# 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] | |
| | 4 Renewable heat | • Demonstrate progress towards switching operations to clean heat[4] | 2030 |
| 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***

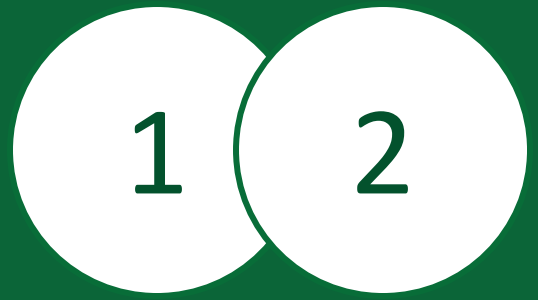
1. Ideally near term and net zero 2. Recommendation to align with the frameworks and principles for transition plan as designed by ESRS/CSRD, Transition Plan Taskforce Framework and CDP, or other external frameworks depending on regional context 3. Leveraging guidance from RE100 or similar to support 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** | • What CGF resources already exist? |
| **Progress roadmap** | • Where should suppliers start?<br>• What do different maturity levels look like on this dimension? |
| **Key actions & Best practices** | • What specific actions should a supplier at a given maturity level take to progress?<br>• What best practices should suppliers keep in mind? |
| **Case studies & Resources** | • What are some examples of companies successfully making progress in this area?<br>• What additional resources should suppliers engage with? |




# 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-level[1] Scope 1,2,3 emissions:
  - Estimate emissions using self-reported data
- Ensure cross-organizational buy-in

*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

*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

***Target timeline:***

~6 months | EOY 2026[2] | ~2 years | EOY 2027[2] | 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

FOUNDATIONAL

## 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 metrics[1] 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 metrics[1] and industry-average EFs[2] 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 $CO_2e$ 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)

EXPANDED

## 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 data[1] 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 criteria[2] 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



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)

GRANULAR

## 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 initiatives[1]. Share learnings with peers, suppliers, and buyers to collectively improve emissions data management practices



1. Examples include UN-backed *Race to Zero*, WBCSD, The Sustainability Consortium (TSC), Sustainable Apparel Coalition, Food Industry Sustainability Strategy (FISS). Not exhaustive.

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

## Carrefour develops three pathways for improving data quality and analysis


**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.

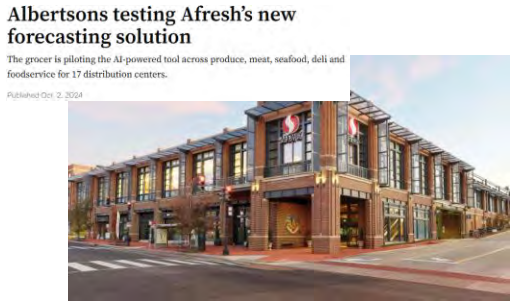
*Read the full Carrefour case study for more*

## 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 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.

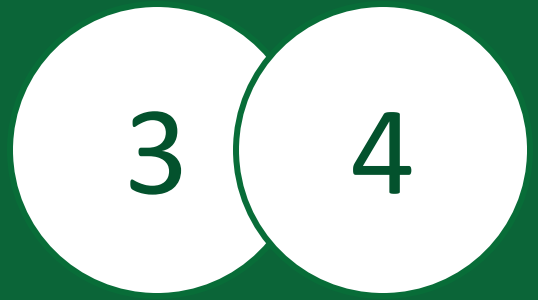
*Read the full Albertsons case study for more*

# 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 | • CSRD<br>• EU info page |
| **GHG Protocol:** most widely used global accounting standard for measuring and managing greenhouse gas emissions | Voluntary commitment | • GHG tools & resources<br>• GHG standard guidance |
| **Science Based Targets initiatives (SBTi):** voluntary climate action framework that helps companies set greenhouse gas reduction targets aligned with climate science | | • SBTi standard guidance<br>• Version 2.0 public consultation |
| **CGF Info Packs:** compendium of best practices for six decarbonization levers | CGF resource | • Info Packs<br>• ESG Reporting Summary |
| **Publications**: publicly available resources for continuous learning | Additional resource | • Enable Scope 3 Transparency<br>• Reduce Scope 3.1 Emissions<br>• Decarbonize The Value Chain |

Note: Not exhaustive

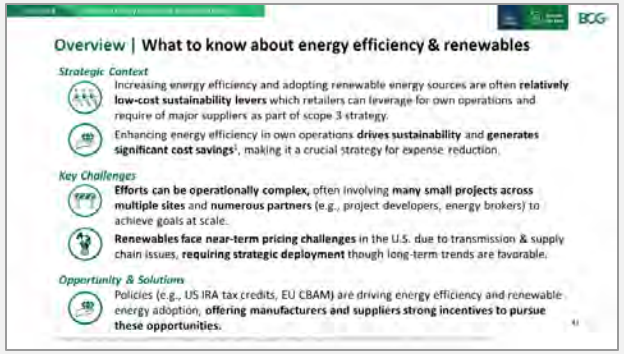



# Renewable electricity & heat

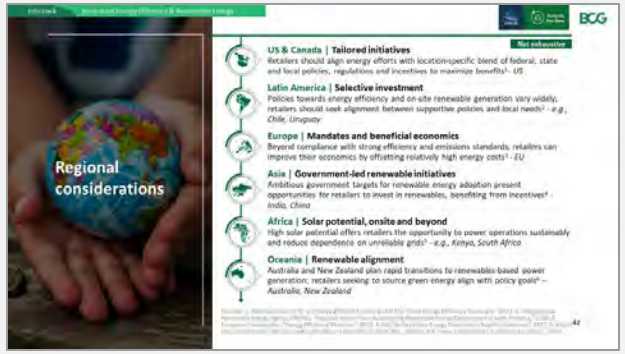
# The Climate Transition Coalition has published an Info Pack with detailed insights on how to optimize renewable energy and heat

## Info Pack resources

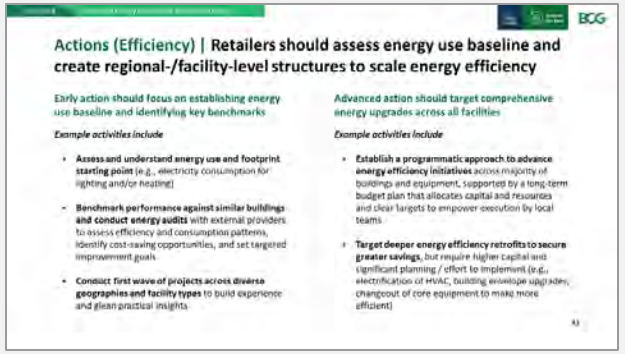
### Low Carbon Energy Overview



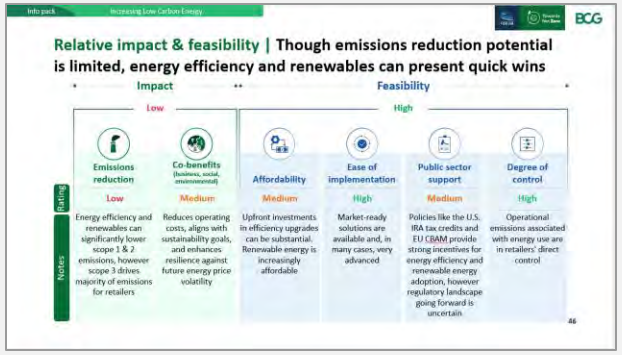

### Regional Considerations




### Activities Retailers Should Consider

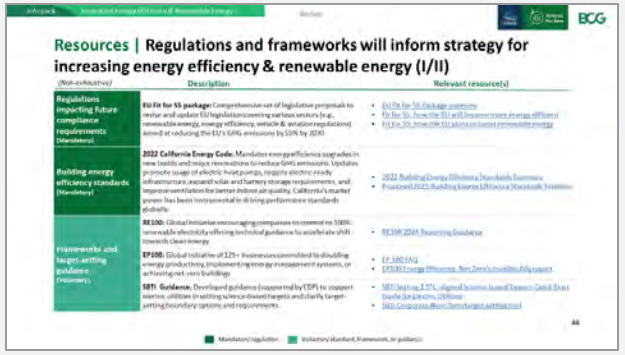



### Relative Impact & Feasibility




### Retailer Case Studies


### "Best Source of Truth" Resources




*Info Pack available at https://www.theconsumergoodsforum.com/publications/climate-action-in-practice-actionable-insights-to-increase-low-carbon-energy-transport/*

# 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

*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 systems[1]
- Adopt measurement, verification and reporting standards

*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

***Target timeline:***

~6 months — EOY 2026 — ~3 years — EOY 2029 — 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

FOUNDATIONAL

## 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 KPIs[1]

### 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 viable[2] 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)

EXPANDED

## 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 tariff[1]:** 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-RECs[2] 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 advantages[3], and meet buyer expectations

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)

GRANULAR

| Key actions | Best practices |
|---|---|
| 1 **Expand renewable electricity & heat coverage**<br>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 | **Ensure all operations are covered:** ensure renewables are applied consistently across all facilities (including smaller sites, warehouses, joint ventures)<br>**Regularly review investment plan:** ensure solutions and tech selected for retrofits and new site builds remain cost effective and aligned with evolving needs<br>**Consolidate contracts:** centralize negotiation and purchases when beneficial, unlocking better pricing and access to larger-scale options like PPAs |
| 2 **Improve energy management tools company-wide**<br>Modernize energy monitoring practices to enhance visibility, efficiency, and control, and support informed decision-making | **Optimize and Digitize Energy Management across facilities**<br>Deploy smart meters and IoT sensors across facilities. Use digital energy platforms to optimize efficiency, forecast demand and storage needs, and reduce waste |
| 3 **Validate ongoing progress against recognized standards**<br>Uphold active compliance with internationally-recognized clean energy frameworks and share progress yearly (via CDP, EcoVadis, ESG reports) | **Embed clean energy standards into daily practice**<br>Develop internal workflow to regularly assess key framework indicators and maintain documentation to support external verification or audit readiness |
| 4 **Embed climate leadership across the ecosystem**<br>Go beyond own operations, supporting suppliers, partners, and peers to accelerate the energy transition through shared knowledge, innovation, and influence | **Empower your supply chain and foster collaboration**<br>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] |



1. Clean Energy Buyers Alliance (CEBA), Renewable Thermal Collaborative (RTC), International Renewable Energy Agency Coalition for Action (IRENA)

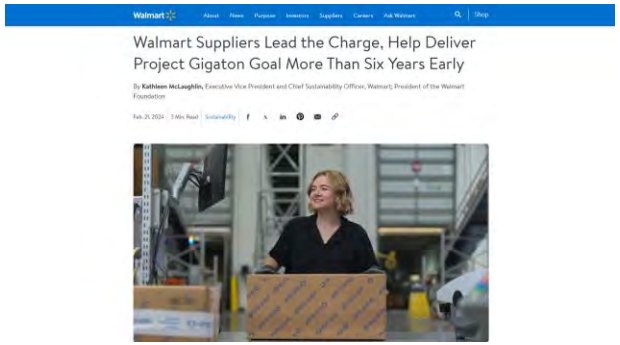
# Retailers launch regional initiatives to increase energy efficiency for own operations and/or major supplier networks

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


**IKEA 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


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) |
|---|---|---|
| **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) | Regulatory standard | • EU Fit for 55 Package overview<br>• Fit for 55: how the EU will become more energy-efficient<br>• Fit for 55: how the EU plans to boost renewable energy |
| **2022 California Energy Code:** mandates energy efficiency upgrades to reduce GHG emissions. Instrumental in driving performance standards globally | | • 2022 Building Energy Efficiency Standards Summary<br>• Proposed 2025 Building Energy Efficiency Standards Timeline |
| **RE100:** global initiative encouraging companies to commit to 100% renewable electricity | Voluntary commitment | • RE100 Reporting Guidance |
| **EP100:** global initiative of 125+ businesses committed to doubling energy productivity, implementing energy management systems, and achieving net-zero buildings | | • EP 100 FAQ<br>• EP100 Energy Efficiency: Net Zero's Invisible Ally report |

Note: Not exhaustive

# 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 | • SBTi Quick Start Guide for Electric Utilities<br>• 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 | • Turbocharging Energy Transition<br>• Rapid Energy Transformation<br>• Policies for Reducing GHG<br>• RILA Clean Energy report |

Note: Not exhaustive

5

# Deforestation and conversion-free sourcing (DCF)

# The Climate Transition Coalition has published an Info Pack with detailed insights on how to approach deforestation and conversion-free sourcing

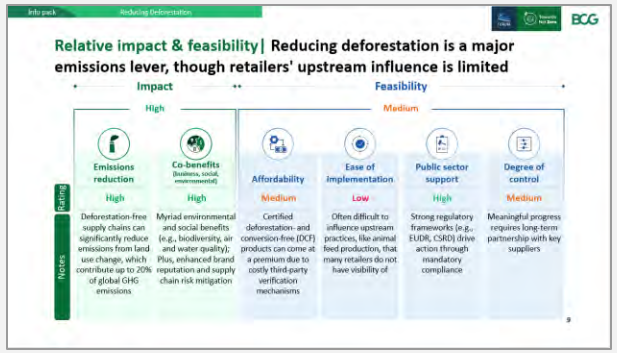
## Info Pack resources

### Reducing Deforestation Overview

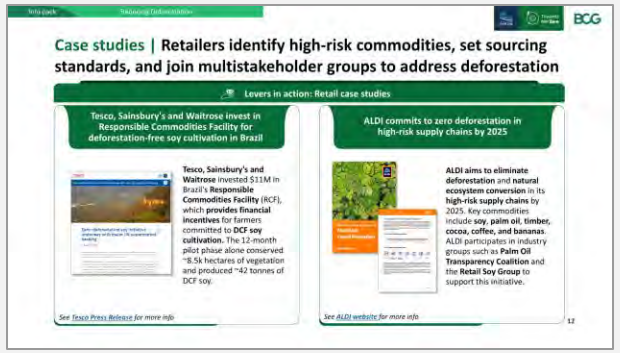

### Regional Considerations


### Activities Retailers Should Consider


### Relative Impact & Feasibility




### Retailer Case Studies




### "Best Source of Truth" Resources


*Info Pack is available at https://www.theconsumergoodsforum.com/publications/climate-action-in-practice-actionable-insights-to-reduce-deforestation/*

# Suppliers can make progress towards DCF in three phases

*Foundational*

**1. Establish a DCF foundation**

- Commit to DCF & secure leadership buy-in
- Identify high-risk commodities and sourcing regions in supply chain
- Publish a clear, company-wide DCF policy

*Expanded*

**2. Initiate community engagement**

- Deepen supplier relationships to improve visibility & drive DCF commitments
- Leverage monitoring tools to identify and mitigate risk
- Establish third-party verification mechanisms (Type 1, 3 certifications)

*Granular*

**3. Achieve full DCF transparency**

- Leverage technology for monitoring deforestation at land-plot level
- Develop precision-corrective action plans to drive positive change across the value chain
- Continuously monitor evolving regulatory and voluntary standard to ensure compliance

***Target timeline:***

~6 months | EOY 2026[2] | ~1 year | EOY 2027[2] | Continuous improvement | EOY 2029 and beyond

# 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 | • EUDR regulation<br>• EUDR implementation FAQ |
| **Accountability Framework initiative (AFi):** Leading framework providing practical roadmap for addressing deforestation and conversion in supply chains | Voluntary commitment | • AFi Accountability Framework<br>• 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 | • CGF Forest Positive Coalition<br>• Forest Positive Coalition Report 2024<br>• Driving Forest Positive Action (Brazil) |
| **Info Pack:** CT-published compendium with detailed insights on how to approach deforestation and conversion-free sourcing | | • Reducing deforestation |

Note: Not exhaustive

# 6 Regenerative Agriculture

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

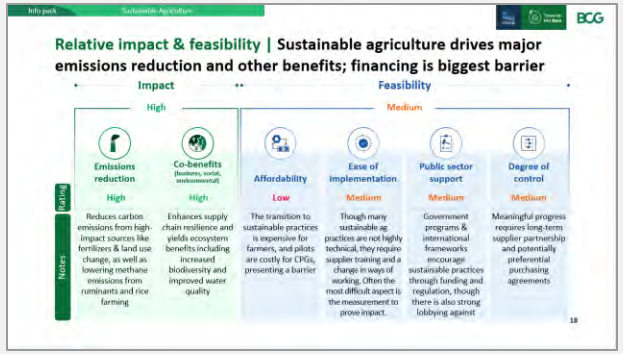
## Info Pack resources

### Sustainable Agriculture Overview


### Regional Considerations

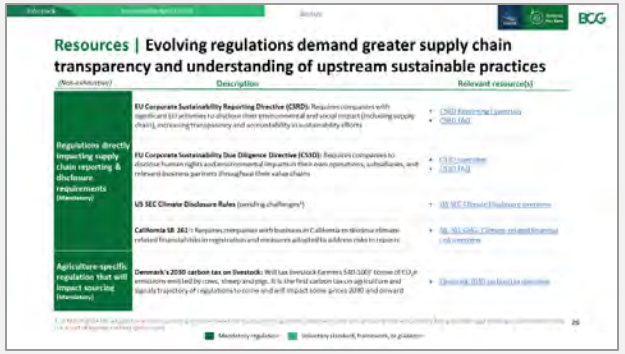

### Activities Retailers Should Consider


### Relative Impact & Feasibility




### Retailer Case Studies


### "Best Source of Truth" Resources






*Info Pack available at https://www.theconsumergoodsforum.com/wp-content/uploads/2025/Climate-Action-in-Practice-Sustainable-Agriculture.pdf*

# 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 pillars[1] 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)

EXPANDED

## Key actions

## Best practices

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

**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

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

**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

3 **Implement measurement, verification and reporting standards**
Enable credibility, comparability, and traceability by aligning to recognized standards that validate regenerative progress

**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)

GRANULAR

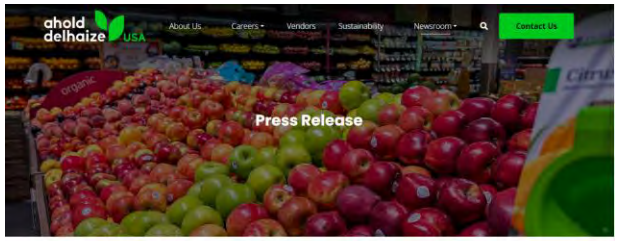
| Key actions | Best practices |
|---|---|
| 1 **Engage in regenerative actions beyond the farm-gate**<br>Expand efforts from individual farm plots to the wider landscape and surrounding community to minimize externalities and regenerate ecosystems | **Landscape & Ecosystem :** Contribute to shared water resource management, biodiversity corridors, and joint land restoration projects. Engage local communities in land-use planning and conservation<br>**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 |
| 2 **Validate ongoing progress against recognized standards**<br>Uphold active compliance with selected internationally-recognized regenerative framework and track performance against its requirements | **Embed regenerative standards into daily practice**<br>Develop internal workflow to regularly assess key framework indicators and maintain documentation to support external verification or audit readiness |
| 3 **Build resilience to systemic shocks across the value chain**<br>Design systems that can withstand volatility from external shocks[1] by increasing ecological and economic flexibility from farm to buyer | **Launch corrective action plans & initiative roadmaps for all farmers**<br>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 |
| 4 **Advance regenerative practices through innovation, science, and policy engagement**<br>Ensure continuous evolution of regenerative approach by monitoring and testing emerging agronomic practices, technologies, and regulations | **Join regenerative expert roundtables to influence, learn, and align across the value chain**<br>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 |



1. External shocks include adverse weather events, pest and disease outbreaks, geopolitical disruptions, and input price spikes (e.g., fertilizers or fuel). Not exhaustive

# 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

**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

Recommendations

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 | • EU Directive draft |
| **SAI Platform:** most widely recognized voluntary framework to guide transitioning toward regenerative agriculture | Voluntary commitment | • 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 | • 2024 Commodity Masterclasses - Key takeaways |
| **Info Pack:** compendium with detailed insights on how to approach regenerative agriculture | | • Sustainable agriculture |
| **Additional Publications**: publicly-available resources to learn more about and accelerate the transition to regenerative agriculture system | Additional resource | • Regen Practices to Reduce GHGs<br>• Regenerative Ag in Dairy<br>• On-farm Nutrient Management<br>• Integrated Rice Cultivation<br>• Regen Ag Ecosystem Map |

Note: Not exhaustive

# Ready to take action?

## How to become the next changemaker:

1. **Explore practical resources** to tackle key sustainabaility challenges
2. **Connect with our experts** to accelerate your sustainability journey
3. **Join the CGF** to collaborate with industry leaders and drive positive change

# Thank you

# Appendix

# Catalogue of Available Resources (I/II)

| Dimension | CGF content (published on official website) | Info Pack material |
|---|---|---|
| **Emissions Measurement & Disclosure** | • Maximize Value from Climate Reporting<br>• Enable Scope 3 Data Transparency (case study)<br>• Measure and Reduce Scope 3.1 Purchasing Emissions (case study)<br>• Develop In-House, Web-Based Tools to Calculate CO2 Footprint (case study)<br>• ESG Reporting Summary | No dedicated content, but all Info Packs address the topic |
| **Emissions Reduction Plan/Strategy** | **Writing the plan**<br>• Design Climate Transition Plans – An Overview<br>• Prioritize and Implement Decarbonization Levers<br>• Leverage MACCs to Inform Decarbonization Strategy<br>• Procure Natural Climate Solutions Carbon Credits<br>**Integration/activation**<br>• Integrate Climate into Strategic Planning<br>• Integrate Climate into Corporate Financials<br>• Embed Decarbonization Requirements in Procurement<br>• Activate the Organization to Support Sustainability Goals<br>• Design a Supplier Engagement Program<br>• Decarbonize Suppliers through Collaborative Approach<br>• Food Waste Learning Report<br>• Communicating on Reducing FLW<br>• Decarbonizing Freight Transport (LATAM)<br>• Sustainable Packaging: Case Study Booklet | 1. Reducing food loss and waste<br>2. Merchandising sustainable products<br>3. Adopt circular or sustainable packaging<br>4. Increasing low carbon transportation |
| **Renewable Electricity** | • Build a Strategic Approach to Renewable Energy Sourcing<br>• Source Renewable Electricity with PPA<br>• Switch to Solar Energy with Rooftop Photovoltaics<br>• Harness PPA for Renewable Electricity (case study)<br>• Invest in Solar Power for Affordable and Clean Energy Supply (case study)<br>• Use a Simplified Lease Program for Renewable Energy (case study) | 5. Increasing low-carbon energy |

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

# Catalogue of Available Resources (II/II)

| Dimension | CGF content (published on official website) | Info Pack material |
|---|---|---|
| **Renewable Heat** | • Convert Biowaste into Biogas to Accelerate Decarbonization<br>• Switch to Low-Carbon Fuels: Deep Dive on Low-Carbon Hydrogen<br>• Switch to Renewable Energy to Decarbonize Industrial Heat<br>• Use Geothermal Energy to Decarbonize Buildings and Warehouses | 5. Increasing low-carbon energy |
| **Deforestation and Conversion-free** | • Use Nature-Based Solutions as Part of Net Zero Action<br>• QR Code Implementation (Traceability)<br>• Forest Positive Coalition Report 2024<br>• Driving Forest Positive Action (Brazil) | 6. Reducing deforestation |
| **Regenerative Agriculture** | • Use Regenerative Practices to Reduce Agricultural Emissions<br>• Incentivize Regenerative Agriculture in Dairy Production<br>• Optimize Nutrient Management for Reduced On-Farm Emissions<br>• Reduce Rice Cultivation Emissions via Integrated Methods<br>• Reduce Enteric Fermentation Emissions from Ruminant Animals<br>• Reduce $CH_4$ & $N_2O$ Emissions with Livestock Manure Management<br>• Convert Biowaste into Biogas to Accelerate Decarbonization | 7. Sustainable agriculture |
| **Cross-dimensional** | • 2024 Commodity Masterclasses<br>• HREDD Assessment Tool & Guidance<br>• Supplier Sust. Targets Resource Guide | N/A |

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