

# FEEDING CLIMATE CHANGE:

## A scoring of major meat and dairy companies' climate-related risk and emissions reporting

### EXECUTIVE SUMMARY

As the world hurtles toward climate tipping points, few sectors of the global economy sit more squarely at the crossroads of vulnerability and responsibility than agriculture. Extreme weather events increasingly disrupt crop and livestock production and threaten global food security. Because livestock is especially sensitive to climate change, studies project significant climate-related losses for major meat, dairy, and feed companies.<sup>1</sup> This means that major meat and dairy companies are exposed to significant climate-related financial risk, yet these same companies are also major contributors to the climate crisis. Livestock production is the leading source of methane, a greenhouse gas (GHG) more potent than carbon dioxide but with a shorter atmospheric lifespan, making rapid cuts in methane emissions one of the most effective near-term strategies for limiting global warming.

In this report, IATP introduces the Meat and Dairy Climate Reporting Scorecard, which confirms that the world's major meat and dairy companies are falling short on transparent and reliable reporting of their climate risk and GHG emissions — a prerequisite for credible climate action — despite growing investor and regulatory pressure. Methane reporting is especially lacking, with only two companies reporting absolute methane emissions and only one company receiving full points for reporting a methane reduction target and action plan.

Although meat and dairy companies are dragging their feet, the legal and political landscape for corporate climate disclosure is gaining momentum. Climate-related disclosure rules in California and the EU are moving forward, bringing thousands of companies in line with mandatory reporting requirements. For a high-emitting sector with a history of misleading and incomplete

### Companies scored by climate risk & emissions transparency

Company	Overall score (out of 52)
Danone	32
Nestlé	32
Fonterra	22
FrieslandCampina	22
Arla Foods	20
Danish Crown	17
Marfrig	14
Le Groupe Lactalis	12
DMK Group	6
WH Group	6
Dairy Farmers of America	4
JBS	2
Tyson Foods	2



reporting — such as the meat and dairy sector — these disclosure rules signal an era of unprecedented transparency. Even the worst scoring companies in this report, which currently fail to report any information on GHG emissions and climate risk, will have to report under mandatory climate-related disclosure rules. This Scorecard calls attention to a *methane reporting gap*, where even companies that score well for reporting GHG emissions and climate risk receive a low score for methane reporting. Companies with such a gap in their methane reporting may be able to camouflage themselves to meet investor expectations on climate-related reporting requirements without taking meaningful action toward crucial methane reductions.

## RECOMMENDATIONS

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The report calls for urgent action by both companies and governments to close critical gaps in climate accountability across the meat and dairy sector.

### Recommendations for companies include:

- Preparing for fast-approaching mandatory disclosure rules by reporting full-scope GHG emissions with at least limited assurance.
- Reporting disaggregated livestock methane emissions from major sources for at least scope 3 in CH<sub>4</sub> or CO<sub>2</sub>e.
- Setting science-based emissions reduction targets that are inclusive of scope 3 and aligned with limiting global warming to 1.5°C, per the Paris Agreement. This should include a specific commitment to reduce methane emissions across the value chain by at least 30% below 2020 levels by 2030, in alignment with the Global Methane Pledge. Targets should be supported by a detailed action plan, and progress toward targets should be reported annually.
- Incorporating climate-related risk into business strategy and financial decision-making.

Climate reporting, while essential, is not a substitute for climate action. The meat and dairy sector remains heavily reliant on untested technological fixes and carbon removal methods to improve their climate impact while avoiding transformational measures necessary to stay within planetary limits. To close the climate accountability gap, this report calls for urgent action by companies and governments, as summarized below. Without these measures, the world's largest meat and dairy companies will remain unprepared for the regulatory, market, and climate risks that are already reshaping the global food system.

### Recommendations for governments include:

- Adopting laws that require big companies to disclose climate-related information.
- Setting binding GHG and methane emissions targets for the agriculture sector in line with the global goal of limiting temperature increase to 1.5°C. This includes setting stronger NDCs that address livestock emissions, accompanied by stronger transition strategies that support farmers.
- Implementing protection systems to ensure that farmers do not pay the price for enhanced corporate climate regulation and the transition to sustainable livestock production.