

Company Profile	Climate Action commitments	Renewable Energy Transition
Coca-Cola Export Corporation Pakistan		
The company has been operating in Pakistan since 1953. It serves 208 million consumers with 7 factories.	Reduce 25% greenhouse gas Emissions by 2030 and Achieve Net zero by 250.	No information has been made available about the company's Step towards RE transition in Pakistan.
PepsiCo Pakistan		
PepsiCo has been operating in Pakistan since 1967. It operates 3 plants in Sundar, Multan, in Hattar and 15 bottling partners.	Sourcing 100% of its Electricity from renewable sources across entire supply Chain by 2030.	The company has installed a +2MWp solar plant in Multan and 1MWp solar plant in Sundar.
Nestle Pakistan Limited		
since 1988, operates from Islamabad, Karachi, Sheikhupura and Kabirwala.	2030 and bring them to net Zero by 2050.	Power plants, one each in Sheikhupura and Kabirwala Factories.
McDonald's Pakistan		
McDonald's is operating in Pakistan since 1998, with operates over 70 branches across the country.	Reach Net Zero by 2050 Whereas, in 2023, it committed To a 50.4% reduction in GHG Emissions by 2030.	No information has been made available about the company's step towards RE transition in Pakistan
KFC Pakistan		
KFC started operating in Pakistan in 1997, it operates 128 restaurants in 28 cities across Pakistan.	Reduce 46% emissions by 2030 and achieve net-zero Emissions by 2050.	No information has been made available about the company's step towards RE transition in Pakistan
Mitchell's Fruit Farms Limited		
The company established in 1933, operates through its factory in the Okara and corporate offices in Karachi, Lahore and Islamabad.	No Climate Action Commitments	No information has been made available about the company's step towards RE transition in Pakistan
Shezan International		
The company established in 1964, operates its plants in Lahore, Karachi and Hattar.	No Climate Action Commitments	No information has been made available about the company's step towards RE transition in Pakistan
Qarshi Industries Private Limited		
The company produces and exports 300+ food products having establishments in Karachi, Noriabad, Gujranwala and Faisalabad.	No Climate Action Commitments	No information has been made available about the company's step towards RE transition in Pakistan
National Foods		
The company established in 1970, produces and exports 250+ food products.	No Climate Action Commitments	No information has been made available about the company's step towards RE transition in Pakistan
Shan Foods		
Established in 1981, the company produces and exports its products to over 70 countries.	No Climate Action Commitments	No information has been made available about the company's step towards RE transition in Pakistan
FrieslandCampina Engro Pakistan Limited		
The company is subsidiary of Engro Pakistan, operates two plants in Sukkur and Sahiwal, with its Head Office in Karachi.	No Climate Action Commitments	No information has been made available about the company's step towards RE transition in Pakistan

Challenges towards Achieving Sustainability

To address the issue of climate change, the world must transform its energy, industry, transport, food and agriculture systems to limit global temperature rise below 2°C. To ensure compliance with Paris Agreement, businesses must ensure a reduction in CO2 emissions, particularly to achieve economic and business sustainability.

The Way Forward

Keeping in view its climate impact and compliance requirements, the F&B sector should introduce and implement climate action strategies and plans to reduce carbon emissions.

For Global F&B Brands: Must start calculating and disclosing their greenhouse gas emissions, develop – country-specific - science-based climate action targets and track and share progress towards renewable energy transition.

For Pakistan's Domestic F&B Brands: Following the global examples, Pakistan's domestic F&B sector should formulate their climate action commitments, initiate calculation and disclosure of their greenhouse gas emissions, develop science-based climate action targets and track and share progress towards renewable energy transition. In addition to their contribution to climate sustainability, these steps will help them retain and expand their global market share.

For the Government: Limiting the average global temperature increase to 1.5°C is at risk of slipping out of reach unless there is a rapid increase in public-private collaboration and action to accelerate emission reductions across global value chains. However, according to the global corporate leaders' letter to the world leaders ahead of COP28, success depends upon government support to through.




- Simplifying the complex and lengthy regulatory and administrative process that slow down the development of renewable energy projects and hinder the uptake of green and enabling solutions.
- Upgrading the grid infrastructure and ensuring the suitability of the power networks enabling these structures to adequately integrate an increasing share of renewable energy.
- Taking steps to remove technological constraints that delay efforts to scale up the manufacturing capacity of early-stage decarbonisation solutions.
- Harmonising the climate action reporting standards.

Following these recommendations, the government of Pakistan should introduce and operationalise a climate action roadmap for businesses on their way to achieve 100% renewable energy transition. It also involves developing a mechanism for the industry/business-specific calculation and disclosure of carbon emissions.

Towards Renewable Energy Transition in Pakistan

The Case of the Food and Beverage Industry

ADS

 G-13/2 Islamabad
 info@alternate.org.pk
 +92 51 2306852

Introduction

Food production has a huge impact on the environment while power consumption of the Food and Beverage (F&B) industry is very high with energy needed for processing, growing and harvesting crops and transporting food to process plants and consumers.

In the backdrop of this issue, sustainability has become a crucial factor in Food and Beverage (F&B) industry business practices. Hence, companies across the globe are incorporating the UN Sustainable Development Goals (SDGs) and other international climate action commitments into their corporate strategies.

For instance, global food and beverage chains have introduced climate action commitments and strategies. However, the implementation of their plans, particularly in Pakistan, remains a challenge. In comparison, Pakistan's local food and beverage industry lags behind in introducing such plans or pledges.

Given that global warming stresses the need to address this immediately. Despite challenges, Pakistan has been contributing to global efforts towards achieving net zero greenhouse gas emissions by 2050. However, to effectively achieve these objectives, the country must prioritize transitioning to renewable energy sources and implementing decarbonization strategies, among other things, in its industrial processes.

The Issue of Climate Change

Climate change has started affecting the world. Polar ice shields are melting and the sea is rising. In some regions, extreme weather events and rainfall are becoming more common while others are experiencing more extreme heat waves and droughts.

According to the Global Climate Risk Index (2021), Pakistan is ranked as the eighth (8th) most vulnerable country to long-term climate risk, experienced extreme weather events in the past and continues to do so. In 2010, Pakistan's national floods affected more than 20 million people while 2022 floods affected 33 million people and more than 1,730 lost their lives. These alarming statistics underscore the need to address climate change.

Climate Impact of the Industrial Sector

Fossil fuels are the largest contributors to global climate change, responsible for over 75% of global greenhouse gas emissions and nearly 90% of CO₂ emissions. Industrial processes heavily rely on fossil

fuels, leading to carbon emissions, and increasing the earth's temperature. The industrial manufacturing and production sector accounts for one-fifth of global carbon emissions and 54% of the world's energy usage. Nevertheless, Pakistan's share of global greenhouse gas emissions is 0.93%, however, the country predominantly relies on fossil fuel consumption (almost 84%) to meet its energy demand. The industrial sector is the highest energy-consuming sector and is responsible for more than 49% of carbon emissions in Pakistan.

Climate Impacts of the Food and Beverage Sector

The global food and beverage sector is one significant source of GHG emissions. The majority of emissions come from their supply chains, so setting climate goals to reduce the emissions within a company's value chain is of the utmost importance.

Compliance Obligations

The Paris Agreement: The Paris Agreement is an international treaty on climate change, its overarching goal is to limit global warming to 1.5 degrees Celsius by the end of this century. It requires a 43% decline in greenhouse gas emissions by 2030.

Nationally Determined Contributions (NDCs): Pakistan has set a conditional target of an overall 50% reduction of its projected emissions by 2030. To reach the target, Pakistan aims to shift to 60% renewable energy, and 30% electric vehicles by 2030 and ban coal imports as well as expand nature-based solutions.

Sustainable Development Goals: Pakistan adopted the Sustainable Development Goals (SDGs) 2030 agenda through a unanimous resolution of its parliament. Sustainable Development Goal (SDG) 13 refers to urgent action to combat climate change and its impacts.

National Climate Change Policy 2021: To align with international obligations Pakistan introduced its revised National Climate Change Policy 2021. The policy highlights the climate change hazards as well as outlines a strategy to contribute to global efforts for reduction in greenhouse gas emissions. Among other things, the policy provides for measures towards renewable energy transition.

Motivation for Compliance

Sustainable food production can include everything from sourcing renewable energy to adopting energy-efficient methods for food

production. Sustainable food production practices could benefit businesses in terms of lowering production costs, improving quality and increasing market share.

Green Consumers: Today's green consumers are becoming more and more aware of the importance of a healthy environment. They demand organic products, lower emissions and fair trade practices.

Science-Based Targets initiative (SBTi): The SBTi is a global body enabling businesses to set emissions reduction targets focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. More than 4,000 businesses around the world are already working with the SBTi regime. Companies undergoing target validation receive valuable feedback and support from SBTi technical experts and aim for recognition from SBTi, CDP, UN Global Compact, and We Mean Business websites.

Status of Climate Action Compliance by F&B Sector in Pakistan

The Food and Beverage processing industry is the 2nd largest industry of Pakistan after textiles accounting for 27% of the value-added production and 16% of employment in the manufacturing sector. Approximately 2500+ food processing units operate in Pakistan.

Renowned global food and beverage companies such as McDonald's, KFC, Nestle Pakistan Limited, Coca Cola Export Corporation, PepsiCo Pakistan and Murree Brewery are prominent food and beverage market players. Moreover, numerous national food and beverage companies are operating in Pakistan, including Mitchells Fruit Farms Limited, National Foods, Shangrila, Angro, Qarshi, Shezan International Limited, Shan Foods, Popular Group of Companies, and others.

As per available information, the majority of global food and beverage brands have made climate action commitments reflecting international compliance obligations. The following table provides a brief description of selected global and national food and beverage brands' climate action commitments and their efforts towards renewable energy transition.