

CODE OF CONDUCT

Task Force 3 – Improving the sustainability of the food value chain - in relation to primary producers and other actors in the chain

Report of the first meeting – 25 March 2021

The first meeting of Task Force 3 dedicated to the theme of “Improving the sustainability of the food value chain - in relation to primary producers and other actors in the chain” concentrated on deliberation of members’ **thematic prioritization, potential aspirational objectives, indicative actions and enablers** for operationalizing the identified potential aspirations.

A **compilation of members’ feedback** to the “homework” questions was presented by the rapporteur.

At the stage, according to the input received, the main top three topics were:

- “Decent work, supporting farmers’ income, affordability, addressing inequalities, attention for specific vulnerable groups” evolved in a broader concept of “supply chain partnership” fostering a constructive partnership along the value chain.
- “Sustainable sourcing”
- “Skills and training”

In the ensuing deliberations, the **main points** included:

- **Clarification of the aim of the exercise** to turn the need for transformation into opportunities, leaving no one behind. The three pillars of sustainability were reminded. The goal is to get a modern sustainable EU industry, competitive economically but also social.
- **It was specified that horizontal issues**, such as definitions or prerequisites (food safety, food security and affordability), will be covered in a general part. Input from stakeholders will be also welcomed for this part.
- **The international dimension** has been highlighted. EU is part of the worldwide supply chain and this work is part of international activities as well. A synergy and consistency with the Trade agenda is necessary. The action of promoting the European standards was supported.
- **A specific attention was given** to the inclusion of **due diligence** and the need to convey it to companies in all MSs. It is of particular importance for imports. However, the attention was drawn on the fact that many codes are existing on this that should be taken on board rather than “reinventing the wheel”.
- **Some questions of overlapping** with other groups were mentioned such as for Potential for reduction of emissions, animal welfare, organic production. There will be a need to review the objectives of all groups to ensure the consistency.
- There were some remarks about the **wording of the aspirational objectives**. It was clarified that the aspirational objectives mentioned in the PPT were coming from the input received. It will be up to the group to select and decide on the wording for future steps.
- There may be need for **trade-offs** between objectives. It will be a specific point of attention to find a balance between the different pillars.
- It was discussed intensively whether the “supply chain partnership” can be an aspirational **objective or is rather a mean**. The opinion looked to be half/half. It was said that, at the end, all aspirational objectives are means to reach the goal of sustainability. The example of reduction of GHG was given. It is not a goal as such. Supply chain partnership is necessary to ensure the functioning of the value chain in a fair way and must be considered as an objective. The Unfair Trading Practices’ Directive was highlighted as an important instrument.

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- It was highlighted that **only objectives that can be monitored and measured with existing indicators** should be selected. If we look to the end goal, it would be a never ended journey. There may be a need for more sectorial indicators.
- **Enhancing partnership** was highlighted, in particular for ensuring a **fair income** and with a specific attention to **vulnerable groups**.
- **Role of public authorities** was highlighted as **enablers**, and in particular the role of **promotion**.

A suggested format was presented by the Chair around 2 themes/SDGs. The structure with clear aspirational objectives and flexible actions was broadly supported by the participants.

- As the topic of “**skills and trainings**” was also mentioned in other groups, it was decided it should be rather considered as an enabler rather than as an objective. That’s why it does not appear in the two themes. It can be integrated as an action in the different groups.
- Regarding the topic of “**supply chain partnership**”, there was a convergence in renaming it “sustainable chain that create value, partnership being the driver” or going towards “a collaborative approach” as an objective. It is mentioned in SDG17. Collective approaches, whatever are their form (contractual, good practises, ...) are key and complementary. They should prevent from fragmenting the markets and help to organise the transmission of information along the chain.

The following points were raised for further consideration:

- Fine tuning the wording of topic 1.
- Alignment of the aspirational objectives with other groups.
- Sustainable sourcing and due diligence: how to align with existing codes and corporate commitments?
- How to foster the partnership across the chain?

All members were invited to think and present ideas for **input** to any of the Code’s other segments, such as preamble, rationale, scope, principles, general commitments, potential framework for specific commitments, monitoring mechanism. Participants reaffirmed the need to embed the **three facets of sustainability** into the Code’s content and structure – from the preamble, through the aspirational objectives to any potential indicative actions. It was reiterated that **economic viability** is on par with **environmental and social sustainability**.

Building on the progress made during the meeting, preparatory **questions** for the **next meeting (21st April 2021, 10:00-13:00)** will be circulating, the feedback of which is **due** by **14 April 2021** close of business.
