trusted emission factor (EFs) databases include open-access (e.g., DEFRA, EPA) and license-based platforms (e.g., HowGood, Ecoinvent, Sphera)

Advancing to Expanded and Granular abatement involves supplier engagement, 3rd-party verification, and product-level data (I/II)



Key actions

- 1 Shift to category-level emissions recognition**
 Request and analyze supplier emissions data by product category to realign your abatement roadmap with actuals (not estimates) and prioritize high-impact actions
- 2 Adopt third party verification standards**
 Ensure supplier emissions data are credible and benchmarked through third-party standards across your supplier base and industry peers
- 3 Identify the right data management partner**
 Partner with a data platform capable of scaling with your evolving reporting needs and integrating granular supplier data
- 4 Improve transparency for customers and mitigate reputational risk**
 Use actual supplier data to meet rising transparency demands across stakeholders



Best practices

Calculate emissions using supplier-reported data: Integrate supplier-reported data¹ with own procurement metrics, using industry emission factors to fill data gaps

Make more informed sourcing decisions: Collaborate with Procurement team on scorecards to favor top-performing suppliers and co-create corrective plans for underperformers

Select and participate in verified regenerative programs

Engage third-party verifiers, like DNV, SGS or SCS Global Services, to audit methodologies and input data in line with recognized global standards (e.g., GHG Protocol, SBTi, Higg Index)

Define golden design principles and start collaborating

Establish clear platform criteria² aligned with your goals, and launch a collaborative model to fast-track data management

Convert more precise data into business value

Leverage emissions insights in customer-facing channels (e.g., website or in-store advertisement) to build brand value and get ahead of potential public or NGO scrutiny through transparent communication

EXPANDED

1. Supplier-provided data should include the applied methodology, emission factors used, product origin, and supporting evidence for validation

2. Data platform selection criteria cover technical foundation, methodology transparency, reporting & analytics capabilities, commercial credentials. Not exhaustive

Advancing to Expanded and Granular abatement involves supplier engagement, 3rd-party verification, and product-level data (II/II)



Key actions

- 1 Unlock product-level emissions tracking (PCF)**
 Track emissions at the highest level of precision by shifting from category-level (e.g., dairy, poultry, confectionery, cotton garment) to SKU-level reporting. Update the abatement roadmap to reflect this granularity and enable more targeted interventions
- 2 Validate ongoing progress against recognized standards**
 Ensure alignment with internationally recognized standards by actively tracking performance and maintaining compliance over time
- 3 Advance standardized reporting and emissions reductions across the ecosystem**
 Foster collective action and future-proof the supply chain by proactively monitoring emerging regulations, frameworks, and innovations – such as new techs or methodologies



Best practices

Calculate emissions using verified LCAs: Use supplier-provided SKU-level emission factors and verified life cycle assessments (LCAs) to ensure certified accuracy

Geo-locate emissions down to product origin: Use geolocation technologies (e.g., satellite imagery, LiDAR, geospatial data) to trace products and raw materials down to their origin—at the land-plot level—through internal systems or third-party partners

Optimize GHG-emissions across product assortment: Reevaluate supplier scorecards using product-level data, share best practices, and implement corrective actions for high-emission products

Embed granular emissions reporting standards into daily practice
 Build internal workflow to regularly track key indicators through the data management platform and maintain documentation to ensure audit readiness and external verification

Drive collective action through expert roundtables and knowledge sharing

Participate in international or regional coalitions, policy forums, and pre-competitive initiatives¹. Share learnings with peers, suppliers, and buyers to collectively improve emissions data management practices

Retailers are launching company-wide initiatives to accelerate emissions reporting and reduction

Carrefour develops three pathways for improving data quality and analysis

OPENCLIMAT: 9 LEADING RETAILERS ADOPT THE REFERENCE PLATFORM



Carrefour runs three initiatives, supported by CGF's Common Data Framework, to move toward granular emissions data collection: 1) grow and centralize internal data analysis capabilities; 2) 1:1 initiative with top suppliers to build product-level calculations; 3) initiative across French retailers (L.E.S.S. & OpenClimat) to develop a shared platform to harmonize supplier product carbon footprint data.

Read the full [Carrefour case study](#) for more

AS Watson showcases sustainable products, nudging consumers to purchase lower-emissions goods



Watsons, the flagship health and beauty brand of AS Watson, launched the “Sustainable Choices” campaign in Asia to support more conscious purchasing decisions, in turn reducing the retailer's supply chain emissions. The campaign required an overhaul of Watsons' stakeholder engagement (including suppliers and customers), product listings/descriptions across digital platforms, and customer outreach.

Read the full [AS Watson's case study](#) for more

Albertsons pilots AI forecasting technology to minimize food waste and optimize freshness

Albertsons testing Afresh's new forecasting solution

The grocer is piloting the AI-powered tool across produce, meat, seafood, deli and foodservice for 17 distribution centers.

Published Oct 2, 2024






Albertsons has partnered with Afresh to pilot an AI-powered forecasting tool across its distribution centers. This tool enhances demand forecasting accuracy, minimizing overstock and reducing food waste, a leading contributor to the retailer's emissions, by automatically analyzing data and accounting for factors like promotions and seasonal trends.

Read the full [Albertsons case study](#) for more

Visit the [CGF resource library](#) for a comprehensive list of additional materials on emissions abatement

Recommended starting points include the following list of relevant frameworks, tools, business guidance, and more:

 Description	 Resource type	 Relevant resource(s)
Corporate Sustainability Reporting Directive (CSRD): EU regulation that significantly expands ESG reporting requirements. EU regulation is currently undergoing consolidation efforts and is subject to change.	Regulatory standard	<ul style="list-style-type: none"> • CSRD • EU info page
GHG Protocol: most widely used global accounting standard for measuring and managing greenhouse gas emissions	Voluntary commitment	<ul style="list-style-type: none"> • GHG tools & resources • GHG standard guidance
Science Based Targets initiatives (SBTi): voluntary climate action framework that helps companies set greenhouse gas reduction targets aligned with climate science	CGF resource	<ul style="list-style-type: none"> • SBTi standard guidance • Version 2.0 public consultation
CGF Info Packs: compendium of best practices for six decarbonization levers	Additional resource	<ul style="list-style-type: none"> • Info Packs • ESG Reporting Summary • Enable Scope 3 Transparency • Reduce Scope 3.1 Emissions • Decarbonize The Value Chain
Publications: publicly available resources for continuous learning		

3

4

Renewable electricity & heat

The Climate Transition Coalition has published an [Info Pack](https://www.theconsumergoodsforum.com/publications/climate-action-in-practice-actionable-insights-to-increase-low-carbon-energy-transport/) with detailed insights on how to optimize renewable energy and heat

Info Pack resources

Low Carbon Energy Overview

Overview | What to know about energy efficiency & renewables

Strategic Context
Increasing energy efficiency and adopting renewable energy sources are often **relatively low-cost sustainability levers** which retailers can leverage for own operations and require of major suppliers as part of scope 3 strategy.

Enhancing energy efficiency in own operations **drives sustainability and generates significant cost savings**, making it a crucial strategy for expense reduction.

Key Challenges
Efforts can be operationally complex, often involving many small projects across multiple sites and numerous partners (e.g., project developers, energy brokers) to achieve goals at scale.

Renewables face near-term pricing challenges in the U.S. due to transmission & supply chain issues, **requiring strategic deployment** though long-term trends are favorable.

Opportunity & Solutions
Policies (e.g., US IRA tax credits, EU CBAM) are driving energy efficiency and renewable energy adoption, **offering manufacturers and suppliers strong incentives to pursue these opportunities.**

Regional Considerations

Regional considerations

US & Canada | Tailored initiatives
Retailers should align energy efforts with location-specific blend of federal, state and local policies, regulations and incentives to maximize benefits - US.

Latin America | Selective investment
Policies towards energy efficiency and on-site renewable generation vary widely; retailers should seek alignment between supportive policies and local needs - e.g., Chile, Uruguay.

Europe | Mandates and beneficial economics
Beyond compliance with strong efficiency and emissions standards, retailers can improve their economics by offsetting relatively high energy costs - EU.

Asia | Government-led renewable initiatives
Ambitious government targets for renewable energy adoption present opportunities for retailers to invest in renewables, benefiting from incentives - India, China.

Africa | Solar potential, onsite and beyond
High solar potential offers retailers the opportunity to power operations sustainably and reduce dependence on unreliable grid - e.g., Kenya, South Africa.

Oceania | Renewable alignment
Australia and New Zealand plan rapid transitions to renewables-based power generation; retailers seeking to source green energy align with policy goals - Australia, New Zealand.

Activities Retailers Should Consider

Actions (Efficiency) | Retailers should assess energy use baseline and create regional/facility-level structures to scale energy efficiency

Early action should focus on establishing energy use baseline and identifying key benchmarks

Example activities include

- Assess and understand energy use and footprint starting point (e.g., electricity consumption for lighting and/or heating)
- Benchmark performance against similar buildings and conduct energy audits with external providers to review efficiency and consumption patterns, identify cost-saving opportunities, and set targeted improvement goals
- Construct first wave of projects across diverse geographies and facility types to build experience and glean practical insights

Advanced action should target comprehensive energy upgrades across all facilities

Example activities include

- Establish a programmatic approach to advance energy efficiency initiatives across majority of operations and equipment, supported by a long-term budget plan that allocates capital and resources and clear targets to empower execution by local teams
- Target deeper energy efficiency retrofits to secure greater savings, but require higher capital and significant planning / effort to implement (e.g., electrification of HVAC, building envelope upgrades, changeout of core equipment to make more efficient)

Relative Impact & Feasibility

Relative impact & feasibility | Though emissions reduction potential is limited, energy efficiency and renewables can present quick wins

	Low	Medium	High
Impact	Emissions reduction	Co-benefits (business, social, environmental)	Affordability
Feasibility	Low	Medium	High
Notes	Energy efficiency and renewables can significantly lower scope 1 & 2 emissions, however scope 3 drives majority of emissions for retailers	Reduces operating costs, aligns with sustainability goals, and enhances resilience against future energy price volatility	Upfront investments in efficiency upgrades can be substantial. Renewable energy is increasingly affordable
	Easy of implementation	Public sector support	Degree of control
	High	Medium	High
	Market-ready solutions are available and, in many cases, very advanced	Policies like the U.S. IRA tax credits and EU CBAM provide strong incentives for energy efficiency and renewable energy adoption, however regulatory landscape going forward is uncertain	Operational emissions associated with energy use are in retailers' direct control

Retailer Case Studies

Case studies (Efficiency) | Retailers launch regional initiatives to increase energy efficiency for own operations and/or major supplier

Levers in action: Retail case studies

IEA launched initiative to boost HVAC energy efficiency and reduce carbon footprint
IEA launched HVAC energy efficiency by 25% in two large Spanish stores by installing 400+ high-efficiency HVAC systems with advanced drives. This initiative is part of IEA's broader sustainability goal to reduce carbon emissions by 40% by 2030, supporting its vision of becoming a fully circular and low-impact business.

Walmart boosts energy efficiency in supply chain through Project Gigaton
Through Project Gigaton, Walmart worked with 5,900 suppliers to improve their energy efficiency using tools like the Factory Energy Efficiency tool and housing standards. These efforts helped Walmart exceed its emissions reduction goal by 4.4% reduction in scope 1 & 2 emissions relative to 2015 base year.

Woolworths invests in comprehensive energy efficiency upgrades to bring down emissions
Woolworths has allocated over \$7M to energy efficiency upgrades throughout their operations, including replacing older lighting with LED solutions and upgrading refrigeration and air conditioning systems, contributing to their achievement of a 4.4% reduction in scope 1 & 2 emissions relative to 2015 base year.

"Best Source of Truth" Resources

Resources | Regulations and frameworks will inform strategy for increasing energy efficiency & renewable energy (I/I/I)

Regulations	Description	Relevant resource(s)
Regulations	EU Fit for 55 package Comprehensive set of legislative proposals to revise and update EU legislation meeting carbon targets (e.g., renewable energy, energy efficiency, vehicle & aviation emissions) aimed at reducing the EU's GHG emissions by 55% by 2030	<ul style="list-style-type: none"> EU Fit for 55 package summary Fit for 55: Executive Summary Fit for 55: Executive Summary on climate and energy
Building energy efficiency standards	2022 California Energy Code Mandates energy efficiency upgrades in new buildings and energy retrofits to reduce GHG emissions. Updates promote usage of electric heat pumps, require energy audits, and improve factors for better indoor air quality. California's market program has been instrumental in driving performance standards globally.	<ul style="list-style-type: none"> 2022 Building Energy Efficiency Standards Summary Finalized 2022 Building Energy Efficiency Standards Summary
Frameworks and target setting	RE100 Global initiative of 12+ businesses committed to doubling energy productivity, implementing energy management systems, or achieving net-zero buildings.	<ul style="list-style-type: none"> RE100 2024 Reporting Guidebook RE100 FAQ RE100 Energy Efficiency Best Practices Guidebook
Guidelines	SBT Guidelines: Overlaid guidance (superimposed) TCF to support science-aligned in setting science-based targets and clarify target-setting boundary options and requirements.	<ul style="list-style-type: none"> SBT Guiding 1.5°C aligned Science-based Targets Guidebook SBT Corporate Net-Zero Targets Guidance

How to successfully scale up renewable energy & heat in three steps

TARGET	EXPECTED BY
Set targets to switch to majority renewable electricity globally	2026
Demonstrate progress in shifting operations to clean energy & heat	2030
Achieve majority of electricity & heat from renewable sources	2035

Foundational



1. Shape vision and targets

- Set clean energy objectives and KPIs
- Assess current energy use and explore viable alternatives
- Develop a renewable energy transition
- Ensure cross-organizational buy-in

Target
timeline:

~6 months

EOY 2026

Expanded



2. Execute transition plan and track progress

- Start renewable electricity procurement:
 - Buy renewable electricity
 - Green tariff
 - Alternative supplier
 - Energy Attribute Certificates
 - Install on-site renewables
 - Power Purchase Agreement
- Initiate transitioning heat systems¹
- Adopt measurement, verification and reporting standards

~3 years

EOY 2029

Granular



3. Consolidate clean energy adoption and inspire collective action

- Expand renewable electricity & heat coverage
 - Ensure all operations are covered
 - Review long-term PPE investment plan
 - Consolidate contracts
- Improve energy management tools company-wide
- Validate ongoing progress against recognized standards
- Embed climate leadership across the ecosystem

Continuous improvement

EOY 2034
and beyond

1. Transitioning to renewable heat is typically slower and more costly, as it often requires equipment replacement or upgrades - especially if no nearby renewable networks

Establishing clean energy foundations starts with understanding organizational needs and aligning on a shared internal compass



Key actions

1 Set clean energy objectives and KPIs

Define ambitious yet achievable targets and timelines for increasing renewable electricity and reducing fossil fuel use by region or production site, including efficiency goals and commonly accepted basic KPIs¹

2 Assess current energy use and explore viable alternatives

Collect energy bills or meter data for all operations to identify where energy is used (by site and process) and research what renewable transition and efficiency options are compatible with future needs

3 Develop a renewable energy transition plan

Map phased set of initiatives, backed by risk assessment, prioritizing energy-intensive operations. Build strategic partnerships (e.g., energy providers and PPA partners) and technical & reporting capabilities

4 Ensure cross-organizational buy-in

Assign clear ownership of the energy transition and engage teams across the organization, leveraging leadership support to align responsibilities and foster shared commitment



Best practices

Co-develop and publish credible renewables targets

Align expected internal energy needs with widely-recognized frameworks (like SBTi, RE100, GHG Protocol), and customer's climate commitments. Include Scope 1 and 2 in KPIs and disclose goals publicly via website, CDP, or EcoVadis

Diagnose existing and expected needs with energy providers

Conduct a full energy audit, benchmarking energy use across facilities or suppliers (potentially using an energy management system like ISO 50001 lite). Engage with utilities or third-parties to compare viable² clean energy sourcing options

Bridge planning to implementation with strong starting moves

Build a multi-year roadmap for electricity and heat with interim milestones. Integrate clean energy into CapEx and procurement processes, including cost-benefit analysis, funding options, and stakeholder support needs

Engage Ops, Finance, and other commercial functions early

Involve key teams to ensure cost implications, infrastructure upgrades, and contract approvals (like PPAs or equipment changes) are understood and integrated into planning. Their input helps forecast future energy needs from production, assess investment trade-offs, and identify funding opportunities

1. Examples of commonly accepted basic KPIs include % of renewable electricity used or energy intensity per unit of output

2. Requirements for a viable energy sources include proximity, cost, compatibility with existing infrastructure, energy load and demand patterns, grid access, and reliability (not exhaustive)

Driving Expanded and Granular clean energy adoption requires site-by-site action, verification, and value chain leadership (I/II)

Key actions

1 Start renewable electricity procurement

Evaluate clean electricity options and integrate the most suitable ones into your operations through one or more of the existing sourcing mechanisms based on your location, needs, and market access. Bundle efficiency upgrades with procurement efforts (e.g., lighting, HVAC, insulation, process optimization)

2 Initiate transitioning heat systems

Assess current heat sources, tech, and usage, and develop a site-specific intervention plan to begin phasing out fossil-based sources (e.g., gas, oil)

3 Adopt measurement, verification and reporting standards

Ensure credibility, comparability, and traceability by aligning with recognized frameworks that validate clean energy sources

Best practices

Buy renewable electricity: three market-based options

- **Green tariff¹:** easy switch to a renewable plan with your current utility. No infrastructure needed
- **Alternative supplier:** move to a certified renewable electricity provider if your current one offers no green options
- **Energy Attribute Certificates:** buy RECs, GOs, or I-RECs² to match your usage when you can't change supplier

Install on-site renewables: set up solar, wind, or biomass systems if you have suitable space on your property and want cost stability (incentives available)

Power Purchase Agreement (PPA): long-term contract with a renewable developer (virtual or on-site). Best for high energy users seeking price certainty

Build clean heat roadmap: map current heat systems to identify hot-spots and plan phased intervention with pilots to learn and guide scaling

Develop CapEX/retrofit plan: create long-term investment plan by site, factoring in local constraints, operational needs, techs, and available incentives

Identify and participate in verified certification programs

Join credible 3rd party standards (e.g., CDP, RE10, SBTi) to ensure credible progress, unlock market advantages³, and meet buyer expectations

EXPANDED

1. Green tariff is a utility-provided plan that guarantees all or part of your power comes from renewable sources;
 2. Renewable Energy Certificate (REC) - used in North America, Guarantee of Origin (GO) - used in Europe, International-REC (I-REC) - used in countries without a local system
 3. Market advantages include preferred supplier status (e.g., longer contracts and access to green procurement tenders) as well as better access to financing and insurance. Not exhaustive

Driving Expanded and Granular clean energy adoption requires site-by-site action, verification, and value chain leadership (II/II)



Key actions

- 1 Expand renewable electricity & heat coverage**
 Continue increasing the share of renewable energy used across all sites and systems, scaling successful approaches and closing gaps across operations to maximize emissions reductions
- 2 Improve energy management tools company-wide**
 Modernize energy monitoring practices to enhance visibility, efficiency, and control, and support informed decision-making
- 3 Validate ongoing progress against recognized standards**
 Uphold active compliance with internationally-recognized clean energy frameworks and share progress yearly (via CDP, EcoVadis, ESG reports)
- 4 Embed climate leadership across the ecosystem**
 Go beyond own operations, supporting suppliers, partners, and peers to accelerate the energy transition through shared knowledge, innovation, and influence



Best practices

- Ensure all operations are covered:** ensure renewables are applied consistently across all facilities (including smaller sites, warehouses, joint ventures)
- Regularly review investment plan:** ensure solutions and tech selected for retrofits and new site builds remain cost effective and aligned with evolving needs
- Consolidate contracts:** centralize negotiation and purchases when beneficial, unlocking better pricing and access to larger-scale options like PPAs
- Optimize and Digitize Energy Management across facilities**
 Deploy smart meters and IoT sensors across facilities. Use digital energy platforms to optimize efficiency, forecast demand and storage needs, and reduce waste
- Embed clean energy standards into daily practice**
 Develop internal workflow to regularly assess key framework indicators and maintain documentation to support external verification or audit readiness
- Empower your supply chain and foster collaboration**
 Support suppliers with tools and guidance to understand their footprint and set renewable targets. Share learnings from successful pilots, enable joint energy procurement or shared infrastructure solutions, and engage in clean energy policy dialogues (e.g., CEBA, RTC, IRENA)¹

Retailers launch regional initiatives to increase energy efficiency for own operations and/or major supplier networks

IKEA launched initiative to boost HVAC energy efficiency and reduce carbon footprint

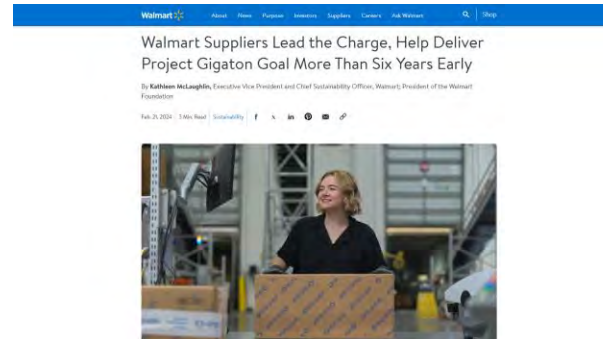


IKEA boosts HVAC energy efficiency by 25 percent

IKEA increased HVAC energy efficiency by 25% in two large Spanish stores by installing ABB's **high-efficiency HVAC systems** with advanced drives. This initiative is part of IKEA's broader sustainability goal to reduce carbon emissions by 80% by 2030, supporting its vision of becoming a fully circular and low-impact business.

See [IKEA Case Study](#) for more

Walmart boosts energy efficiency in supply chain through Project Gigaton



Through **Project Gigaton**, Walmart worked with **5,900 suppliers** to improve supply chain **energy efficiency** using tools like the Factory Energy Efficiency tool and hosting summits. These efforts helped Walmart exceed its emissions reduction goal **six years early**, highlighting energy efficiency's role in cutting emissions.

See [Walmart Press Release](#) for more

Woolworths invests in comprehensive energy efficiency upgrades to bring down emissions



Woolworths has allocated **over \$77M to energy efficiency upgrades** throughout their operations, including replacing older lighting with LED solutions and upgrading refrigeration and air conditioning systems, contributing to their achievement of a **42% reduction in scope 1 & 2 emissions** relative to 2015 base year

See [Woolworths Sustainability Report](#) for more

Retailers leverage multiple strategies to accelerate adoption of renewables across portfolio

IKEA invests €200 million to support renewable energy transition and broader climate action in key geographies



Renewable electricity for IKEA suppliers

IKEA launched a program to help suppliers in key countries like **Poland, China, and India** transition to **renewable electricity**. By **2023**, the program expanded to **ten additional markets**. The program provides both off-site solutions like **Power Purchase Agreements** and on-site options such as **solar panel installations**.

See [IKEA Press Release](#) for more info

Walmart accelerates clean energy investments across the US to reduce emissions



Walmart is advancing its energy transformation by **enabling nearly 1 gigawatt of new clean energy projects across the U.S.** These initiatives include **community solar programs** benefiting low-income households, **long-term renewable energy purchase agreements**, and **collaborations** with utilities to **expand grid capacity**.

See [Walmart Press Release](#) for more info

Woolworths progresses toward 100% renewable energy by 2025






Woolworths aims to achieve **100% renewable electricity** by **2025**, with **23.5%** reached in F24, supported by CleanCo and other partnerships. In F24, **278 solar systems** were installed, powering over **12,600 homes** annually. Efforts include bi-facial solar panels to maximize production and align with the **RE100 commitment**.

See [Woolworths Press Release](#) for more info


Visit the [CGF resource library](#) for a comprehensive list of additional materials on renewable energy & heat (I/II)

Recommended starting points include the following list of relevant frameworks, tools, business guidance, and more:

 Description	 Resource type	 Relevant resource(s)
<p>EU Fit for 55 package: comprehensive set of legislative proposals to revise and update EU legislation covering various sectors (e.g., renewable energy, energy efficiency, vehicle & aviation regulations)</p>	Regulatory standard	<ul style="list-style-type: none"> • EU Fit for 55 Package overview • Fit for 55: how the EU will become more energy-efficient • Fit for 55: how the EU plans to boost renewable energy
<p>2022 California Energy Code: mandates energy efficiency upgrades to reduce GHG emissions. Instrumental in driving performance standards globally</p>		<ul style="list-style-type: none"> • 2022 Building Energy Efficiency Standards Summary • Proposed 2025 Building Energy Efficiency Standards Timeline
<p>RE100: global initiative encouraging companies to commit to 100% renewable electricity</p>	Voluntary commitment	<ul style="list-style-type: none"> • RE100 Reporting Guidance
<p>EP100: global initiative of 125+ businesses committed to doubling energy productivity, implementing energy management systems, and achieving net-zero buildings</p>		<ul style="list-style-type: none"> • EP 100 FAQ • EP100 Energy Efficiency: Net Zero's Invisible Ally report

Visit the [CGF resource library](#) for a comprehensive list of additional materials on renewable energy & heat (II/II)

Recommended starting points include the following list of relevant frameworks, tools, business guidance, and more:

	Description		Resource type		Relevant resource(s)
	SBTi Guidance: developed guidance (supported by CDP) to support electric utilities in setting science-based targets and clarify target-setting boundary options and requirements		Voluntary commitment		<ul style="list-style-type: none"> • SBTi Quick Start Guide for Electric Utilities • SBTi Corporate Near-Term target-setting tool
	Business guidance: provides actionable indications and recommendations for increasing energy efficiency and renewable energy at the corporate level		Additional resources		<ul style="list-style-type: none"> • Turbocharging Energy Transition • Rapid Energy Transformation • Policies for Reducing GHG • RILA Clean Energy report

5

Deforestation and conversion-free sourcing (DCF)

The Climate Transition Coalition has published an [Info Pack](https://www.theconsumergoodsforum.com/publications/climate-action-in-practice-actionable-insights-to-reduce-deforestation/) with detailed insights on how to approach deforestation and conversion-free sourcing

Info Pack resources

Reducing Deforestation Overview

Overview | What to know about reducing deforestation

Strategic Context

- Land use change, principally deforestation, contributes up to 20% of global GHG emissions¹.
- EU regulation is requiring retailers to address supply chain exposure to high-deforestation risk commodities² or risk import bans.

Key Challenges

- Limited availability of deforestation-free products makes securing supply today essential to hedge against future price spikes.
- Establishing traceability for high-risk commodities is highly complex; building stronger, more transparent relationships with suppliers will be paramount.

Opportunity & Solutions

The first step to addressing deforestation is identifying the combinations of commodities & regions that represent the highest risk of deforestation in your product portfolio and developing a purchasing framework to guide buyers.

Regional Considerations

Regional considerations

- US & Canada | Some localized risks**
Despite low rates of deforestation generally, some high-risk pockets exist; retailers should therefore prioritize sourcing from sustainable suppliers³ - US, Canada
- Latin America | High deforestation risk**
High deforestation risk in sourcing soy and beef necessitates strict due diligence to prevent contributing to deforestation⁴ - e.g., Brazil, Bolivia, Paraguay
- Europe | Relatively low-risk**
Europe has low rates of deforestation domestically⁵ - EU
- Asia | Palm oil concerns**
Palm oil cultivation is a major driver of deforestation in Southeast Asia. Retailers should source certified sustainable palm oil to mitigate environmental impact⁶ - Southeast Asia
- Africa | Weak enforcement risks**
Weak forestry law enforcement means enhanced verification is needed to prevent illegal deforestation in supply chains⁷ - Central and West Africa
- Oceania | Palm oil concerns**
Oceania has low deforestation rates overall; however, Papua New Guinea faces significant risks due to palm oil production⁸ - Papua New Guinea

Activities Retailers Should Consider

Actions | Early-stage retailers should prioritize EUDR readiness; advanced retailers can scale formalized purchasing frameworks

Early action should focus on EUDR readiness and identifying high-risk commodities

Example activities include

- Build internal capabilities for navigating EUDR and other evolving regulations
- Identify high deforestation-risk commodities within your product portfolio
Leverage EUDR, AI's, and ECF Forest Positive recommendations for commodities to consider
Further refine priority commodities by retailer-purchasing volume
- Institute traceability improvement programs for high-risk commodities via buyer onboarding and supplier engagement

Retailers further along can advance established initiatives using a purchasing framework

Example activities include

- Design a purchasing framework to be leveraged by buyers that is relevant for both commodities and finished products
- For private label commodities, design a tailored framework for each commodity & growing region
- Engage and upskill buyers on addressing deforestation in high-risk commodities

Relative Impact & Feasibility

Relative impact & feasibility | Reducing deforestation is a major emissions lever, though retailers' upstream influence is limited

	Impact	Feasibility
Emissions reduction	High	Medium
Co-benefits (biodiversity, social, environmental)	High	Medium
Affordability	Medium	Low
Ease of implementation	Medium	Low
Public sector support	High	Medium
Degree of control	Medium	Medium

Notes:

- Deforestation-free supply chains can significantly reduce emissions from land use change, which contribute up to 20% of global GHG emissions
- Myriad environmental and social benefits (e.g., biodiversity, air and water quality). Plus, enhanced brand reputation and supply chain risk mitigation mechanisms
- Certified deforestation- and conversion-free (DCF) products can come at a premium due to costly third-party verification mechanisms
- Often difficult to influence upstream practices, the animal feed production, that many retailers do not have visibility of
- Strong regulatory frameworks (e.g., EUDR, CERO) drive action through mandatory compliance
- Meaningful progress requires long-term partnership with key suppliers

Retailer Case Studies

Case studies | Retailers identify high-risk commodities, set sourcing standards, and join multistakeholder groups to address deforestation

Levers in action: Retail case studies

- Tesco, Sainsbury's and Waitrose invest in Responsible Commodities Facility for deforestation-free soy cultivation in Brazil**
Tesco, Sainsbury's and Waitrose invested \$11M in Brazil's Responsible Commodities Facility (RCF), which provides financial incentives for farmers committed to DCF soy cultivation. The 12-month pilot phase alone conserved ~8.5k hectares of vegetation and produced ~42 tonnes of DCF soy.
[See Tesco Press Release for more info](#)
- ALDI commits to zero deforestation in high-risk supply chains by 2025**
ALDI aims to eliminate deforestation and natural ecosystem conversion in its high-risk supply chains by 2025. Key commodities include soy, palm oil, timber, cocoa, coffee, and bananas. ALDI participates in industry groups such as Palm Oil Transparency Coalition and the Retail Soy Group to support this initiative.
[See ALDI website for more info](#)

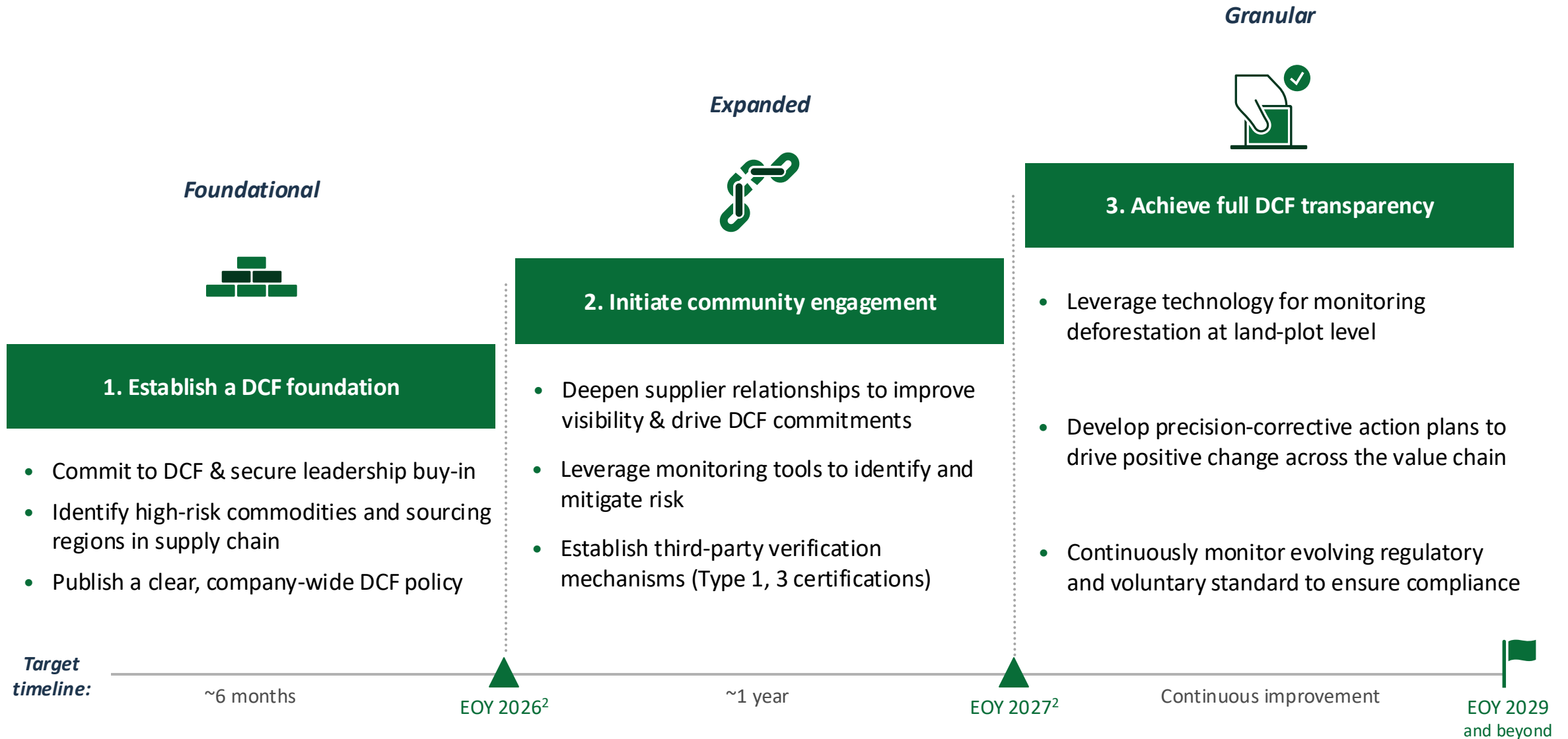
"Best Source of Truth" Resources

Resources | Understanding EUDR is crucial due to its supply chain impact; optional frameworks can help inform policy setting (I/II)

Regulations directly impacting what can be sold internationally	Description	Relevant resource(s)
EUDR	EU deforestation-free regulation. EU regulation preventing import and export of deforestation-linked products to the EU market, requiring companies to verify traceability to the farm/plant level.	<ul style="list-style-type: none"> EUDR regulation EUDR implementation FAQs EU deforestation regulation: What companies need to know & how they fit in the regulated (Quantis publication) The trace to action deforestation & soybean risk: Are you ready to comply with EUDR and SBTi rules? (Quantis webinar)
France's National Strategy to Combat Imported Deforestation (ONDB)	French government initiative targeting the impact of raw materials or products linked to deforestation, forest degradation, or the conversion of natural ecosystems outside national borders.	<ul style="list-style-type: none"> ONDB overview
Accountability Framework Initiative (AFI)	Leading framework providing practical guidance for addressing deforestation and conversion in supply chains (e.g., guidance for target setting, implementation, monitoring).	<ul style="list-style-type: none"> AFI Accountability Framework AFI Core Principles
SBTi (SBTi) Framework	SBTi (SBTi) Framework for companies in land-intensive sectors (forest, land, agriculture) to set science-based targets that include land-based emissions reductions and removals. Complements traditional SBT corporate guidance. Includes a commitment to no deforestation by 2025 for primary deforestation-linked commodities.	<ul style="list-style-type: none"> SBTi Emissions Guidance SBTi EUDR: Aligning climate to deforestation - Emissions context (SBTi webinar)

Legend: Mandatory regulation, Voluntary standard, framework, or guidance

Suppliers can make progress towards DCF in three phases



To establish a DCF foundation, a supplier's first steps should include securing leadership buy-in & identifying high-risk commodities

FOUNDATIONAL



Key actions

- 1 Commit to DCF & secure leadership buy-in**
Gain leadership support and assign internal accountability for eliminating deforestation and conversion from supply chains
- 2 Identify high-risk commodities and sourcing regions**
List the high-risk raw materials (e.g., soy, beef, palm oil, cocoa) that are present in your sourcing and determine which originate from deforestation-risk regions
- 3 Publish a clear, time-bound DCF policy with measurable KPIs**
Develop policy that includes DCF commitments, a timeline for implementation, and KPIs for public reporting



Best practices



Link DCF commitments to business priorities – highlight compliance with regulation and risk to right to operate, alignment with CPG customer requirements, improved market access, and reputational benefits to drive internal adoption



Approximate ingredient sourcing locations using existing procurement and supplier records as a starting point. WRI has published a list of high-risk commodities (see [here](#)). WWF's *Deforestation Fronts* report identifies high-risk regions (see [here](#))



Keep the policy concise and actionable – limit it to a few key principles (e.g., no new deforestation after a certain date), ensure it is written in clear, non-technical language for easy adoption, and integrate KPIs that can be realistically tracked

To reach expanded and granular DCF maturity, deeper supplier collaboration and data transparency are essential

EXPANDED

GRANULAR



Key actions

- 1 Engage suppliers to embed a collective DCF approach**
 Require farmers and direct suppliers to provide their sourcing regions for high-risk ingredients & DCF commitments, and establish a process for ongoing engagement to monitor progress
- 2 Establish external verification systems**
 Validate supplier-shared data to ensure data quality and compliance with regulatory or voluntary requirements
- 3 Use real supplier data to map strengths and gaps**
 Identify best-practice and lagging suppliers to prioritize intervention and build a value chain improvement roadmap
- 4 Unlock traceability to product origin**
 Track DCF practices of high-risk commodities to the most granular level, offering customers farm-to-shelf transparency



Best practices

- Make DCF engagement valuable for stakeholders**
 Link it to financial incentives, market access, or technical support, helping them see how meeting DCF commitments can improve their yields, reduce costs, and secure long-term contracts
- Obtain third party certifications**
 Partner Type 1 (Ecolabel) or Type 3 (Environmental Product Declaration) certifiers, undergoing regular audits
- Create a virtuous cycle of transparent collaboration**
 Use supplier-shared data to co-develop targeted action plans that support mutual growth across the entire supplier base
- Partner with geospatial technology providers**
 Integrate advanced geospatial solutions data to enable real-time visibility on sourcing origins (e.g., satellite imagery, LiDAR)

Retailers identify high-risk commodities, set sourcing standards, and join multistakeholder groups to address deforestation

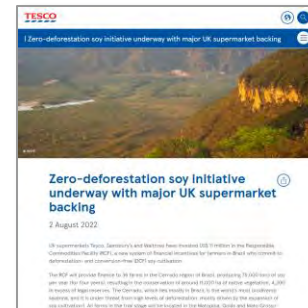
Bunge commits to eliminating deforestation from its supply chains by 2025



Leading agribusiness company **Bunge** pledged in **2015 to eliminate deforestation** and native vegetation conversion from its supply chains by 2025. They began by **developing monitoring and traceability systems** and engaging closely with farmers to promote sustainable practices. They maintain a **public dashboard that tracks their progress**.

See [Bunge website](#) for more info

Tesco, Sainsbury's and Waitrose invest in Responsible Commodities Facility for deforestation-free soy cultivation in Brazil



Tesco, Sainsbury's and Waitrose invested \$11M in Brazil's **Responsible Commodities Facility (RCF)**, which **provides financial incentives** for farmers committed to **DCF soy cultivation**. The 12-month pilot phase alone conserved ~8.5k hectares of vegetation and produced ~42 tonnes of DCF soy.

See [Tesco Press Release](#) for more info

ALDI commits to zero deforestation in high-risk supply chains by 2025






ALDI aims to eliminate deforestation and natural ecosystem conversion in its **high-risk supply chains** by 2025. Key commodities include **soy, palm oil, timber, cocoa, coffee, and bananas**. ALDI participates in industry groups such as **Palm Oil Transparency Coalition** and the **Retail Soy Group** to support this initiative.

See [ALDI website](#) for more info

Visit the [CGF resource library](#) for a comprehensive list of additional materials on DCF sourcing

Recommended starting points include the following list of relevant frameworks, tools, business guidance, and more:

 Description	 Resource type	 Relevant resource(s)
EU deforestation-free regulation: EU regulation preventing import and export of deforestation-linked products in the EU market	Regulatory standard	<ul style="list-style-type: none"> • EUDR regulation • EUDR implementation FAQ
Accountability Framework initiative (AFi): Leading framework providing practical roadmap for addressing deforestation and conversion in supply chains	Voluntary commitment	<ul style="list-style-type: none"> • AFi Accountability Framework • AFi Core Principles
Forest Positive Coalition: CGF coalition dedicated to a forest positive future, offering resources and guidance for addressing deforestation in supply chains	CGF publication	<ul style="list-style-type: none"> • CGF Forest Positive Coalition • Forest Positive Coalition Report 2024 • Driving Forest Positive Action (Brazil)
Info Pack: CT-published compendium with detailed insights on how to approach deforestation and conversion-free sourcing		<ul style="list-style-type: none"> • Reducing deforestation

6

Regenerative Agriculture

The Climate Transition Coalition has published an [Info Pack](#) with detailed insights on how to approach sustainable agriculture

Info Pack resources

Sustainable Agriculture Overview

Overview | What to know about sustainable agriculture

Strategic Context

- Transitioning suppliers to more sustainable farming and livestock management practices are among the most significant decarbonization actions retailers can take.

Key Challenges

- Real-time impacts of supply chain volatility and the time-intensive nature of transitioning to more sustainable practices highlight the urgent need for swift action.
- A key constraint for suppliers is the complexity of defining and cost-effectively measuring the impact of sustainable agriculture (e.g., challenges in impact modeling, traceability, demonstrating long-term permanence).
- Technology for reducing emissions from livestock (e.g., methane masks, bovine management) remains costly and challenging to scale.

Opportunity & Solutions

- Sustainable ag can increase crop resiliency against pests, drought, and extreme weather. There is clear business value in enhancing supply chain resilience and reducing volatility and disruptions.
- Advancing this topic requires value chain collaboration and sourcing strategies to manage risk. Significant co-financing will be needed to further accelerate action.

Regional Considerations

Regional considerations

- US & Canada | Precision agriculture leadership**
High adoption of advanced farming technologies presents opportunity for partnership with tech-heavy suppliers and encouragement of these practices for others - US, Canada
- Latin America | Sustainable livestock needed**
High emissions from cattle ranching make sustainable livestock practices a priority - e.g., Brazil, Argentina
- Europe | Policy incentives available**
EU policies incentivize sustainable farming; retailers can benefit by sourcing from suppliers rewarded for eco-friendly practices - EU
- Asia | Rice methane emissions**
Traditional rice farming generates significant methane emissions, constituting key opportunity for retailers to support suppliers adopting low-emission techniques - e.g., China, India, Vietnam
- Africa | Capacity constraints**
Limited resources and technology hinder sustainable practices, meaning retailers may need to invest in supplier capacity-building - Sub-Saharan Africa
- Oceania | Methane reduction innovations**
New Zealand is a global leader in methane-reducing tech. Retailers can source lower-carbon products by partnering with suppliers utilizing innovative practices - New Zealand

Activities Retailers Should Consider

Actions | Early-stage retailers can accelerate learning by leveraging existing programs; advanced retailers can scale through innovation

Early action should prioritize high-impact opportunities and leverage existing programs

Example activities include:

- Inventory own ingredient landscape by identifying hotspots and ingredients with highest emissions
- Prioritize regen pilots for ingredients with highest emissions and value chain control, such as key ingredients for private label products or existing vertically integrated farms
- Identify and join existing supplier regenerative carbon insetting programs (e.g., established upstream programs looking to on-board retailers) to avoid steep learning curve and establish partnerships

Retailers further along in the journey should focus on scaling/advancing established initiatives

Example activities include:

- Engage in landscape-level initiatives to share costs, amplify benefits and accelerate progress through a regional approach
- Develop advanced incentive/penalty systems to drive supplier action
- Build out digital supply chain capabilities for complex, fragmented systems (e.g., use satellite imagery and AI models to supplement supplier data to map sustainability risks/opportunities across supply chain and enhance traceability)
- Consider business model innovation to mitigate risks and identify opportunities (e.g., increased integration of supply chain can increase control over product value chain and mitigate risks)

Relative Impact & Feasibility

Relative impact & feasibility | Sustainable agriculture drives major emissions reduction and other benefits; financing is biggest barrier

	Impact	Feasibility
Emissions reduction	High	Medium
Co-benefits (biodiversity, soil, water, etc.)	High	Medium
Affordability	Low	Medium
Ease of implementation	Low	Medium
Public sector support	Medium	Medium
Degree of control	Medium	Medium

Notes:

- Reduce carbon emissions from high-impact sources like fertilizers and land use change, as well as lowering methane emissions from ruminants and rice farming
- Enhance supply chain resilience and yields ecosystem benefits including increased biodiversity and improved water quality
- The transition to sustainable practices is expensive for farmers, and pilots are costly for CPGs, presenting a barrier
- Though many sustainable ag practices are not highly technical, they require supplier training and a change in ways of working. Often the most difficult aspect is the measurement to prove impact.
- Government programs & international frameworks encourage sustainable practices through funding and regulation, though there is also strong lobbying against
- Meaningful progress requires long-term supplier partnership and potentially preferential purchasing agreements

Retailer Case Studies

Case studies | Retailers leverage partnerships to accelerate adoption of regenerative agriculture across key crop supply chains

Levers in action: Retail case studies

- Abolish Delhaize USA partners to launch farm-to-fork regenerative agriculture pilot across wheat supply chain**
Abolish Delhaize USA, a leading Canadian grocery chain, has launched a regenerative agriculture pilot across its wheat supply chain. The pilot aims to reduce carbon emissions and improve soil health by transitioning to regenerative farming practices.
- Walmart and PepsiCo partner to advance regenerative agriculture across 2 million acres for key crops**
Walmart and PepsiCo have launched a \$120 million initiative to support regenerative agriculture on 2 million acres in North America for potatoes, corn, wheat, soybeans and rice production. The program provides financial and technical resources to improve soil health, water quality, and cut greenhouse gas emissions by 4 million metric tons by 2030.
- Tesco launches two low carbon trial farms in its UK supply chain**
Tesco is launching trial farms to test and scale technologies like biochar-based fertilizers, alternative fuels, efficient cold storage, and carbon removal. The aim of the trial farms is to provide a practical demonstration of a route to net zero. The farms may also host academic studies and trial innovation. From Tesco's April 1st initiative, which supports sustainable agriculture start-ups.

"Best Source of Truth" Resources

Resources | Evolving regulations demand greater supply chain transparency and understanding of upstream sustainable practices

Regulations	Description	Relevant resources
EU Corporate Sustainability Reporting Directive (CSRD)	Requires companies with significant EU activities to disclose their environmental and social impact (including supply chain), increasing transparency and accountability to sustainability efforts	<ul style="list-style-type: none"> EU CSRD guidance EU CSRD implementation
US SEC Climate Disclosure Rules	Requires companies to disclose climate-related risks and opportunities, and related business partners throughout their value chains	<ul style="list-style-type: none"> SEC SEC Climate Disclosure rules
California SB 253	Requires companies with business in California to disclose climate-related risks and opportunities to regulators and measures adopted to address risks to equity	<ul style="list-style-type: none"> SB 253 guidance SB 253 implementation
Denmark's 2030 carbon tax on livestock	Will tax livestock farmers 500 DKK/tonne of CO2e emissions emitted by cows, sheep and pigs. It is the first carbon tax on agriculture and liability to regulatory of agricultural business and will impact some prices 2025 and onwards	<ul style="list-style-type: none"> Denmark's 2030 carbon tax on livestock

Three steps to successfully transition to regenerative agriculture

TARGET	EXPECTED BY
Start adopting regen ag practices to protect soil health and reduce emissions	2026
Scale up regen practices in line with external frameworks, adopting a landscape approach where relevant	2030

Foundational



1. Set ambition and strategy

- Set tailored regenerative objectives and KPIs
- Assess baseline agricultural practices
- Develop a regenerative transition action plan
- Ensure cross-organizational buy-in

Expanded



2. Activate the regenerative transition

- Shift from conventional to regenerative agriculture practices:¹
 - Protect soil health
 - Shift to low-impact inputs
 - Enhance biodiversity
 - Improve water management
- Design incentives to drive fair adoption
- Implement measurement, verification and reporting standards

Granular



3. Scale in line with global frameworks

- Engage in regenerative actions beyond the farm-gate:
 - Landscape & Ecosystem
 - Equitable farmer livelihood
- Validate ongoing progress against recognized standards
- Build resilience to systemic shocks across the value chain
- Advance regenerative practices through innovation, science, and policy engagement

Target timeline:

~6 months

EOY 2026

~3 years

EOY 2029

Continuous improvement

1. List of regenerative farming pillars not exhaustive. It may vary by supply chain, crop, and geography

Setting the foundations for regenerative transformation starts from building internal readiness and define shared approach

FOUNDATIONAL



Key actions

- 1 Set tailored regenerative ag objectives and KPIs**
 Define what regenerative agriculture means for your business, what your goals are, and how you'll measure progress against them, drawing from international frameworks (e.g., SAI Platform, RegenAgri, ROC)
- 2 Assess baseline agricultural practices**
 Understand current environmental footprint of your agricultural operations, across both internal and 3rd party farms
- 3 Develop a regenerative transition action plan**
 Prioritize the core pillars¹ of regenerative ag most relevant to your value chain, draft a roadmap of initiatives, and build technical capacity and agronomic talent to enable future implementation
- 4 Ensure cross-organizational buy-in**
 Align agronomy, sourcing, and finance teams to develop a unified regenerative strategy and investment approach



Best practices

- Co-develop regenerative policy with suppliers and farmers**
 Engage suppliers early to co-create a credible, commodity-specific policy that balances ambition and practicality. Use farmer input to shape targets and KPIs, and design the policy for easy rollout and formal sign-on across the value chain
- Diagnose farmer network**
 Collect grower practice data across geographies to identify current practices and priority impact areas. Use widely available, commonly-accepted metrics and tools like Cool Farm Tool, Areena, or COMET-Farm to build the baseline
- Bridge planning to implementation with strong starting moves**
 Map timebound initiatives (e.g., pilots, trainings) with required resources and accountability for each priority pillar, and establish an agronomy competence center to consolidate knowledge, tools, and technical support
- Engage Finance, Sourcing, and other commercial functions early**
 Embed regenerative KPIs into commercial planning, procurement criteria, and supplier scorecards (e.g., % of regen-sourced volumes, input cost savings per hectare) to ensure shared accountability

1. Priority pillars include soil health, input usage, biodiversity, and water management. Scope can vary by supply chain, crop, and geography
 Note: Key actions 1 to 4 are part of an iterative process and may not follow a strictly sequential order

Shifting to Expanded and Granular regenerative impact requires on-farm action, verification, and value chain leadership (I/II)



Key actions

- 1 Shift from conventional to regenerative and agroecological farming practices**
 Support farmers in adopting regenerative practices, starting from the previously-identified priority pillars, while phasing out extractive, input-heavy approaches. Capture on-field learnings to refine practices and strengthen future implementation
- 2 Design incentives to drive fair adoption**
 Ensure regenerative transformation is accessible and viable for all suppliers/farmers, regardless of size, starting point, or geography
- 3 Implement measurement, verification and reporting standards**
 Enable credibility, comparability, and traceability by aligning to recognized standards that validate regenerative progress



Best practices

- Protect soil health:** promote reduced tillage, cover crops, organic inputs, and diversified rotations to restore soil structure and increase organic carbon
- Shift to low-impact inputs:** replace synthetic fertilizers and pesticides with compost, biologicals, and integrated pest management (IPM) techniques
- Enhance biodiversity:** increase crop and landscape diversity through agroforestry, hedgerows, multi-species rotations, and pollinator zones
- Improve water management:** implement water-efficient irrigation (e.g., drip), plant cover to reduce runoff, and build soil moisture-holding capacity
- Implement outcome-based incentives tailored to farm realities**
 Offer premiums for verified regen practices, shared savings from input reduction, or in-kind support (tiered by progress level). Design tools to be accessible to smallholders by adapting requirements to local contexts
- Select and participate in verified regenerative programs**
 Join credible 3rd party framework requiring outcome-based verification (e.g., SAI Platform, RegenAgri, ROC). Move towards accreditation to ensure sensibility, unlock market premiums, and meet buyer expectations

Shifting to Expanded and Granular regenerative impact requires on-farm action, verification, and value chain leadership (II/II)



Key actions

- 1 **Engage in regenerative actions beyond the farm-gate**
Expand efforts from individual farm plots to the wider landscape and surrounding community to minimize externalities and regenerate ecosystems
- 2 **Validate ongoing progress against recognized standards**
Uphold active compliance with selected internationally-recognized regenerative framework and track performance against its requirements
- 3 **Build resilience to systemic shocks across the value chain**
Design systems that can withstand volatility from external shocks¹ by increasing ecological and economic flexibility from farm to buyer
- 4 **Advance regenerative practices through innovation, science, and policy engagement**
Ensure continuous evolution of regenerative approach by monitoring and testing emerging agronomic practices, technologies, and regulations



Best practices

Landscape & Ecosystem : Contribute to shared water resource management, biodiversity corridors, and joint land restoration projects. Engage local communities in land-use planning and conservation

Equitable, farmer livelihood: Strengthen farmer inclusion via long-term contracts, fair income programs, and co-developed value-sharing. Empower underrepresented communities with access to training and governance

Embed regenerative standards into daily practice

Develop internal workflow to regularly assess key framework indicators and maintain documentation to support external verification or audit readiness

Launch corrective action plans & initiative roadmaps for all farmers

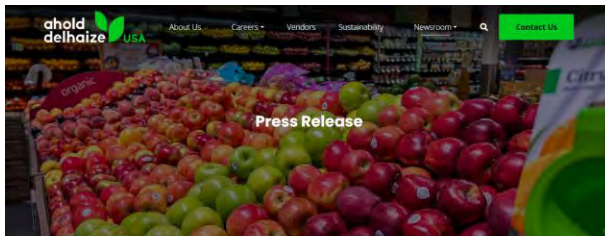
Monitor risks by region or crop, co-create adaptive plans with farmers (e.g., drought response, pest outbreak), and ensure clear timelines, support mechanisms, and escalation paths to proactively insulate from systemic shocks

Join regenerative expert roundtables to influence, learn, and align across the value chain

Participate in international or regional coalitions (e.g., WBCSD, Regen10, RegAgri4Europe), policy forums, and pre-competitive initiatives. Share insights and lessons learned with farmers, buyers, and peers

Retailers leverage partnerships to accelerate adoption of regenerative agriculture across key crop supply chains

Ahold Delhaize USA partners to launch farm-to-shelf regenerative agriculture pilot across wheat supply chain



Ahold Delhaize USA, Kellanova, Bartlett Announce Farm-to-Shelf Regenerative Agriculture Pilot to Decrease Emissions Across Value Chain

Ahold Delhaize USA, Kellanova, and Bartlett launched a **regenerative wheat pilot** to reduce Scope 3 emissions in the production of Cheez-It® and Club® crackers. The initiative blends regenerative and conventional wheat practices to **enhance soil and water health**, with products hitting 2,000 Ahold Delhaize stores by 2025.

See [Ahold Delhaize Press Release](#) for more info

Walmart and PepsiCo partner to advance regenerative agriculture across 2 million acres for key crops

PepsiCo and Walmart Aim to Support Regenerative Agriculture Across More than 2 Million Acres of Farmland

July 26, 2023 | 4 Min Read



Walmart and PepsiCo launched a **7-year, \$120 million initiative to support regenerative agriculture** on 2 million acres in North America for potato, oat, corn, wheat, soybeans and rice production. The program **provides financial and technical resources** to improve soil health, water quality, and cut greenhouse gas emissions by 4 million metric tons by 2030.

See [Walmart Press Release](#) for more info

Tesco launches two low carbon trial farms in its UK supply chain

Getting innovative technology on to farms

As a company for all, Tesco is committed to reducing its environmental footprint. Working in partnership with UK farmers to deliver a more sustainable food system is a key priority. Getting innovative technology on to farms is a key part of this. In November 2023, we joined forces with our UK suppliers Arla and Mole Valley to launch a 7-year trial partnership, which aims to put sustainability at the heart of the dairy industry. At 400+ Tesco's Sustainable Dairy Group (SDSG) farmers across the UK will be part of the initiative, accelerating the reduction of carbon emissions, enhancing animal welfare and protecting and restoring nature, whilst promoting a shared vision for the dairy industry to contribute to building a more resilient and sustainable future.






Tesco is launching trial farms to test and scale technologies like **low-carbon fertilizers, alternative fuels, efficient cold storage, and carbon removal**. The aim of the trial farms is to provide a **practical demonstration of a route to net zero**. The farms may also host academic studies and trial innovations from Tesco's Agri T-Jam initiative, which supports sustainable agriculture start-ups.

See [Tesco's Greenprint for UK farming](#) for more info

Visit the [CGF resource library](#) for a comprehensive list of additional materials on regenerative agriculture

Recommended starting points include the following list of relevant frameworks, tools, business guidance, and more:

	Description		Resource type		Relevant resource(s)
	Soil Monitoring Law: EU directive to assess soil health (under approval)		Regulatory standard		<ul style="list-style-type: none"> • EU Directive draft
	SAI Platform: most widely recognized voluntary framework to guide transitioning toward regenerative agriculture		Voluntary commitment		<ul style="list-style-type: none"> • SAI Platform framework
	Commodity Masterclass: learning sessions hosted by the Climate Transition Coalition to share regenerative agricultural best practices across key ingredients (e.g., coffee, soy, rice)		CGF publication		<ul style="list-style-type: none"> • 2024 Commodity Masterclasses - Key takeaways
	Info Pack: compendium with detailed insights on how to approach regenerative agriculture				<ul style="list-style-type: none"> • Sustainable agriculture
	Additional Publications: publicly-available resources to learn more about and accelerate the transition to regenerative agriculture system		Additional resource		<ul style="list-style-type: none"> • Regen Practices to Reduce GHGs • Regenerative Ag in Dairy • On-farm Nutrient Management • Integrated Rice Cultivation • Regen Ag Ecosystem Map

Ready to
take action?

How to become the next changemaker:

- 1 [Explore practical resources](#) to tackle key sustainability challenges
- 2 [Connect with our experts](#) to accelerate your sustainability journey
- 3 [Join the CGF](#) to collaborate with industry leaders and drive positive change

A pair of hands is shown holding a small, round object covered in vibrant green grass. The hands are positioned in the center-right of the frame, with fingers gently cupping the object. The background is a blurred green field, suggesting an outdoor setting. On the left side of the image, there is a solid green rectangular area containing the text "Thank you".

Thank you

Appendix

Catalogue of Available Resources (I/II)

Dimension	CGF content (published on official website)	Info Pack material
Emissions Measurement & Disclosure	<ul style="list-style-type: none"> Maximize Value from Climate Reporting Enable Scope 3 Data Transparency (case study) Measure and Reduce Scope 3.1 Purchasing Emissions (case study) Develop In-House, Web-Based Tools to Calculate CO2 Footprint (case study) ESG Reporting Summary 	No dedicated content, but all Info Packs address the topic
Emissions Reduction Plan/Strategy	<p>Writing the plan</p> <ul style="list-style-type: none"> Design Climate Transition Plans – An Overview Prioritize and Implement Decarbonization Levers Leverage MACCs to Inform Decarbonization Strategy Procure Natural Climate Solutions Carbon Credits <p>Integration/activation</p> <ul style="list-style-type: none"> Integrate Climate into Strategic Planning Integrate Climate into Corporate Financials Embed Decarbonization Requirements in Procurement Activate the Organization to Support Sustainability Goals Design a Supplier Engagement Program Decarbonize Suppliers through Collaborative Approach Food Waste Learning Report Communicating on Reducing FLW Decarbonizing Freight Transport (LATAM) Sustainable Packaging: Case Study Booklet 	<ol style="list-style-type: none"> Reducing food loss and waste Merchandising sustainable products Adopt circular or sustainable packaging Increasing low carbon transportation
Renewable Electricity	<ul style="list-style-type: none"> Build a Strategic Approach to Renewable Energy Sourcing Source Renewable Electricity with PPA Switch to Solar Energy with Rooftop Photovoltaics Harness PPA for Renewable Electricity (case study) Invest in Solar Power for Affordable and Clean Energy Supply (case study) Use a Simplified Lease Program for Renewable Energy (case study) 	<ol style="list-style-type: none"> Increasing low-carbon energy

Catalogue of Available Resources (II/II)

Dimension	CGF content (published on official website)	Info Pack material
Renewable Heat	<ul style="list-style-type: none"> Convert Biowaste into Biogas to Accelerate Decarbonization Switch to Low-Carbon Fuels: Deep Dive on Low-Carbon Hydrogen Switch to Renewable Energy to Decarbonize Industrial Heat Use Geothermal Energy to Decarbonize Buildings and Warehouses 	5. Increasing low-carbon energy
Deforestation and Conversion-free	<ul style="list-style-type: none"> Use Nature-Based Solutions as Part of Net Zero Action QR Code Implementation (Traceability) Forest Positive Coalition Report 2024 Driving Forest Positive Action (Brazil) 	6. Reducing deforestation
Regenerative Agriculture	<ul style="list-style-type: none"> Use Regenerative Practices to Reduce Agricultural Emissions Incentivize Regenerative Agriculture in Dairy Production Optimize Nutrient Management for Reduced On-Farm Emissions Reduce Rice Cultivation Emissions via Integrated Methods Reduce Enteric Fermentation Emissions from Ruminant Animals Reduce CH₄ & N₂O Emissions with Livestock Manure Management Convert Biowaste into Biogas to Accelerate Decarbonization 	7. Sustainable agriculture
Cross-dimensional	<ul style="list-style-type: none"> 2024 Commodity Masterclasses HREDD Assessment Tool & Guidance Supplier Sust. Targets Resource Guide 	N/A

Source: CGF Website; Info Pack (direct link to dedicated section)