

TOMORROW'S TALENT: SKILLS FOR A CLIMATE SMART FOOD SYSTEM



RESEARCH METHODOLOGY

The findings of this white paper were informed by targeted market research. This comprised nationwide surveys of 1000 British consumers and 1000+ professionals working within the food and drink sector, together with interviews from food company CEOs, climate skills coaches and sustainability consultants.



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THE BIG FOOD CLIMATE TIPPING POINT



In recent years some of the most progressive UK food companies have shown increasing appetite to rise to the climate change challenge the industry faces. Much of this involves ambitious goal-setting and business collaboration on leading global and national initiatives such as WRI's Champions 12.3, WRAP's Meat in a Net Zero world and UK Plastics Pact, and Foundation Earth's pilot eco-labelling scheme.

These initiatives are voluntary however, and it remains questionable whether the sector as a whole is moving fast enough. Given the latest Intergovernmental Panel on Climate Change (IPCC) report outlining the stark scenario of failing to act in time, the UK's own 2050 net zero goal, and the National Food Strategy which is set to inform future government policy around issues like sustainability, food companies will face mounting pressure to scale up climate mitigation work at an unprecedented pace.

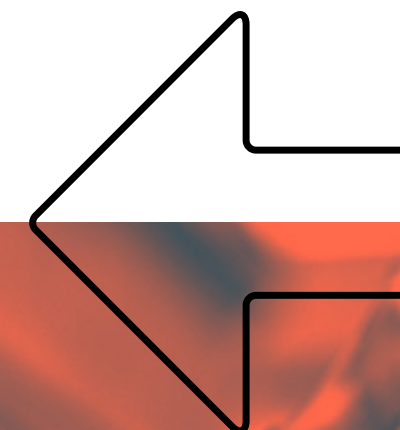
Rising consumer expectations around big food are also adding to this impetus. Our research found that while confidence levels in the food system are generally high among British consumers, changing attitudes towards climate change mean that more of them are recognising the importance of eating sustainably.

As such, **the vast majority (78%) of people expect the food they buy to be good for the environment.**

78%

Given these factors, the climate agenda is becoming a strong talking point within the UK food industry. According to our research, 40% of UK food businesses stated they were taking positive action to talk internally about the issue and what action they need to take. However this also suggests many companies have yet to engage in such dialogue, which is a significant cause for concern.

ENGAGEMENT BEFORE ACTION



Certainly at board level the value of business collaboration on climate is starting to be recognised. Food company CEOs we interviewed spoke of the collective challenge facing the industry. One stated:

“There isn't one solution which will fix the climate emergency, but by working collaboratively with our food manufacturing peers, we can build a climate smart food system.”

60%

Another called for the need to “build a bigger climate knowledge bank which is embedded in all areas of the food chain, from procurement to production, finance to food development”.

Key to this collaboration and knowledge building are skills – having the expertise and competency to be able to navigate the complexities of climate impact while tackling it at ground level. Yet the climate skills gap that exists within the industry is deepening, compounded by current labour shortages, an aging workforce and poor perceptions of the industry itself. One CEO warned that **the skills gap would become the industry's “Achilles heel” if it wasn't addressed.**

Skills building begins with engagement and our research identified a key barrier here.

Almost two thirds (60%) of people who work in the UK food and drink sector don't believe, or are unsure whether, their organisation is taking positive action to tackle climate change.

There is also an ambivalence among employees as to whether their organisation is putting climate and the environment first. On a positive note, 59% of employees believe their organisation is doing so, but 41% didn't feel confident such concerns were being prioritised.

Broadly speaking, this suggests that the climate conversation is still largely confined to board and senior executive level, and is not filtering down to other tiers of the business. This is important given that those employees most able to make a difference are typically those with site-based roles in production, engineering, management, procurement and innovation. Thus, the first climate skills barrier that needs to be addressed is one of internal engagement.

SWAP SYNERGIES

It's clear that a transformational approach will be required if the food industry is to successfully upskill its workforce for the future. This is being reflected by market signals such as the Food and Drink Federation's newly launched ambition to reach net zero by 2040. Such commitments very much target embodied carbon and will need to cover a multitude of value chain areas including ingredients, packaging, manufacturing, distribution and the role of customers/consumers in reducing the carbon footprint of food.

As such, it would be prudent for food companies to start exploring how they can embed a climate-smart culture across their business. This means creating the right conditions to enable each individual employee to make a positive difference through their job function or role. Driving such organisational change is likely to be challenging. As the previous section notes, it starts with engagement; changing the way people think about climate change. That fact alone cannot be underlined enough.

Traditional top-down sustainability strategy approaches will likely need to be deconstructed, as these can often create 'sustainability silos' that hinder effective integration. New mantras should revolve around making sustainability everybody's job, not just that of a specific team or department. Ultimately this will involve training and skills building at every level, and many companies will need to go back to basics.

Our research found that only 12% of people who work in the UK food industry felt completely confident about their understanding of climate and sustainability issues. In addition, 44% either felt unsure or unconfident in their understanding of the topic. While this indicates a chasm of knowledge, our research does suggest there is strong appetite among employees for professional development to enable them to apply their existing skills and thinking to solve climate problems.

The vast majority of people (71%) stated they would either like, or were potentially interested in, training from their employer to help them better understand climate issues and how these issues affect the business in order to make positive changes in the workplace.

In relation to net zero specifically, 83% agreed that they needed more training to understand what they could do to support such business agendas in their role at work.

More than half (58%) felt they already had the skills to challenge and change how their organisation could become more sustainable.

Our research also suggests a strong expectation among employees that businesses need to demonstrate duty of care when it comes to climate awareness;

78%

felt their employer had a responsibility to help them understand how they can tackle climate change.

FOR SILOS

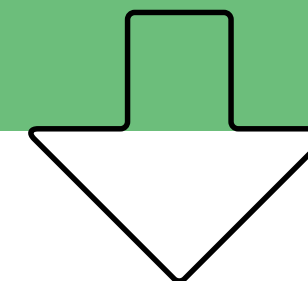
It would be prudent for companies – and the industry as a whole – to improve access to skills and training in order to harness the talent that already exists within the workforce while taking a culturally diverse approach to ensure everyone can benefit from such opportunities.

This is especially important given the industry has been traditionally reliant on EU migrant labour, particularly for agricultural and manufacturing roles. While Brexit may

have an impact on this going forward, many food companies are already well-positioned to cater for a diverse workforce and should utilise this to build greater inclusivity into their staff education and development schemes. One food industry coach we interviewed stated that taking action on climate must be seen as a collective responsibility, pointing out: "The more diverse voices we can include, the more solutions we will find".



UNPACK THE SKILLS TOOLBOX



Our research identified four key challenges facing food companies when it comes to refocusing and updating people's skills to implement greener practices and creatively problem-solve to address what can be quite complex decarbonisation issues.



THE LITERACY CHALLENGE

This not only involves educating employees on the basics of climate change, but creating a space to enable them reflect more deeply on the environmental and societal consequences that a warming world presents and their role of influence within it. Arming people with the knowledge and confidence to take action on climate change is a crucial and should be at the heart of every upskilling programme. Showing what can be done on an individual level, whether it's around waste prevention, greener travel or energy saving, will also help drive engagement on a wider corporate level.

THE APPLICATION CHALLENGE

Embedding green thinking and behaviours into every job function or role has the potential to unlock huge proficiency within the workforce. This will likely required a tailored approach. For example, ensuring that procurement teams understand the climate risks of raw materials they source, upskilling production teams to engage in better waste prevention techniques, tasking new product development teams to develop toolkits for sustainable recipes, and giving environment/finance teams the ability to data gather more effectively when it comes carbon reporting. This is as much a culture challenge as it is a skills challenge as it involves individuals at every level of the business taking greater ownership of corporate sustainability agendas.

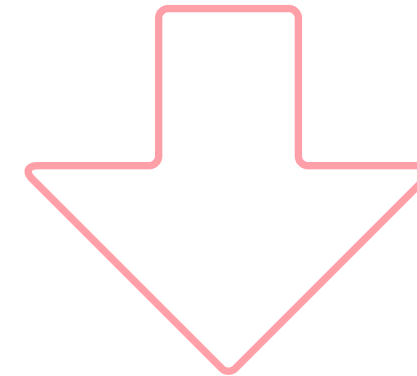
THE TECHNOLOGY CHALLENGE

With food supply, production, distribution and retail becoming increasingly automated, the operation of resource-efficient technologies will require a greater understanding of science, technology, engineering and mathematics (STEM). STEM-qualified people will also need to be able to creatively apply their thinking and skills to co-develop new solutions that can accelerate decarbonisation, often in partnership with external collaborators such as suppliers and customers. In tandem with this, greater use of artificial intelligence and machine learning will necessitate the need for digital skills capable of utilising such tools to optimise systems and processes, and develop predictive metrics to help inform food trends and behaviours.

THE COMMUNICATION CHALLENGE

Increasingly food companies are being judged on how they frame the climate debate, both externally and internally. Communications teams need to take a real world approach, ensuring that any climate conversation resonates with the target audience; how an employee relates to environmental performance targets for example, is very different to how an investor views long-term climate risk for business models. Use of language is important here, especially when translating technical topics in ways that can inspire action, as is ensuring that a consistent narrative runs throughout the business to foster buy-in for corporate mission or purpose. An openness for collaboration is also essential as demand grows to share best practice and solutions.

LEGACY CREATION



Employees who feel better equipped and empowered to creatively problem-solve when it comes to climate action will likely feel they are making a positive difference, resulting in a greater sense of workplace pride and passion. In time, this should help improve public perceptions when it comes to considering career choices that relate to food production, distribution and retail.

This is important given our research found that one-third (30%) of consumers perceive the food industry as undesirable to work in while a significant number think it is polluting (27%) and unethical (19%). A further 38% perceive the industry to have poor pay and career prospects. It should also be noted that increasingly, people want to be motivated by positive business action to adopt more climate-friendly habits such as purchasing less packaged food and wasting less of what they buy or eat.

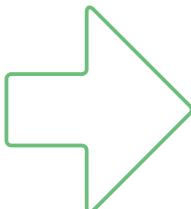
If the industry can succeed in presenting a more positive image, this will also help address issues like future labour supply and retention. Such issues are especially acute at the moment. A recent Association of Labour Providers report warns that the industry requires “sufficient workforce supply at all skills levels to survive and thrive” and says a radical new skills and workforce strategy is required as a result. This will not only necessitate the industry working collaboratively to address the underlying causes for labour and skills shortages, but food companies taking responsibility to improve their working environments.

Our research suggests that food company CEOs have a valuable role to play here as they are best-placed to challenge public perceptions through inspiring vision, engagement and positive culture-building. The vast majority (78%) of consumers also think CEOs of big food manufacturers should be more transparent about their company's climate change actions. Climate skills building will not only enable food companies to develop more effective climate mitigation strategies and solutions, but on a wider level, help legitimise industry efforts to ‘build back better’ when it comes to future legacy creation.

SIGNALS FOR CHANGE



There is clearly a need for the UK food industry to increase ambition and action towards climate leadership and carbon neutrality.



The COP26 Summit in Glasgow will represent a key moment to change the rulebook – for companies that means demonstrating greater accountability and responsibility when it comes to shaping the future of how business is done.

One food industry coach we interviewed spoke of the need for a new type of workplace, one in which employees are trained “to align what is happening in the world to their business’ goals and purpose”.

It should be noted that some companies are already grasping the nettle and making headway with internal upskilling programmes. M&S is building carbon literacy among its employees with

a new programme of learning to enable them to understand and identify carbon-related risks and opportunities within the business. In addition, the food retailer has also launched an online ‘green network’ to harness employee passion for change. Meanwhile Addo Group is looking to plug its skills gap by developing foundations for future learning with upskilling and training in a CPD-certified climate literacy programme.

Outside of the food industry, there are also examples of leadership. Deloitte is rolling out a new climate learning programme for all 330,000 of its people worldwide, which aims to inform, challenge and inspire employees to learn about the impacts of climate change while empowering them to act. In the UK, Raleigh International has launched a climate internship scheme as part of its plans to build a movement of young leaders to take urgent action on climate across the UK and around the world.

Companies who underestimate the importance of education and training to address climate change do so at their own risk. Our research clearly shows there is not only a climate skills gap, but an climate engagement gap too, and that these deficits need urgently tackled, both within the UK food industry and beyond. While the scale of the challenge may be big – a report from Onward estimates that more than 3 million UK workers are in need of climate upskilling – there is both an increasingly expectation and appetite among employees for their businesses to help them do more to deliver on net zero before it’s too late.

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