

Assessing the implementation of climate targets: Behind the Brands Agribusiness Companies

Final Evaluation Report - Executive Summary

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Climate Focus
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EXECUTIVE SUMMARY

Multinational agricultural commodity producers have a key role to play in addressing the climate crisis. They occupy the 'mighty middle',¹ connecting small-scale farmers to food processors, traders, distributors, and ultimately consumers at the end of the supply chain. They influence how food is made, who benefits most from its production, and the food consumption of millions of people around the world. With their position, power and financial leverage, they have a responsibility to shape standards for agricultural commodity production and drive emission reductions throughout the wider sector.

Oxfam's agribusiness scorecard measures global agribusiness' policies and implementation plans on five environmental and human rights issue areas: women's economic empowerment, land, climate change, small-scale producers, and transparency and accountability. In the years 2018, 2020 and 2022, seven companies – Archer Daniels Midland (ADM), Barry Callebaut, Bunge, Cargill, Louis Dreyfus Company (LDC), Olam Group and Wilmar International – were evaluated, selected for the size and scale of their sourcing volumes of key food commodities.

In Oxfam's most recent *Moving the Middle* assessment,² published in 2023, climate performance was not assessed, because the existing scorecard framework for climate change was considered inadequate given the increasing urgency of the climate crisis. It also did not account for recent reporting and disclosure developments relevant to the agricultural sector, including updates from the Science Based Targets Initiative (SBTi) and the United Nations High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities (HLEG).

This report provides the outcomes of a new and updated climate assessment of the seven major agribusinesses. The assessment applies a new, comprehensive and ambitious climate framework which evaluates the strength of companies' climate commitments as well as the extent to which they report on progress. This framework looks at how companies are implementing their commitments, including evidence of internal changes; budgeting for planned climate actions; reporting on progress against identified targets; and monitoring impacts, particularly in relation to suppliers and small-scale farmers.

While the assessment outcomes vary considerably across indicators, companies performed poorly across the board, suggesting that both ambition and action remain far below what is necessary to advance a sustainable and just global food system.

¹ See Oxfam (2023) *Moving the Middle: Oxfam's Behind the Brands* assessment of the global agribusiness sector. Available at <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621491/bp-moving-the-middle-agribusiness-sector-scorecard-310323-en.pdf?sequence=1>.

² Oxfam (2023) *Moving the Middle: Oxfam's Behind the Brands* assessment of the global agribusiness sector. Available at <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621491/bp-moving-the-middle-agribusiness-sector-scorecard-310323-en.pdf?sequence=1>.

Key Findings

GHG reduction targets

- Only one of the assessed companies, Barry Callebaut, has an SBTi-validated, 1.5-degree-aligned near-term target.
- Only two companies, Barry Callebaut and Olam, have set Net-Zero targets, but these have yet to be validated by the SBTi.
- Four companies – ADM, Barry Callebaut, Bunge, and Louis Dreyfus – have a deforestation commitment which aligns with the SBTi FLAG guidance.
- Not one company has a commitment to phase-out the use of fossil fuels in their operations.

Engagement with suppliers

- None of the assessed companies show clear evidence of involving workers, suppliers, small-scale producers or impacted populations in the development of emissions mitigation plans across all commodity supply chains.
- Only three companies – ADM, Barry Callebaut and Cargill – have a policy for addressing supplier non-compliance with their environmental and human rights policies in each of their commodity supply chains.

Climate advocacy

- Only three companies – ADM, Cargill and Louis Dreyfus – have committed to both the Amazon Soy Moratorium and the Cerrado Manifesto.
- None of the assessed companies has an explicit commitment to conduct external engagement or lobbying activities in line with Paris Agreement goals.
- Three companies – ADM, Cargill and Louis Dreyfus – show evidence of lobbying activities which conflict with Paris Agreement goals.

Supporting sustainable and just land use models

- All companies support small-scale producers or the implementation of sustainable and resilient agricultural practices in some way, but no company implements these practices consistently across each of their supply chains.
- No company embeds gender-responsiveness consistently into their sustainable land use interventions.
- No company has concrete commitment to ensure the implementation of FPIC, protect against child labor and forced labor, ensure that workers receive a sufficient living income, address gender inequalities, and ensure the provision of grievance mechanisms, across all of its commodity supply chains.

Data and disclosure

- Only four companies – Bunge, Barry Callebaut, Louis Dreyfus and Wilmar – report emissions from each of their major commodity supply chains.
- Only three companies – Bunge, Barry Callebaut and Olam – report clearly on the methods used and traceability achieved in each of their forest-risk commodity supply chains.
- ADM and Barry Callebaut are the only companies that include climate-related requirements in supplier contracts across their commodity supply chains.

Reporting on commitments

- Just one company, Bunge, provides clear reporting on progress towards its no-deforestation commitment across all of its commodity supply chains.
- No company provides full reporting on progress made to respect human rights or full, transparent reporting of grievance cases across each of its supply chains.

The outcomes of the assessment highlight the urgent need for improved climate action in the agribusiness sector. Companies should not only increase the ambition and scope of their climate commitments, but also work to ensure they are implemented throughout their direct and indirect supply chains. They should make the development of their emission reduction strategies participatory and inclusive, and support sourcing models which strengthen small-scale producers' ability to implement low carbon, resilient and regenerative agriculture practices. They should recognize the unique role of women in the agricultural transition, and actively support women's inclusion in agricultural supply chains. At the very least, companies should ensure that human rights are respected across their operations. The report includes key recommendations for the agribusiness sector, centered around the themes of climate ambition, gender and small-scale producer inclusion, and transparency.