



Committing to measurable ESG initiatives in the Food and Beverage Sector: Doing well by doing good

ESG HANDBOOKS AND GUIDES

6 July 2022

By: Noel Haywood | Stefanie Jill Fogel

The Consumer Goods, Food and Retail team at DLA Piper is delighted to announce the launch of its latest global sector research paper, **Committing to measurable ESG initiatives in the food and beverage sector: Doing well by doing good**.

"There can be no doubt, now more than ever, that ESG is a strategic priority for the wider Food and Beverage sector, where all relevant stakeholder groups of influence are placing greater emphasis – and increasingly informing their decisions upon – ESG imperatives."

Noel Haywood, Global Co-Chair, Consumer Goods, Food and Retail

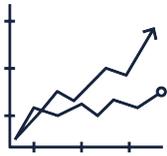
With 73 percent of the world's largest companies in the Food and Beverage Sector having a sustainable development target, only a quarter of these are setting time-bound targets and the remaining 27 percent have no sustainability strategy, according to the World Benchmarking Alliance. This considered, it seems the industry has a long way to go before it can claim it is setting GHG emission reduction targets that align with the 2015 Paris Agreement.

This latest report from DLA Piper, in partnership with Fitch Solutions, looks at how food and beverage companies are performing on sustainability issues and how they need to build an ESG framework to meet the challenges ahead.

If you would like more information, please contact the authors below.

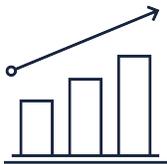
[Download the full report](#)

The key findings of the report include:



Performance-based indicators are the foundation

Corporate ESG strategy should focus on performance-based quantitative indicators that help investors, consumers, employees and suppliers understand the ethics, resilience and successes of a company. This is a business necessity. Having a well-defined ESG strategy is not just a mechanism to counter risk. It can serve to improve operational efficiencies, support innovative new business models, build resilience by mitigation planning, engage more closely with consumers, and attract or retain the best talent.



Track your progress – then disclose it

Despite the importance of performance-based indicators, fewer than 1 in 3 food and beverage companies say they track ESG very well, with 40 percent saying they lack an implementation framework. It is important for companies to set out their priority commitments, which need to be measurable, and then to disclose the results. An ESG program not tracked properly or disclosed effectively is worthless.



Protect your reputation with a clear, transparent ESG policy

Brand reputation is a major operational concern for food and drink companies – 38 percent say this is the single most important operational issue facing them today. A clear and transparent ESG policy embedded across an entire business (including supply chain) will play a big part in framing a company's identity and its image – not just protecting but enhancing its reputation.



Ensure efficiencies by involving your entire supply chain

Any ESG plan must include a company's entire supply chain. Two of every three companies think an ESG policy which includes a closer relationship with suppliers can actually create a more efficient supply chain. Also of note: over 40 percent of companies fear legal proceedings could be taken against them for having an inadequate ESG structure. Supply chain vulnerabilities can contribute to such inadequacies. ESG programs should clearly set out commitments that encompass all suppliers – to avoid reputational damage while contributing to sustainability goals.



A sound, transparent ESG plan will attract top talent

Over half of food and beverage companies believe that they will miss out on the best talent if they fail to implement an ESG program. Employees want to work for businesses that can show they serve their local communities and the global community. And evidence of a business carrying out its ESG commitments will help to ensure that a company's workforce is truly inclusive.

[Download the full report](#)

We recently hosted a webinar with Fitch Solutions discussing the key findings of the report, to find out more and to listen to the recording [click here](#).

AUTHORS



Noel Haywood

Partner

Birmingham | T: +44 (0)20 7349 0296 [UK Switchboard]

noel.haywood@dlapiper.com



Stefanie Jill Fogel

Partner

Boston | T: +1 617 406 6000

stefanie.fogel@dlapiper.com
