



Starbucks, Unilever, Dairy Farmers of America on Their Food-Waste-to-Energy Alliance

The three founding members of the Farm Powered Strategic Alliance discuss how the pioneering partnership is propelling their individual sustainability strategies.

The creation of the Farm Powered Strategic Alliance (FPSA) is an industry-first initiative by leading food companies to repurpose unavoidable food waste from manufacturing and supply chain operations into carbon-negative, farm-derived, renewable natural gas. This circular solution is a powerful tool for mitigating climate change, while supporting regenerative agriculture practice at farms across the US.



I recently caught up with the founding members of the Alliance to learn more about sustainability and their business. Here's what Ale Eboli, Head of Supply Chain Operations at Unilever North America; Michael Kabori, Chief Sustainability Officer at Starbucks; and David Darr, SVP and Chief Strategy & Sustainability Officer for Dairy Farmers of America had to say.

John Hanselman: What are your company's top three climate change-mitigation and waste-reduction initiatives?

Ale Eboli: First, Unilever has 2030 science-based targets to have no carbon emissions from Unilever operations, and to halve the greenhouse gas emissions footprint of our products across the full value chain. Additionally, we've committed to net zero emissions from all our products by 2039. This includes everything from the sourcing of the materials we use to the point of sale of our products in the store. Second, we're investing €1 billion in a new Climate & Nature Fund for Unilever's brands over the next ten years to take meaningful and decisive action. Third, we're committing to reduce food waste by 50 percent from our owned operations by 2025 and to repurpose any unavoidable waste that is unfit for consumption into renewable natural gas.

David Darr: Dairy Farmers of America is part of an industry-wide collaboration on environmental sustainability through the Innovation Center for US Dairy, committed to carbon neutrality or better by 2050. In 2020, we became the first US dairy cooperative to

establish a science-based target and to commit to a 30 percent greenhouse gas emissions reduction across our supply chain by 2030. The expansion of anaerobic digester systems on dairy farms by Vanguard Renewables will be one key strategy we'll utilize to help reach this target. Our Cooperative's vision is to enrich communities and consumers' lives; and we're also focused on producing dairy responsibly, ethically and sustainably.

Michael Kober: At the beginning of 2020, Starbucks announced a bold aspiration to become resource positive — storing more carbon than we emit, providing more clean freshwater than we use, and eliminating waste. We set targets to cut our carbon, water and waste footprints in half by 2030. Among our strategies to achieve these goals are deeper investments in eco-friendly operations, regenerative agricultural practices, and environmentally friendly menus. We will continue to develop these strategies with a focus on advancing racial equity and environmental resilience.

JH: What do you see as the greatest challenges to meeting your greenhouse gas reduction, food waste and decarbonization goals?

MK: We knew our resource-positive aspiration would require transformational and systemic change. Leadership in sustainability takes commitment, investment, innovation, partnership and time. It took nearly two decades of dedicated effort in partnership with Conservation International to achieve the milestone of sourcing 99 percent of our coffee ethically, through Coffee and Farmer Equity practices. As our CEO, Kevin Johnson, has shared, we learned over the years that — absent the same rigorous analysis, partnerships and investments that made us leaders in sustainable coffee and green building — our results underperformed our high expectations and underscored the need for a different approach. Without drastic action from everyone — including governments, industry, companies, and all of us as individuals — adapting to the impact of climate change in the future will be far more difficult and costly.

DD: It's important that we have professional partners to help meet our goals. Food waste anaerobic digesters are complex systems that require a lot of alignment between farm locations, food-waste sourcing, energy off-takers, and overall project financing. So, if any of the key parts are missing, projects likely do not get completed.

AE: In the United States, more than 40 percent of all food produced is discarded. While eliminating that waste is a priority, some of this unavoidable food waste is still sent to landfills or incinerators but can be repurposed to produce renewable energy. This is why achieving zero non-hazardous waste to landfill and our work to ensure all waste — including food waste — is reused, recycled or recovered is so important. We need to take a holistic, whole systems approach in order to address the interlinked challenges in climate, nature, food and people. Everyone must step up — from businesses like us to governments, smallholder farmers, civil society and consumers. It's the only way forward to effectively reframe the global food system and contribute to sustainable development goals.

JH: How do you feel being part of the Farm Powered Strategic Alliance will help you achieve your sustainability targets?

DD: While the entire dairy industry — from farm to manufacturer — only contributes about 2 percent of total US greenhouse gas emissions, we know it's imperative to keep doing better and making improvements. The FPSA will help us continue to accelerate our sustainability initiatives and make dairy a sustainable food choice for consumers. Working with the Alliance members will enhance overall coordination between farm locations, food waste sourcing, energy off-takers and overall project financing.

AE: As part of the Farm Powered Strategic Alliance, we are accelerating long-term commitments to avoid or eliminate food waste first and repurpose what can't be eliminated into renewable energy. By joining the Alliance, we are taking a leadership position to create a better market for renewable natural gas. We believe businesses that thrive in the future will be driven by purpose for the benefit of all stakeholders. A multi-stakeholder approach enables us to understand the challenges preventing society and ecosystems from thriving and to find ways to begin addressing them. We engage shareholders, governments, NGOs and civil society organizations, and aim to shape the business landscape through advocacy. Our range of opportunities to achieve transformational change includes partnerships and alliances such as this one.

MK: The FPSA is a perfect example of the kind of partnership we look for — one that drives visionary thinking and new ways of working. Starbucks has made great strides in eliminating food waste at the store level with our Starbucks Foodshare program, which has helped divert 25 million meals from landfills. The Farm Powered Strategic Alliance is the next step in managing waste at a much greater scale and offering an innovative solution for our supply chain. It brings us one step closer to our goal of a resource positive future.

JH: How do you view the role of renewable natural gas in moving your thermal energy load away from fossil fuels?

AE: To meet our demand for thermal energy from renewable sources, Unilever is exploring the potential to use new technologies across our organization. These include heat pumps, concentrated solar power, biogas, biomass and hydrogen. Many of these options are not yet commercially viable or widely available, so we are supporting innovation and looking for ways to integrate innovation into all of our operations.

MK: Starbucks currently uses natural gas in our roasting operations and for some in-store thermal purposes. Natural gas is a meaningful, but not extensive portion of Starbucks' global carbon footprint.

DD: At DFA, we look at changes in energy sourcing as a long-term evolution. From a hauling and trucking perspective, we have some percentage of our fleet that has transitioned from diesel fuel to compressed natural gas to lessen our environmental footprint. Our manufacturing facilities are also focused on reducing total energy

consumption and engaging with renewable energy production such as solar. Ultimately, renewable natural gas will be a key piece of our evolution.

JH: What advice do you have for other food manufacturers and retailers considering joining the Farm Powered Strategic Alliance?

MK: Today, more than ever, the world needs leadership and a multi-decade commitment to environmental sustainability. The Alliance is an impactful solution to tackling both food waste and carbon emissions.

DD: We welcome other companies to join the FPSA. Dairy farm-hosted, food waste anaerobic digesters make sense to achieve waste reduction, renewable energy sourcing, and supply chain greenhouse-gas reductions. Successful projects not only support local dairy farms, but they also support our communities and our planet. We are excited to see this effort grow!

AE: We cannot transition to a low-carbon economy alone, and encourage other businesses to join us in this crucial alliance to scale it up and help make it a viable solution.

JH: It has been a mere month since we officially announced the Farm Powered Strategic Alliance; and we are humbled by the feedback, as well as the tremendous opportunity to achieve a significant reduction in greenhouse gas emissions. Join our webinar on Tuesday, January 27th, at 1pm ET — to hear from these founding companies about the Alliance, and their sustainability goals and challenges.