



ENRD webinar

1st Thematic Group meeting on Sustainability Agreements

Highlights report

The first meeting of the Sustainability Agreements Thematic Group was to: take stock of the new regulatory framework; understand how Sustainability Agreements are pursued, and to begin to identify the key challenges and opportunities for Sustainability Agreements. Thematic Group members actively engaged in discussions throughout the day, with a particular focus on what sustainability agreements could mean for businesses, the environment, and the consumer.

Event Information

Date: 17 March 2022 **Location:** Virtual meeting

Organisers: ENRD Contact Point

Participants: 56 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.

Web page: <u>1st Meeting of the thematic</u> group on sustainability agreements

Framing Sustainability Agreements



Henrieta Jany-Roskova (DG AGRI/European Commission)

presented on the role of CAP in the transition to a resilient and sustainable food supply chain, focusing on Sustainability Agreements under the Common Market Organisation. These are relevant for Horizontal as well as Vertical sustainability agreements and should be able to demonstrate higher standards than mandatory requirements in areas such as climate action, food waste, ecosystems, reduction in pesticides, and improvement of animal health and welfare.



Marin Bankov (DG COMP/European Commission)

provided an overview of

Sustainability Agreements under EU competition law with reference to the draft revised guidelines on horizontal co-operation agreements.

Standardisation approaches were promoted and careful consideration needs to be given to compare the benefits that could accrue for different stakeholders, e.g. including less climate risk for citizens or improved consumer services.



Maria Coto Sauras,
Gema Carmona Garcia
(ENRD-CP) offered

<u>insights</u> into collective actions with sustainability objectives in the food supply chain, including reflections on the challenges of, and opportunities for such actions.

Exchanges after the presentations focused on the role of both Horizontal and Vertical actions and agreements, with emphasis on how the derogation under competition law will benefit producers.

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Group & Panel Discussions



Members engaged in three group discussions focused on the implications of Sustainability Agreements for <u>business</u>, the <u>environment</u> and the <u>consumer</u>. Each group started with an intervention on a specific theme from TG members to provoke thought and stimulate discussion:

- Christophe Hamon, Breiz Europe business
- Amélie Steu. IFOAM environment
- Vanessa Turner, BEUC consumer

A panel of members then reflected on the discussions and considered next steps

Jan Willem Van Der Schans – Researcher, Netherlands

Alison Graham – Irish Co-operative Organisation Society, Ireland

Petko Simeonov – Bulgarian Organic Foods OOD, Bulgaria

Esther Ontiveros – DCOOP SCA, Spain & Portugal

Key messages emerging from the discussions included:

- Multiple crises have increased consumer awareness about the importance of sustainable and resilient food systems and may accelerate moves to sustainable food systems, presenting an opportunity to increase the use of Sustainability Agreements.
- Horizontal and vertical agreements through the supply chain provide strong possibilities for strengthening sustainability outcomes if they are inclusive with clarity of purpose.
- Assessing and comparing the best type of arrangement for a Sustainability Agreement without a common
 definition can be difficult. Such definitions will help stakeholders to better understand the scope of possibilities
 within different operational structures. They need be able to allow for different Sustainability Agreements to
 take advantage of the derogation in different ways.
- Clearer promotion of the opportunities and benefits that the derogation can offer is required if the benefits to business are to be clearer (bearing in mind that businesses may find it a challenge to provide for the anticipated public goods without price premiumisation).
- Value chain partners can build on their cooperation and relations in a Sustainability Agreement to work together on other productivity strategies, e.g. product quality and product innovations.
- Consistent, well defined, and credible sustainability standards applied by the value chain would help consumer understanding and potentially drive consumer willingness to pay more for greener products. Consistency in application of such standards will be needed to avoid compromising credibility and fairness.
- Sustainability Agreements offer an opportunity to enhance environmental agreements currently undertaken through the value chain (e.g. quality assurance schemes).
- Consumer choice, product variety and product innovations must not be compromised through the application
 of sustainability standards in Sustainability Agreements.



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- Capacity and commitment to measure environmental gains consistently and demonstrate transparent results are essential for their overall credibility of Sustainability Agreements.
- Sustainability Agreements will only work when it is possible for 'big picture rhetoric' to be converted tangibly
 and practicality into affordable localised sustainability actions.
- Sustainability Agreements may be especially beneficial to smaller operators in sub-sectors where there is a strong downward pressure on prices and which are characterised by market dependency.
- Price premium benefits for primary producers could drive more stakeholder commitments because of the derogation being enacted.
- Sustainability Agreements need to operate in the longer term to facilitate better planning and stability for business.
- International trade standards increased emphasis on sustainability has the potential to impact (positively or negatively) on the EU value chain.
- Consensus that the TG should collect examples of sustainability agreements that have already been implemented
 or proposed in order to better understand the current situation and how the various characteristics of
 Sustainability Agreements can be best implemented through the value chain.