Request for proposal: Research and analysis about a transition to sustainable fertilizer production

Ceres is seeking an expert consultant who will provide research and analysis to support the development of an investor-led campaign for sustainably produced nitrogen fertilizer.

Deadline for submissions: November 11, 2022

About Ceres

Ceres is a sustainability nonprofit organization working with the most influential investors and companies to build leadership and drive solutions throughout the economy. Through powerful networks and advocacy, Ceres tackles the world's biggest sustainability challenges, including climate change, water scarcity and pollution, and environmental justice.

We bring a proven track record of coordinating and mobilizing influential capital market leaders to solve sustainability challenges, through investor initiatives and groups including:

<u>Climate Action 100+</u>: Ceres is a key architect and co-leader of the global Climate Action 100+ initiative, which leverages the influence of more than 610 investors representing more than US \$55 trillion in assets to secure commitments from the world's largest GHG emitters to set goals and align business strategies with the Paris Agreement.

<u>Ceres' Land Use and Climate Working Group</u>: This working group is composed of 71 institutional investors representing more than US \$30.6 trillion in assets under management. The group focuses on engaging companies on commodity-driven deforestation and land conversion, GHG emissions from agriculture, biodiversity, and natural climate solutions. The group includes leading asset management firms, public pension funds, and socially responsible investment funds.

<u>Food Emissions 50</u>: This investor-led engages 50 of the highest-emitting public food companies in North America in an effort to move companies to improve their greenhouse gas emissions disclosures, set ambitious emissions reduction targets, and implement ambitious climate transition action plans in line with the Paris Agreement.

For more information about Ceres, please visit our website (<u>www.ceres.org</u>).

Background

The global food system is responsible for approximately one-third of all global greenhouse gas emissions. Achieving the Paris Agreement goal of limiting global temperature rise to 1.5°C above pre-industrial levels will not be possible without a substantial reduction of greenhouse gas emissions in the food sector. Most of these emissions are embedded in the production of key agricultural commodities and fall under scope 3 emissions from the supply chains of companies that source, manufacture, distribute, and sell agricultural products.

Nitrogen fertilizer production and application are major sources of scope 3 emissions for food and beverage companies. Ammonia—a key ingredient in nitrogen fertilizer—is produced by stripping hydrogen from natural gas and combining it with nitrogen at high pressure and temperatures. According to the EPA, the production of ammonia produces 13.5 million metric tons of carbon dioxide equivalent emissions, and the production of nitric acid (created when ammonia reacts with oxygen) emits 8.3 million metric tons of carbon dioxide equivalent per year. On-farm nitrogen fertilizer application also produces greenhouse gas emissions in the form of nitrous oxide.

Within the framework of our Food Emissions 50 initiative and our coordination of the Land Use and Climate Working Group, Ceres is seeking a consultant to support background research to inform investor-company engagement on sustainable fertilizer production (including green ammonia fertilizer manufacturing).

Objectives

Under the guidance of Ceres' Food and Forests team, the consultant will provide research and analysis to support the development of an investor-led campaign for sustainably produced nitrogen fertilizer. Specifically, the consultant's research will help Ceres build the business case for sustainable fertilizer.

Activities

Phase I: Develop a methodology for conducting a community impact analysis and an analysis of food companies' exposure to commodity price volatility. The methodology should take time constraints and data availability into account.

Phase II: Conduct research and analyze data from publicly available sources, and present initial findings to the Food & Forests Team; outline final deliverables.

Phase III: Complete final deliverables (community impact analysis; assessment of companies' exposure to commodity price volatility).

Throughout the process, the consultant will regularly update Ceres staff, occasionally participate in Ceres meetings, and incorporate staff's feedback.

Final Deliverables and Proposed Timeline

This is a six-month project from November 2022 through February 2023. The below timeline lists interim deliverables for the project.

- 1. January 31, 2022: Region-specific community impact analysis focusing on the grain-producing states in the U.S. to build a business case for greener fertilizer production.
- 2. February 15, 2022: Analysis of companies' exposure to commodity price volatility. This will involve approximately 20 interviews with experts and representatives from food companies selected via snowball sampling.

Consulting Fees and Duration of project

The budget for this project is \$20,000 to \$25,000, and the consultancy will run from November 30th, 2022 to February 28, 2023.

Proposals should include

- Names and short bios of members of the team, their proposed roles, and proportional contribution of time to be committed to the project
- Demonstration of prior experience with the research/analysis methods, as well as any knowledge of the subject matter
- High-level description of how you would approach developing a methodology for the deliverables outlined above
- Discussion of ability to meet proposed milestones and completion date
- Discussion of approaches to quality control and organization
- Cost estimates with breakdown of budget

Contact information and Application

For more information, please visit our website, www.ceres.org or email Caroline Grunewald (<u>cgrunewald@ceres.org</u>) with questions. Please submit a proposal that includes your approach to the objectives and deliverables as outlined above in an email to Caroline at <u>cgrunewald@ceres.org</u> by the deadline.