

G7 Sustainable Supply Chains Initiative (G7 SSCI)

Statement on Delivering Sustainable Agricultural Supply Chains

02 December 2022





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Section I: Our commitment to sustainable agriculture

As companies participating in the G7 Sustainable Supply Chains Initiative (G7 SSCI), we are committed to pursuing sustainable agricultural supply chains and reducing the climate impacts of our business operations and supply chains. This means addressing the triple challenge of providing food security and nutrition to growing global populations, providing livelihoods to farmers and workers in food supply chains, and addressing environmental concerns including climate change. This requires progress on measuring, reporting and reducing greenhouse gas emissions in our operations and supply chains, and aligning emission reduction targets with the Paris Agreement. Collectively, SSCI companies account for approximately USD\$500 billion in revenues and employ over 2 million people directly.

We recognise the urgency of addressing the triple challenge, and are committed to building more sustainable, inclusive and resilient food systems. We have also pledged to foster greater transparency and accountability of business practices within our industry by engaging with the World Benchmarking Alliance (WBA) and its Food and Agriculture Benchmark, which measures and reports on the sustainability of our operations and supply chains and on the key dimensions of Governance and Strategy, the Environment, Social Inclusion and Nutrition.

Section II: Our commitment to progress

We are taking action to improve the environmental, social, economic and nutritional impacts of our operations and supply chains, and our progress has been assessed and published in the 2022 WBA G7 SSCI report.

During the past 12 months, over three-quarters of companies assessed through the G7 SSCI made progress on at least one topic deemed crucial for food systems transformation, and all companies have improved their public disclosure by publishing relevant reports or policies. G7SSCI companies have progressed most strongly in the **environmental** measures, with 13 companies improving their performance. G7 SSCI members recognise that further progress is needed with regards to reporting on specific environmental indicators such as tackling deforestation within global supply chains, improving soil health and agrobiodiversity, working towards eliminating packaging waste and reducing Scope 3 emissions.

On the **social inclusion** measures, 11 companies improved on eliminating child and forced labour, promoting farmer and fisher productivity, and ensuring land rights. With regards to **governance and strategy**, almost half of the companies progressed in formulating relevant strategies and targets and assigning accountability at the highest level of the company. Areas requiring more focus include ensuring implementation of human rights standards along the full supply chain, commitments towards a living wage, and improving on **nutrition** measures.



The continued effects of the COVID-19 pandemic, Russia's aggression against Ukraine and the climate crisis have created additional stresses on food systems, putting pressure on the livelihoods of farmers and workers at all stages of the food supply chain. Promoting change in consumer, supplier and farmer behaviour requires coordinated action between policy makers and the private sector. This is particularly important when it comes to consumption patterns and ensuring that consumers have reliable information on the impacts of consumption. Likewise, supporting farmers in adopting more sustainable agricultural practices requires that private sector action, government policy and incentives are aligned.

Throughout 2023 and 2024, we commit to demonstrating additional improvement across the criteria of the WBA Benchmark, which monitors progress across both our operations and supply chains. Our progress will be assessed and published in the 2023 WBA Food and Agriculture Benchmark report.

As part of this commitment to continued improvement, we pledge to:

- Foster greater transparency of business practices by improving public reporting on the sustainability of our operations and global supply chains;
- Share achievements and challenges, with a focus on collaborative private sector action and government policy to scale-up action;
- Continue advancing on key areas identified by the WBA Benchmark (for example on GHG Scope 3 reductions, broader social inclusion and nutrition measures), relevant to our company's position in food value chains;
- Consult with experts including policy makers, and technical experts at OECD, WBA and others to measure company impacts and drive collective action.

Section III: Our Commitment to Partnership and Continued Dialogue

We believe that a food systems approach to policy making is needed to exploit synergies and to strike the right balance when addressing the different dimensions of the triple challenge. Through the G7 SSCI, we commit to engaging proactively and openly in partnership with governments and other relevant stakeholders in support of the systemic change needed to scale-up sustainable agricultural supply chains.

This statement serves as a call for governments to continue dialogue under the SSCI by creating an appropriate forum that can:

- Promote collaboration on scientific innovation, interventions and research that tackles systemic blockages in bringing about sustainable agriculture globally;
- Identify and address systemic constraints to the broad adoption of sustainable agricultural practices and food systems that policy makers are best placed to address, for example, through policy interventions that support regenerative agriculture practices, food systems that deliver healthy and sustainable diets, and innovative finance solutions;
- Further the implementation of the OECD-FAO Guidance for Responsible Agricultural Supply Chains as a means to guide corporate action on addressing impacts;
- Proactively engage with governments and companies beyond the G7 countries expand the participation of companies in the initiative, particularly to SMEs; and
- Increase consultation with civil society and relevant international organisations such as the FAO in the development of sustainable production and responsible agricultural practices.



Werner Baumann, CEO, Bayer AG



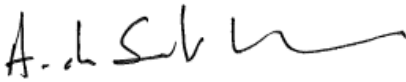
Kazuo Kawamura, CEO, Meiji Holdings Co., Ltd.



Ronald Kers, CEO, BHL Holding/2 Sisters Food Group



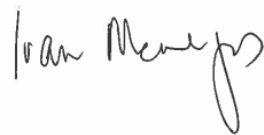
Laurent Martel, CEO of Bioline by InVivo



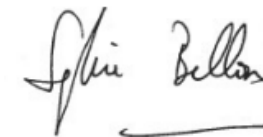
Antoine de Saint-Affrique, CEO, Danone



Ryuichi Isaka, CEO, SEVEN & I HLDGS. Co., Ltd



Ivan Menezes, CEO, Diageo



Sophie Bellon, CEO and Chairwoman, Sodexo



Chris Mahoney, Chairman,
E D & F Man Holdings Limited



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PLC



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Peter Wesjohann, CEO, PHW-Gruppe

Dirk Voeste, Senior Vice President,
Regulatory, Sustainability & Public Affairs,
Agriculture Solutions, BASF SE



Hanneke Faber, President of Nutrition
Business Group, Unilever



About the G7 Sustainable Supply Chains Initiative

On 16 December 2021, the G7 under the UK G7 Presidency [launched the Sustainable Supply Chains Initiative \(G7 SSCI\)](#) together with commitments from CEOs from a wide range of agri-food companies headquartered in G7 countries. Support for this initiative has continued under the German G7 Presidency in 2022. Today, it brings together 22 food and agriculture companies that have pledged to improve the environmental, social and nutritional impact of their operations and supply chains globally.

The initiative is supported by GIZ, the World Benchmarking Alliance and the OECD Centre for Responsible Business Conduct, with the OECD's support provided at the invitation of the German G7 Presidency. More information is available here: <https://mneguidelines.oecd.org/g7-sustainable-supply-chains-initiative.htm>.

Each company participating in this initiative has committed to making progress against the WBA Benchmark and to setting goals relevant to their business and value chains. This statement documenting progress over 2022 is not intended to create new, legally enforceable obligations on companies, affiliates, SSCI project partners or any of the organisations supporting the initiative.