



**ENRD** webinar

# 2<sup>nd</sup> Thematic Group meeting on Sustainability Agreements

Highlights report

The second and final meeting of the Sustainability Agreements Thematic Group (TG) built on the discussions flowing from the first meeting and the examples collected further exploring how the added value of Sustainability Agreements is being realised by businesses and consumers alike.

TG Members also reflected on next steps for Sustainability Agreements, particularly in the context of <u>Article 210a of the CMO Regulation</u>.

## Updates on Sustainability Agreements



Henrieta Jany-Roskova (DG AGRI/ European Commission) briefly updated members on the recent <u>public consultation</u> carried out by the European Commission

and referred to the notions of sustainability that are expected to be covered by Sustainability Agreements under Article 210a. Henrieta thanked TG members for

**Event Information** 

**Date:** 1 June 2022

Location: Virtual meeting

**Organisers:** ENRD Contact Point

**Participants:** 61 individuals from 13 Member States including producer organisations, co-operatives, IBOs, retailers, consumer organisations, banks, researchers and the European Commission.

**Outcomes:** Exchange of knowledge and experiences of Sustainability Agreements and collective actions around sustainability more

generally.

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sharing many real-life examples of the ways in which Sustainability Agreements can be adopted, suggesting that DG AGRI may reach out for more detail about such approaches.



Elena Garcia Garrido (ENRD CP) presented 3 detailed case studies and an overview of 24 examples of Sustainability Agreements submitted by TG members. Discussions highlighted the value of case studies in explaining the rationale for and/or need behind setting up Sustainability Agreements. Members considered how Sustainability Agreements align with DG SANTE's work on sustainable food systems

and whether the DG SANTE work would include sustainability standards and Sustainability Agreements under Article 210a. Commission colleagues confirmed that the proposed guidelines on Sustainability Agreements will support what has already been established in Article 210a, stating that a new public consultation on the draft guidelines will commence at the beginning of 2023.

The case studies and the collected examples show that in addition to environmental and social responsibility, Sustainability Agreements highlight a multi-faceted mix of short to medium-term commercial drivers. Businesses also recognise the need to adopt sustainability standards to protect long-term productivity and growth potential.

Lack of regulatory detail was noted as an issue which motivated industry to start to define more consistency for their cooperative approaches to sustainability in food value chains. This market-led approach was seen to help respond to consumer interest for more clarity about the added value of sustainability approaches.



#### SUSTAINABILITY AGREEMENTS





### **Group & Panel Discussions**



Members engaged in three group discussions and shared their own experiences in three themes, namely: <u>challenges</u> to establishing a credible sustainability standard, opportunities for attracting consumers willing to pay a premium; and opportunities for cost sharing, price making through the supply chain.

Each group started with an intervention on a specific theme from TG members to provoke thought and stimulate discussion:

- Group 1 Gabriela Fiebinger, Bioland
- Group 2 <u>Ondina Afonso, Chair of Continente</u>
   <u>Producers Club</u>
- Group 3 Esther Ontiveros Olmedo, PO DCOOP

A panel of members then reflected on the discussions and considered next steps. The panel consisted of:

Jan Willem Van Der Schans - Researcher, Netherlands

Alison Graham - Irish Co-operative Organisation Society, Ireland

Esther Ontiveros - DCOOP SCA, Spain & Portugal

Vanessa Turner - BEUC

Niccolo Ciulli – EuroCommerce

#### **Group & panel discussion highlights**

Participants across all the break-out groups highlighted that:

- Sustainability Agreements are likely to be long-term commitments.
- Sustainability Agreements may focus on discrete aspects of sustainability in their implementation.
- Uptake of Sustainability Agreements may be influenced by more immediate challenges but need not detract from progress on sustainable food chains.
- Strengthening food products' unique selling points (USPs) can help promote Sustainability Agreements, giving them a better competitive advantage.
- Direct communication between consumers and producers/ POs can reinforce relations and loyalty.
- Producers may wish to take more steps towards sustainability, but they may be limited by cost-benefit margins of the transition.
- Forthcoming guidelines should boost confidence in Sustainability Agreements and help stakeholders draw comparisons when committing to joining a Sustainability Agreement.
- Guidelines for Article 210a should help clarify the novelties of what can now be done, e.g. defining when an agreement is 'indispensable'.
- Application of Article 210a may be particularly relevant in situations where market pressures and market dependence are preventing producers from improving their sustainability.
- Consumers have different values attached to sustainability, presenting opportunities for Sustainability Agreements to reflect/built on such drivers.

- Farm to Fork's emphasis on sustainability will inevitably drive the overall status, scale, spread and scope of Sustainability Agreements.
- Perception matters, consumers can be more sympathetic towards 'fair incomes' rather than 'profitability'.
- Vertical Sustainability Agreements can contribute to much needed transparency between food chain operators
- Prior approval from a competition authority can safeguard legal certainty and viability of Sustainability Agreements.
- Sustainability Agreements can facilitate broader and deeper collaboration and stimulate other conversations in value chains.
- There is enormous potential for Sustainability Agreements to result in new added value that can translate into premiumisation, driving profits & covering the additional costs of sustainable production.
- Cooperatives often have a larger critical mass than individual businesses and thus cooperatives can offer more stability to help safeguard Sustainability Agreements' longevity, success, upscaling, and impact.
- If Sustainability Agreements are to be successful, consumers need to be aware of what they are.
   Agreements need to do what they say they will do – for businesses and for consumers.
- Verification and greenwashing controls are a recurrent theme with members restating the importance of robust data and standards through the value chain.
- Brokerage and peer learning/networking during transition will play a key role in expanding the adoption of Sustainability Agreements.

