

# G7 Sustainable Supply Chains Initiative

## Key takeaways from July 2022 meeting

13 July 2022 (virtual meeting)

### “From Commitments to Action: Using OECD Due Diligence to Promote Sustainable Agricultural Supply Chains”

Agenda, List of Participants (LOP) and meeting presentations (attached)

#### **Background**

The G7 Sustainable Supply Chain Initiative (G7 SSCI) was launched in December 2021 under UK's G7 Presidency and is being supported by the German G7 Presidency in 2022. **This initiative aims to strengthen global efforts to meet the Sustainable Development Goals (SDGs) and endeavours to transform food systems to be more sustainable, inclusive and resilient.**

On 13 July 2022, the first G7 SSCI event was organised with policy-makers and G7 business participants as a virtual event. A total of 24 company representatives representing 15 of the 22 companies engaged with this initiative were present. 24 policy representatives from all G7 countries and the EU participated in this virtual meeting.

The meeting was structured in three parts: first, discussing and exchanging on key business initiatives and challenges; second, deep-diving on public-private collaboration with presentation inputs on measurement and guidance frameworks as well as agricultural public policy; third, discussing next action steps and key dates.

#### **High-level take-aways**

##### **Welcome and opening remarks**

**Lisa Kirfel-Rühle, Deputy Head of Division, Federal Ministry for Economic Cooperation and Development (BMZ), Germany**

- Underlining the high relevance and importance of advancing sustainable supply chains to the German G7 presidency and the German Government.
- Highlighting current key initiatives in this context such as the German Due Diligence Act and the EU Directive on the same and the establishment of the Global Alliance for Food Security.
- Addressing the necessity and confirming support to foster and comply with international standards relating to human rights, environment, and labour across

global supply chains, in particular the *OECD-FAO Guidance for Responsible Agricultural Supply Chains*.

- Recognising the World Benchmarking Alliance's (WBA) Food and Agriculture Benchmark as a useful instrument for measuring business impact and the benchmark's methodology as being invaluable for independent monitoring of this Initiative, producing an accountability mechanism for the private sector.

#### Allan Jorgensen, Head, OECD Centre for Responsible Business Conduct

- Emphasising the urgency of integrating responsible business conduct and due diligence into agricultural supply chains to foster sustainability and resilience for both people and businesses.
- Highlighting support for the G7 SSCI initiative and for advancing the discussion to understand drivers and barriers for policies and practices to address this urgency.
- Calling for concerted action and collaboration across both the private and public sectors.

#### Part 1: Business actions to support sustainable agricultural supply chains

- **Bayer Crop Science:** Dr. Alejandra Castra, Head Global Partnerships and International Organisations.
- **Danone:** Jeanette Coombs-Lanot, Public Affairs and Sustainability Director
- **KraftHeinz:** David Shaw, ESG Director
- **Associated British Foods (AB Foods):** Katharine Stewart, Corporate Responsibility Director, and David Webster, Director Sustainability

#### Key points raised:

- The role of partnerships to **bridge the gap between company action and policy-making**, and build connections and synergy with government policy (considering trade-offs).
- The lack of a **common understanding** at the international level on frameworks vis-à-vis **regenerative agriculture**.
- The need for agreed **scientific measures to track progress** and higher levels of transparency across the sector, and along the value chain (moving beyond Tier 1 suppliers).
- The possibility to pay for eco-system services to **support farmers in uptake** of regenerative agriculture.

#### Companies expressed a wish to:

- Define together/reach agreement on a set of **common principles** supporting the concept for regenerative agriculture. This should draw from existing discussions spearheaded by Sustainable Agricultural Initiative (SAI) and others.
- Identify ways for governments and businesses to scale **up tested interventions which exist** in support of regenerative agriculture (including existing public programmes and company-led actions).

- To focus actions/commitments on commodity-specific supply chains such as dairy and rice.
- To engage locally and ensure that the farmer remains at centre of actions and to focus on nuanced solutions. Interventions on the ground should be farmer-centric, provide support and incentives to farmers and be commercial in outlook, with a view to equitable sharing of value across the supply chain.

## Part 2: Re-setting public-private collaboration for sustainable agricultural supply chains

- **Fostering a common understanding on measurement:** Leveraging WBA's Food and Agriculture Benchmark methodology and the *OECD-FAO Guidance for Responsible Agricultural Supply Chains* to promote sustainable agricultural supply chains
  - Introduction to measuring uptake of international expectations on due diligence, WBA benchmarking and OECD indicators.
  - Highlighting broad alignment between *OECD-FAO Guidance for Responsible Agricultural Supply Chains* and WBA Food & Agriculture Benchmark.
  - Need to compare risk scopes and detailed processes to further streamline international expectations to businesses.
- **Reforming agricultural policies to support climate action**
  - Agricultural production has a high impact on food supply chains emissions, which is exacerbated by some forms of public support to the sector.
  - Multiple approaches to tackle climate change exist in G7 countries, including emission pricing instruments, but commitments and action on agriculture lag behind.
  - Increasing support to research and development and reforming current public agricultural support is needed for more ambitious climate action.

To achieve the G7 SSCI goals, participants highlighted that **interventions are required on three levels:**

- **Policies to support action and promote scaling-up**  
Bridging the gap between company action and public policies notably in setting incentives, trade agreements, public procurement, standards and research and development.
- **Business behavioural change**  
This should include clarity on how the *OECD-FAO Guidance for Responsible Agricultural Supply Chains* and the World Benchmarking Alliance framework are complementary and mutually supportive.
- **Financing incentives and sharing costs**  
Public and private funding side need to be adjusted such that sustainable choices become more attractive.

### Part 3: Next steps and key dates

- **21 September 2022: Meeting with G7 SSCI companies (in-person, OECD, Paris France)**

The objective of this meeting is to discuss with G7 business participants to agree on specific company commitments which can be announced at the 2<sup>nd</sup> G7 SSCI meeting in November 2022. The proposed date for this in-person meeting is the 21<sup>st</sup> September from 9 am to 12 noon at the OECD. Please save this date. More details to follow in August.
- **Second half of September 2022: G7 Food Security Working Group (FSWG)**

Inter-alia, members (government) of the G7 FSWG will receive an update on the SSCI and discuss the political perspective on the initiative in view of the 2<sup>nd</sup> November 2022 high-level event. *(tbc)*
- **6 October 2022: OECD Global Forum on Agriculture on “Enhancing agriculture contribution to climate change mitigation”**

This meeting is organised as a conference intended primarily for policy-makers from OECD and G20 countries. It will be organised at the OECD in Paris, France. Please contact the OECD secretariat if you are interested in attending.
- **Week 10 October 2022: Launch of World Benchmarking Alliance’s G7 Sustainable Supply Chain Initiative Private Sector Report**

This meeting may take place in person in Rome, Italy, on the margins of the CFS 50 meeting which takes place from 10-13 October 2022. Please contact the OECD secretariat if you are interested in attending.
- **2 November 2022: High-level G7 SSCI meeting (in-person, OECD, Paris, France)**

The high-level G7 SSCI meeting will take place in-person at the OECD (Paris, France) on **2 November 2022** in the afternoon. It is hoped that discussion in this high-level meeting can result in commitments from companies and G7 policy-makers to support sustainable agricultural supply chains. This meeting will bring together representatives from SSCI member companies and G7 governments targeting C-suite leadership and senior level policy-makers and G7 Ministers. It will be open to interested stakeholders including non-G7 participants.
- **3-4 November 2022: OECD Agricultural Ministerial Meeting.** This meeting is by invitation only and targeted to OECD governments and policy-makers.
- **7-18 November 2022: COP27 in Sharm el Sheik, Egypt.**