

Embargoed till Mon 26 September 2016

PROTEIN SHAKE UP: \$1TRN INVESTOR COALITION TURNS UP THE HEAT ON MEAT

- * New analysis highlights risks and opportunities from shift in protein supply
- * 16 major food multinationals targeted, including General Mills, which holds AGM tomorrow
- * Investor action prompted by Oxford University calculation of \$1.5 trillion cost to global economy

(26 Sept 2016, London) – A \$1.25 trillion coalition of 40 institutional investors, including Swedish state pension funds **AP2, AP3 and AP4, Aviva Investors, Boston Common, Collier Capital, Folksam, Nordea and Robeco**, has launched an engagement with 16 multinational food companies highlighting the material risks posed by industrial animal production. The coalition is urging companies to identify their plans to respond to this risk, in particular by encouraging them to set strategies to diversify into plant-based sources of protein.

Backed by a new briefing entitled [‘The future of food - the investment case for a protein shake up’](#), produced by the FAIRR Initiative and ShareAction, the investors warn of the risks associated with the growing global demand for protein and an overreliance on the unsustainable factory farming of livestock for its supply. The briefing highlights the environmental, social and public health risks inherent in this model, which financial markets are not currently valuing appropriately.

The companies targeted include **Kraft Heinz, Nestle, Unilever, Tesco, Walmart and General Mills**, which holds its AGM in Minneapolis tomorrow. The coalition has been brought together by the [FAIRR \(Farm Animal Investment Risk & Return\)](#) Initiative, in partnership with responsible investment organisation [ShareAction](#). US food giant **General Mills** - makers of Häagen Dazs and Yoplait - is highlighted as an example of good practice for supporting start-up companies such as Beyond Meat, which is developing foods to substitute meat products with more sustainable plant-based alternatives.

Jeremy Coller, Founder of the FAIRR Initiative and CIO of Collier Capital, said:

*“The world’s overreliance on factory farmed livestock to feed the growing global demand for protein is a recipe for a financial, social and environmental crisis. Intensive livestock production already has levels of emissions and pollution that are too high, and standards of safety and welfare that are too low. It simply can’t cope with the projected increase in global protein demand. Investors want to know if major food companies have a strategy to avoid this protein bubble and to profit from a plant-based protein market set to grow by **8.4%** annually over the next five years.”*

The investors are responding to a recent [Oxford University study](#) which calculated that if global diets reduced their reliance on meat it could lead to healthcare-related savings and avoided climate damages of **\$1.5 trillion** by 2050. The analysis report also points to regulatory trends as a driver for corporate action – such as **Denmark’s** consultation on the introduction of red meat tax and the **Chinese** government’s plan to reduce its citizens’ meat consumption by 50%.

Clare Richards, Campaigns Manager at ShareAction said:

“The trend for ‘less but better meat’ is creating new opportunities on plates and in portfolios. Evidence suggests that plant-based protein sources are better for your health, your wallet, and the planet. Consumers increasingly recognise these benefits; and now this coalition of forward-thinking investors are doing the same. As a result of this engagement we hope more companies will embrace the opportunities presented by this growing consumer trend.”

Peter van der Werf, Engagement Specialist at Robeco said:

“The growing demand for meat will put large pressure on natural resources in the coming decades. Robeco identified this as a financial material topic and engages to improve sustainability in the meat supply chain. Protein diversification is an important instrument to that end. Companies at the end of the meat supply chain have an important role to play towards customers and we will encourage them to make protein diversification an integral part of their strategy.”

Ella McKinley, Ethics Analyst at Australian Ethical Investment said:

“The development of sustainable models of food production is essential if we are to limit climate change to less than two degrees. Forward-looking companies can move now to encourage more sustainable diets by reducing reliance on meat and growing the market for plant-based protein alternatives. In the process, companies make their own protein supply chains more resilient to future shocks.”

Notes to editors

For more information or for exclusive interviews with the FAIRR team, please contact:

- **Elliot Frankal, ESG Communications** t: + 44 (0)7989 524780 | e: elliot@esgcomms.com
- **Grace Hetherington – Press & Communications Manager, ShareAction** t: 07746130912 | e: grace.hetherington@shareaction.org
- The briefing - *The future of food: the investment case for a protein shake up* – is available online here: <http://www.fairr.org/wp-content/uploads/FAIRR-and-ShareAction-Protein-Briefing-September-2016.pdf>
- The 16 companies written to by investors are: General Mills, Kraft Heinz, Mondelez International, Nestlé SA, Unilever, Ahold-Delhaize, The Co-operative Group, Costco Wholesale Corporation, Kroger Company, Marks & Spencer, Wm Morrison Supermarkets, Ocado, Sainsbury’s, Tesco, Walmart, Whole Foods Market. The letters were sent on Friday 23 September.
- Investors signing the letters included: ACTIAM, Active Earth Investment Management, AP2, AP3, AP4, Australian Ethical Investment, Aviva Investors, Barrow Cadbury Trust, Boston Common Asset Management, Bridges Ventures, Christian Super, Clean Yield Asset Management, Collier Capital, Congregation of Sisters of St. Agnes, Dana Investment Advisors, Dignity Health, Folksam, Franciscan

Sisters of Perpetual Adoration, Impax Asset Management, Jeremy Collier Foundation, Joseph Rowntree Charitable Trust, JMG Foundation, Lankelly Chase Foundation, Menhaden Capital, Mirova, New Crop Capital, Nordea Asset Management, Pax World, Robeco Asset Management, Sonen Capital, Swift Foundation, Tellus Mater, The Sustainability Group at Loring, Wolcott & Coolidge Trust, Trillium Asset Management, Triodos Bank, Unitarian Universalist Congregation at Shelter Rock, Walden Asset Management, Zevin Asset Management.

About FAIRR

The FAIRR Initiative is a collaborative investor network. It aims to raise awareness of the material impacts factory farming and poor animal welfare can have on investment portfolios, and works to help investors share knowledge and form collaborative engagements on issues related to factory farming. www.fairr.org

About ShareAction

ShareAction is a UK charity that aims to improve corporate behaviour on environmental, social and governance issues through responsible investment by pension funds and other institutional investors. <http://shareaction.org/>