

Food Data Transparency Partnership Eco working group minutes

Date	19 April 2023
Time	12:00-13:00
Venue	Microsoft Teams

Attendance

Co-Chairs:

Judith Batchelar	Food sector expert and Environment Agency Deputy Chair
Karen Lepper	Deputy Director Food Data, Standards and Sustainability, Defra

Eighteen Eco working group members in attendance

Julie Pierce, co-chair of Data working group and Director of Information and Science, FSA

FDTP team

The Eco working group is a stakeholder engagement group that provides input on policy development as part of an open policy design process. These discussions do not reflect agreed government policy.

1. <u>Welcome and introductions</u>

- Karen Lepper (KL) welcomed new members to the Eco working group (Eco WG) including Laura Fernandez from Ocado, Jonathan Birnie consultant, Sarah Bridle, University of York, Rodrigo Barrios, replacing Anna Turrell from Tesco.
- KL reminded the group that it would operate under the Chatham House Rule and confirmed that the FDTP team will share documents and resources with the group on SharePoint and will give the group access to the SP very shortly. **FDTP team to action.**
- KL recapped on the discussion at the first Eco WG including a discussion on the draft group terms of reference and the workplan for 2023.

2. <u>Reporting mechanism</u>

• The FDTP team presented the reporting mechanism paper:

- Explained that when we refer to reporting mechanism it is about the requirement to disclose/instrument of reporting. Most current requirements for reporting scope 3 are not mandatory.¹
- One of the main aims of the FDTP is to streamline reporting so we are proposing to make use of wider mandatory reporting requirements set out in the Green Finance Strategy and to focus on international alignment.
- Department of Business and Trade will be assessing new ISSB general sustainability and climate standards for adoption in the UK including whether to include mandatory scope 3 reporting. The risks associated with using this mechanism is that the timeframe is slower, and Defra has less control over the legislation.
- Ultimately, we still think this is the best approach to avoid fragmentation while moving towards greater disclosure.
- KL invited comments from the group around whether this is the right approach and whether there are any risks to relying on a voluntary approach, even if it is just in the interim.
 - The group agreed with the approach of waiting and aligning with ISSB and global standards to give the sector time to develop consistent methodology and data and to avoid sector fragmentation and reduce business burden.
 - The group agreed that mandatory reporting was important to improve consistency and to drive progress by encouraging transparency and disclosure around levels of data quality and openness. However, one member cautioned that greater disclosure should not be about comparing organisations because each has a different organisational level footprinting.
 - One member suggested that consistency could be achieved by a mandatory methodology or a mandatory reporting mechanism.
 - Some members agreed that incentivizing the collection of good primary data is the key to improving food scope 3 data reporting.
 - Judith Batchelar (JB) the guidance that accompanies mandatory reporting will be essential for helping businesses report. There is an ambition to move at pace, to streamline and consolidate but the success of reporting will be in the quality of the implementation. Suggested we discuss at a future meeting. Action: FDTP to add to the workplan.

3. <u>Reporting protocols</u>

- WRAP presented the reporting protocol paper:
 - The GHG protocol should be the minimum standard and the WRAP protocols V2 should set out a way to go further than the minimum. The WRAP protocols interpret standards for the food and drink industry including interpretation of categories and types in inventories.
 - We will need to tackle some of the issues and barriers in the next version of the protocols to enable good mandatory scope 3 reporting. For example, the diverse market of carbon calculators driving unharmonized data. Another example is carbon removals and Land Sector Removals Guidance.
- JB acknowledged that we won't do justice to this big topic in one meeting but expecting the group to go out to their networks to collate thoughts on the papers and then let us have any

¹ This could be a mandatory reporting mechanism such as SECR, TCFD but with a voluntary scope 3 emissions reporting requirement or a requirement from a company's board, investors, assurance scheme or NGO.

thoughts by email or in bilaterals. **Action:** Eco WG members to get in touch with the FDTP team with any further comments.

GHG protocol

- The group agreed that the GHG protocol should be the minimum standard because it makes sense to have a global baseline however highlighted several limitations that should be addressed in guidance/protocols:
 - \circ They are open to interpretation and doesn't achieve consistency.
 - They don't require the collection of primary data. The key issue is data quality and the need to collect good quality primary data. This is especially an issue for import data.
 - Very complex and hard to interpret. Needs to be translated for practitioners to use (simplify, consolidate, pros and cons)
- The group asked whether we could engage and influence the GHG protocol. **Action:** FDTP team to pick this up with WRAP

Data

- JB acknowledged that we haven't yet talked in any detail about the pathway to quality data and data standards. What constitutes good primary data and rules around that and the continuum from primary to secondary data. How do we measure the quality of that data so we can give it some assurance?
- One member suggested that the models applied to data and used to gap fill the primary data drive some of the biggest differences in results rather than the primary activity data.
- JP the data WG will map the data flows and additions across the supply chain and understand the types of data (transactional, meta, reference data) and at the same time think about what that means for assurance and verification insights (the latter can't be bolted on). Results of insight can itself be translated as data verification and confidence. Will be important for the group to engage with assurance and verification orgs.

WRAP protocols and assurance

- One member suggested that it would be better if any guidance/protocols we put out could be internationally recognised (or at least recognised in the EU and US) because national guidance could be superseded. Gave the example of the approach to scope 3 assurance in the US starting with limited assurance at first but moving, after 2-3 years, to reasonable assurance including external verification.
- The group highlighted the need for greater specificity and the role of assurance in driving progress and particular the need for verification and assurance of carbon removals and reduction claims.
- One member highlighted the need for the protocols to work for a broad range of businesses and if the required specificity or assurance costs are too high it will be difficult for smaller businesses to achieve.
- One member suggested that we should focus assurance efforts on the tools (be that consultancy or software) rather than at the individual company/actor i.e., put the burden on the market.
- JB agreed there may be easier and cheaper ways of assuring data in the future that don't require expensive assurance farm standards /inspections. Exciting things are happening in the innovation space e.g., federated trust models. **Action:** group to send us any examples of organisations doing new and interesting things in this space.

4. Next steps

- KL set out the plan for the next few meetings; May will be a deep dive on company reporting data, June will focus on product level data, July will be about consolidating decisions on company level reporting and consultation proposals. We had originally decided to discuss IGD recommendations at the August meeting but will push this to September to take account of holidays.
- KL asked the group to let us know if there are any forums we should speak at because we want to be as open and as transparent as possible. We also have some homework for the next data session that we plan to circulate with the minutes for this meeting. We also plan to do a face-to-face session.
- The FDTP team keen to speak to people outside of meetings. Particularly interested in speaking to anyone with expertise on some of the data issues we are hoping to discuss at the next meeting.