Exploring the possibility of a harmonized sustainability system for NW-Europe

Interim outcomes

5th October

Mariët van Haaster-de Winter

Koen Boone

Irina Verweij-Novikova

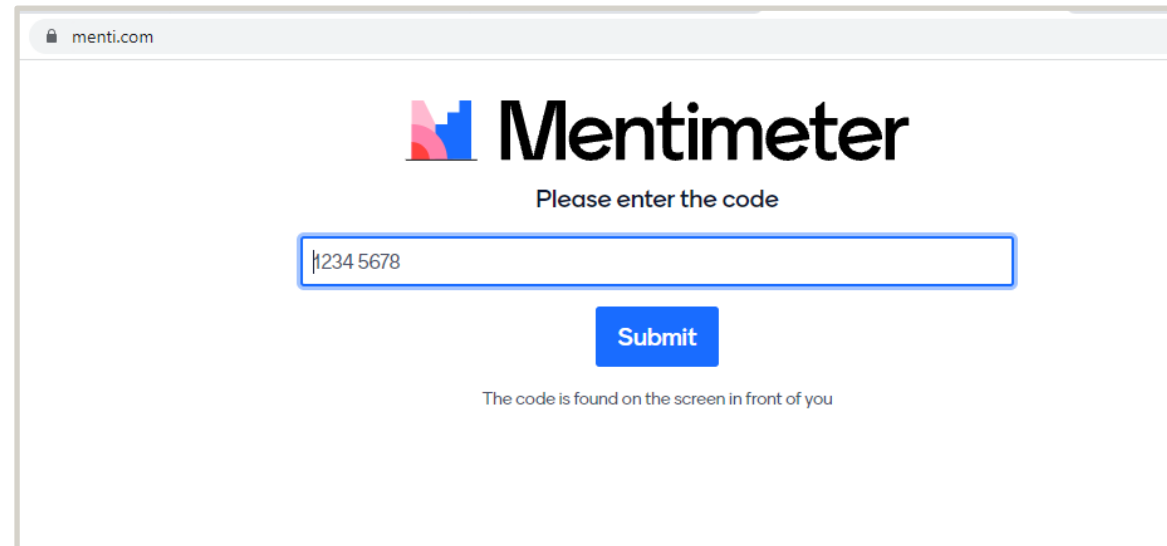Houkje Adema

Content

- Introduction: Why is this again?

- Activities: What has been done in the last about 5 months?

- Findings: What are experiences or leassons learned?

- Next steps: What does it lead to, what is needed for the development of a HSS that could be used in the Northwest European markets?

Menti.com

Please enter the code: **52 57 11 89**

Introduction

Why is this again?

Farmers work on sustainability, but compensation from the market does not always follow

Looking only at the domestic market is too limited to realize sustainability

Sustainability initiatives in Europe, but scattered

In the end, we want clear recognizability and recognition for sustainable produced animal products in the Northwest European markets and as such have (positive) impact at sustainability

WAGENINGEN
UNIVERSITY & RESEARCH

Research plan at a glance

What could a HSS look like that could be used in the Northwest European markets?
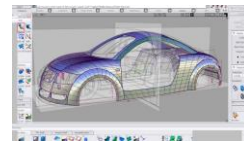
State of the Art

Comparative analysis of sustainability measurement systems based on analysis of overlap, pros and cons.

Market orientation

Exploration of interest and conditions for adoption among market parties

WAGENINGEN
UNIVERSITY & RESEARCH

What has been done

Other initia-tives

Market orientation

From inventory towards a subset

Grosslist

1. 'Beter voor' (NL)
2. Arlagården (DK)
3. Bedre Dyrevelfærd (DK)
4. Beter Leven keurmerk ( )
5. Biodiversiteitsmonitor (NL)
6. Biogarantie (BE)
7. Carbon Disclosure Project
8. Caring Dairy (NL)
9. Certifié (FR)
10. Certified B Corporation
11. Climate Track Pork (DK)
12. Demeter
13. Dow Jones Sustainability Index
14. Eco-Score
15. EKO (organic+) (NL)
16. Energiescan (Duurzame Zuivelketen) (NL)
17. Fairebel (BE)
18. Global Reporting Initiative
19. GMP+ (NL)
20. GRSB (Global Roundtable for Sustainable Beef)
21. Haltungsform (GE)
22. Haute Valeur Environnementale (FR)
23. Initiative on substantiating green claims (EU)
24. Initiative Tierwohl (GE)
25. KRAV (SE)
26. Kringloopwijzer (NL)
27. Label Rouge (FR)
28. Maatlat Duurzame Veehouderij (NL)
29. Made green in Italy (IT)
30. Natural Capital Protocol
31. Neuland (GE)
32. On the Way to PlanetProof (NL)
33. Organic production (EU)
34. Origin Green (IE)
35. PEF category rules (EU)
36. Pilots environmental labelling under AGEC law (FR)
37. Pro Weideland (GE)
38. Red Tractor (UK)
39. RSPO (Roundtable on Sustainble Palm Oil)
40. RTRS (Roundtable on Responsible Soy)
41. Sustainable Development Goals
42. Swedish Seal (Svenskt Sigill) (SE)
43. The Keyhole (DK)
44. The Sustainability Consortium
45. True price methodology (NL)
46. Upcoming: governmental animal-welfare label (BE)
47. Verein für kontrollierte Tierhaltungsformen (GE)
48. VLOG (GE)
49. Weidemelk (NL)

Subset

| Zooming into ranking systems	Zooming into criteria of various labels to exercise (product/label)	Quick scan of various systems
1. Haltugsform (DE)	1. Label Rouge (FR)	1. TSC (int)
2. Siegelklarheit (DE)	2. On the way to Planet Proof (NL)	2. PEF (int)
3. Keurmerkwijzer (NL)	3. Neuland and Proweiland (DE)	3. Made Green in Italy
4. PUSCH (CH)	4. Pro-Planet (DE)	4. Eco-Score (FR)
5. IDH – Dutch Sust Initiative	5. Naturland (DE	5. Eco-Impact (UK|EU enviroscore)
6. Bonus system Eco-Score (FR)		6. Planet-Score

What has been done: activities

- State of the art

  - Selecting and analysing initiatives following input from the previous workshop (May 2021)

  - From inventory to subset

- Market Orientation

  - Interviews with retailers, EU, ngo, label & performance system organisations
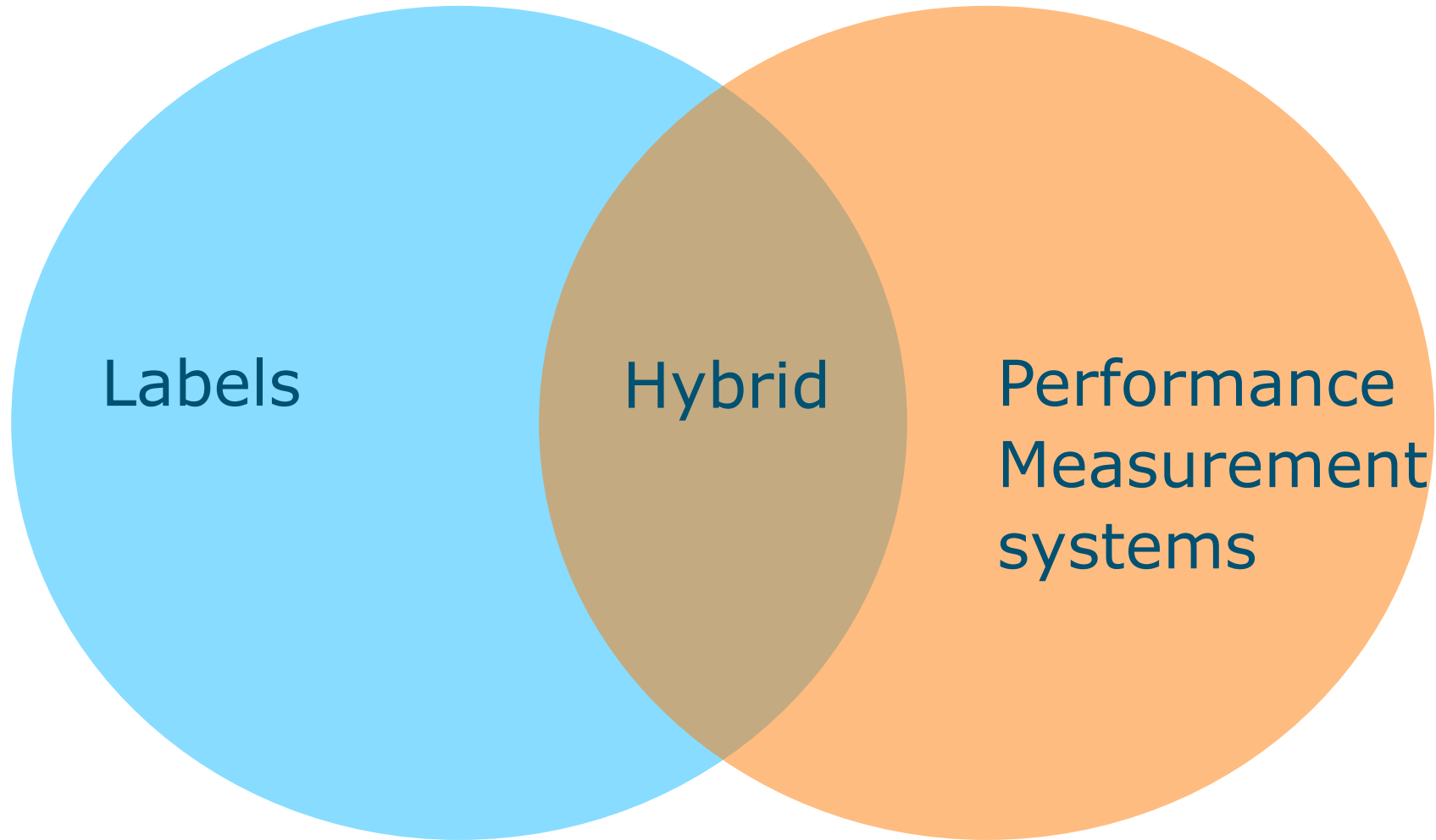
Findings

Harmonization approaches
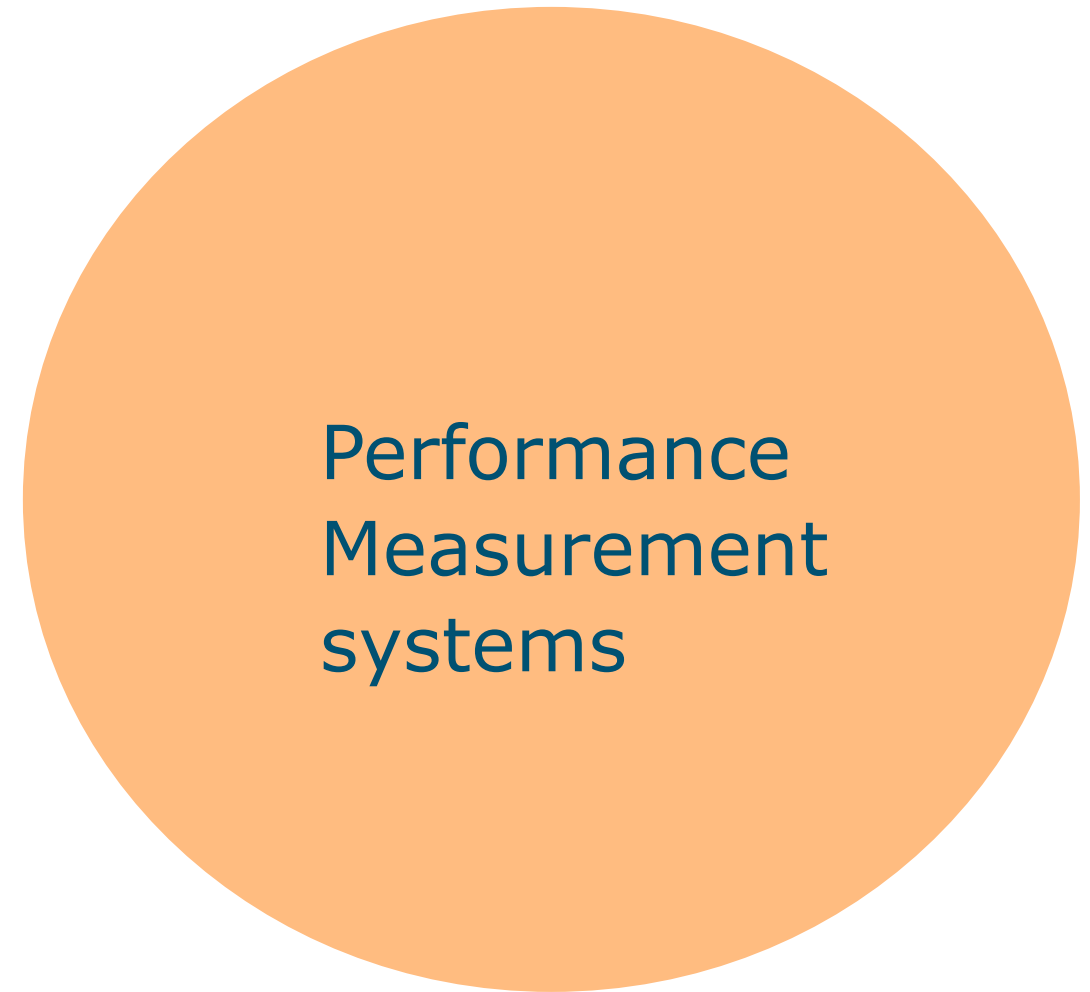
Labels

Performance Measurement systems

Harmonization approaches

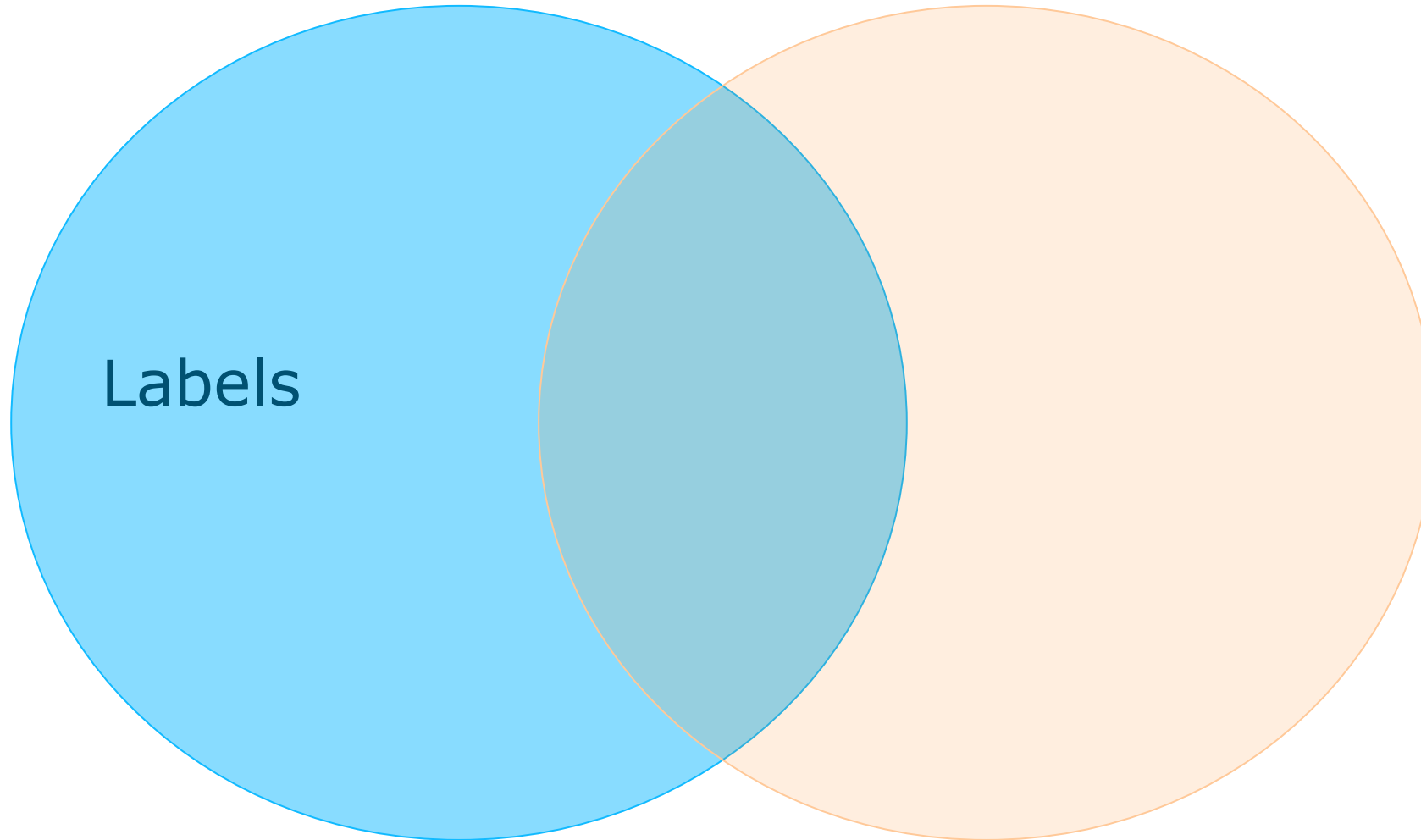| Labelling	Performance Systems

Labelling

1. Common adoption of one **existing** label *e.g. existing national label*

2. Trying to encourage **existing** labels to cooperate in creating one new label *e.g. Rainforest Alliance and Utz*

3. ✓ Application of an ordering principle to **existing** labels *e.g. Siegelklarheit, Haltungsform*

Performance Systems

4. ✓ Common adoption of an **existing** performance system *e.g. PEF or TSC*

5. ✓ Common development of **new** performance system

Harmonization approaches: recent developments

Labels

Hybrid

Performance Measurement systems

Harmonization approaches (+1)

Labelling	Performance Systems

Labelling

1. Common adoption of one **existing** label *e.g. existing national label*

2. Trying to encourage existing labels to cooperate in creating one **new** label *e.g. Rainforest Alliance and Utz*

3. ✓ Application of an ordering principle to **existing** labels *e.g. Siegelklarheit, Haltungsform*

Performance Systems

4. ✓ Common adoption of an **existing** performance system *e.g. PEF or TSC*

5. ✓ Common adoption of an **existing** hybrid system (performance system with plug in for labels) *e.g. Eco-score*

6. ✓ Common development of **new** performance system, hybrid or not

Harmonization approaches: ordering

Labels

Ordering: initiatives

Ordering: pros, cons or findings

- Provides opportunity to classify imported products

- Limited availability of labels aimed at sustainability issues and /or low penetration rates (very different to AW)

- Single purpose (communication with consumers)

- Classifying takes time and not without comparing apples and oranges

- Method: no single method used, a variety in scoring/ evaluation

Top and the rest, categories or levels, overall scores vs. not putting weights to sustainability dimensions all together (no overall score)
[labels themselves: in or out, all similar]

Ordering: generic findings

- Import products can be classified and compared with domestic labels. Foreign buyers understand how demanding the - for them - foreign label is.

- Implementation: in the short term ready to use and in line with current practices, assurance by external bodies

- (Rough) structure following in/out-principle

- It can promote the international communication of product sustain-ability, but communication with consumers is not provided for (BtB)

- The added value is only applicable to products produced under external label (limited number, low penetration rates)
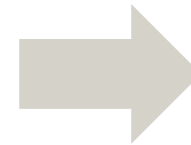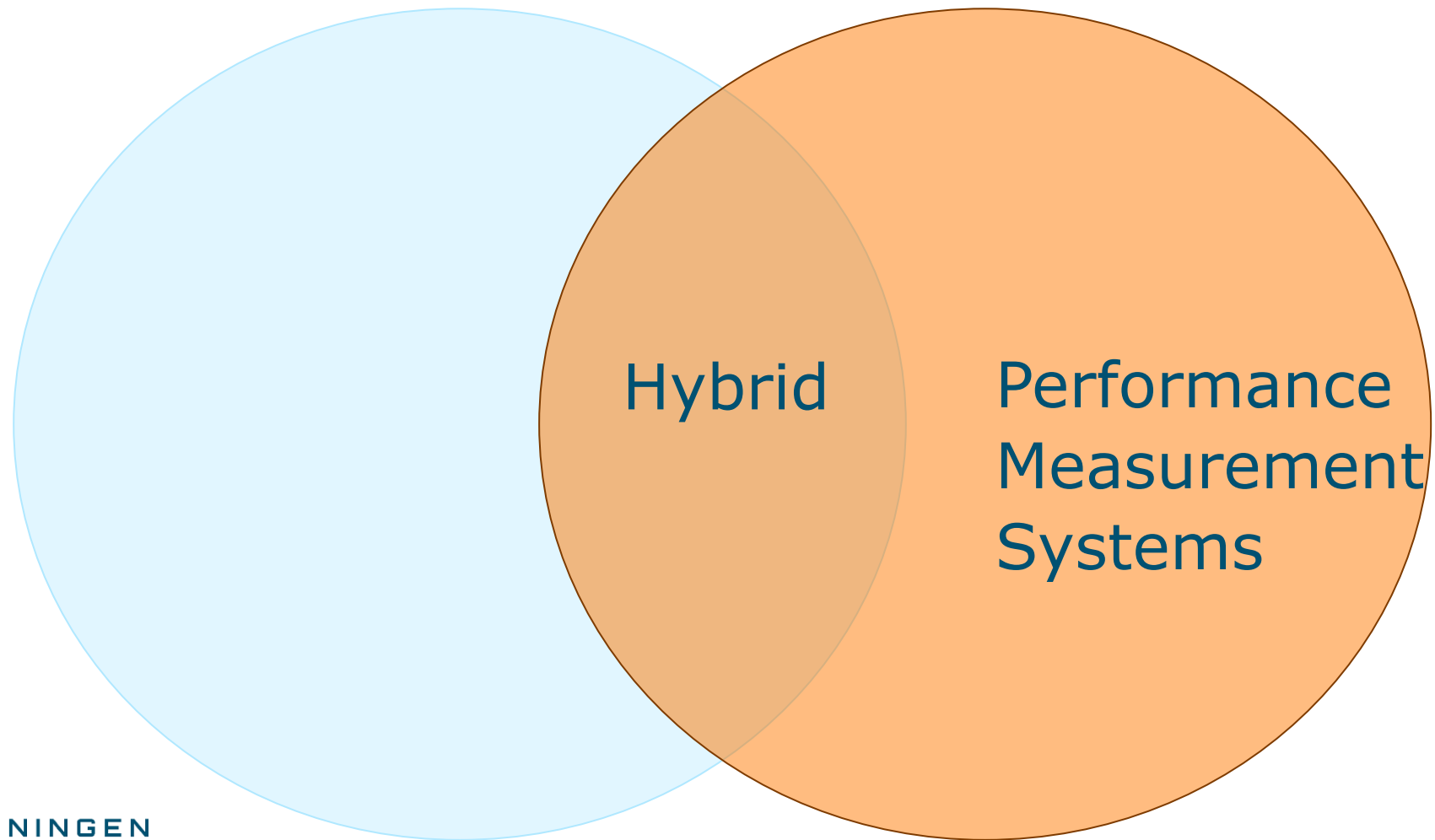
The impact on the sustainability of food is not expected to be great.

Menti.com

Please enter the code: **52 57 11 89**
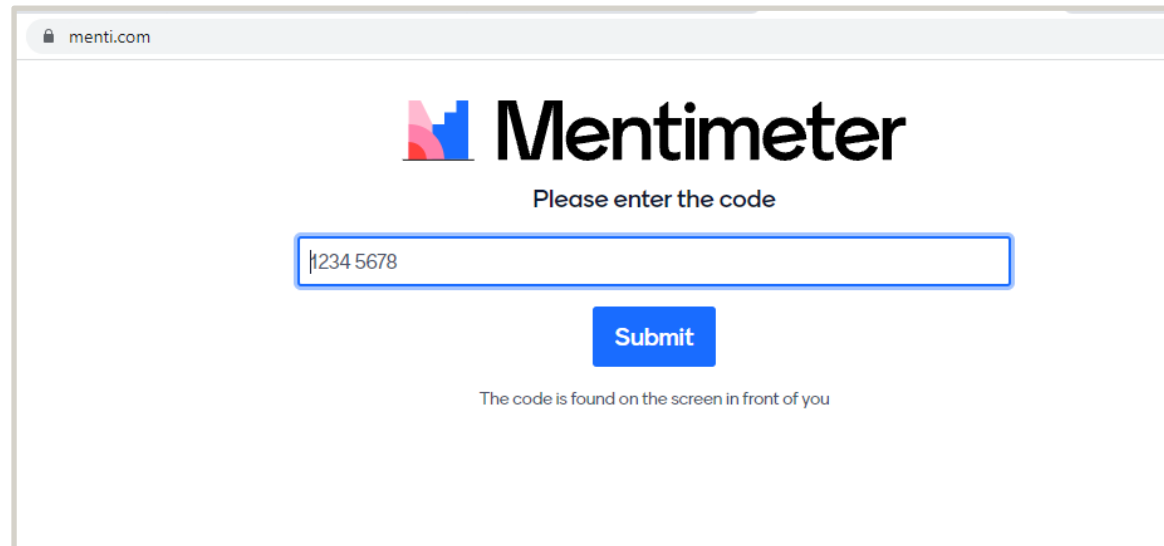
Harmonization approaches: performance measurement systems

Hybrid

Performance Measurement Systems

Performance systems: initiatives

Product Environmental Footprint (PEF)	Eco-Score	Enviroscore	Eco-Impact	Planet-Score	The Sustainability Consortium	Made Green in Italy
Not available						

Performance systems: pros, cons, and findings

- (Potential to) provide insight into level of sustainability of all products in a harmonized way

- (Potential to) include incentives for continuous improvement for all products

- Multi purpose (consumers and other stakeholders)

- Comprehensive administrative task

- Availability and processing of data

- Assurance

- No widespread use yet, though hybrids are emerging

- Communication with consumers not always build in (yet)

Comparison of performance systems

	PEF	TSC	Eco-score	Eco-impact
Owner	EC	Multi-stakeholder non profit organization	Multi-stakeholder non profit organization	Non profit organisation
Robustness	High	Medium	Low	Medium to high
Scope	Environmental	Environmental & Social	Environmental (through labels a bit broader)	Environmental
Subject	Variants of products	Product category, working on product level	Variants of products	Variant of products
Indicators	LCA Impact	Activity and impact	LCA category, labels, packaging/origin	LCA impact
Effort	High	Medium	Low	High
Operational	Ready for: Beer, dairy, wine, water, pasta, feed, pet food	All consumer products 2000 companies reporting for 5 years	All food Pilots: Colruyt, Carrefour, Lidl	Piloting LCA standards needed All UK retailers member
Challenge	Effort to calculate Non LCA subjects Consumer com	Product level Activity/process indicators	Differentiate suppliers Quality category avr.	Effort to calculate Non LCA subjects

Menti.com

Please enter the code: **52 57 11 89**

Performance systems: generic findings

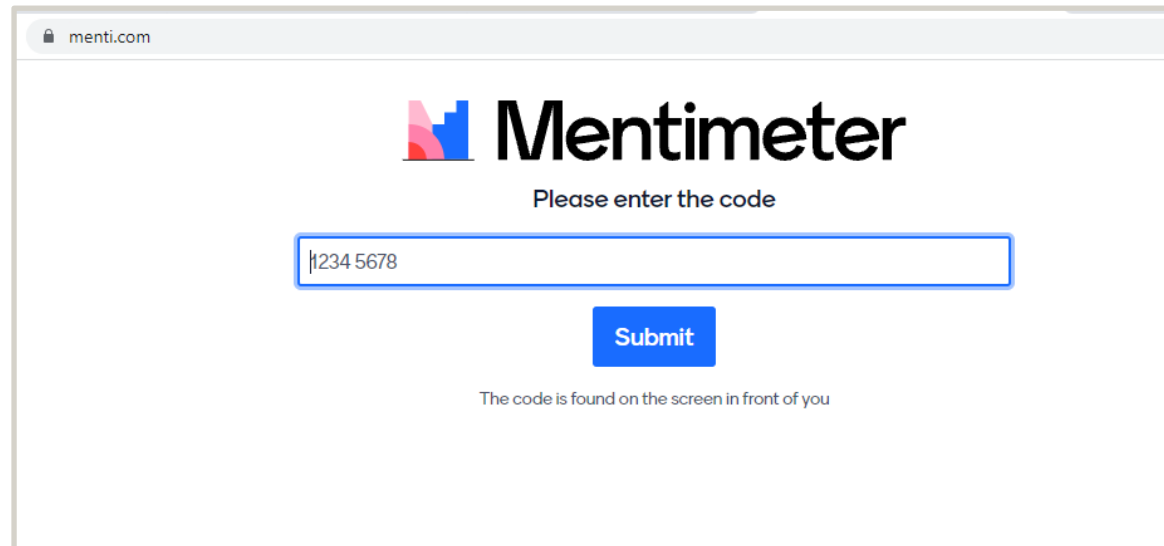- Gives insight into level of sustainability of products in a harmonized way. Based on primary (and sometimes secondary) data from individual companies.

- Methodology: impact-oriented and flexible system

- Implementation: multipurpose and can be customized, though administration

- The added value is only applicable to products produced under the performance system (however, we expect a bigger share in comparison with labelling).

- Potential for comparison within product category and between product categories

The impact on the sustainability of food is expected to give best results, especially when using primary data.
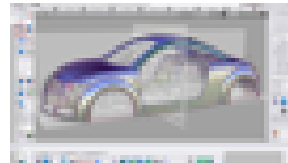
Menti.com

Please enter the code: **52 57 11 89**
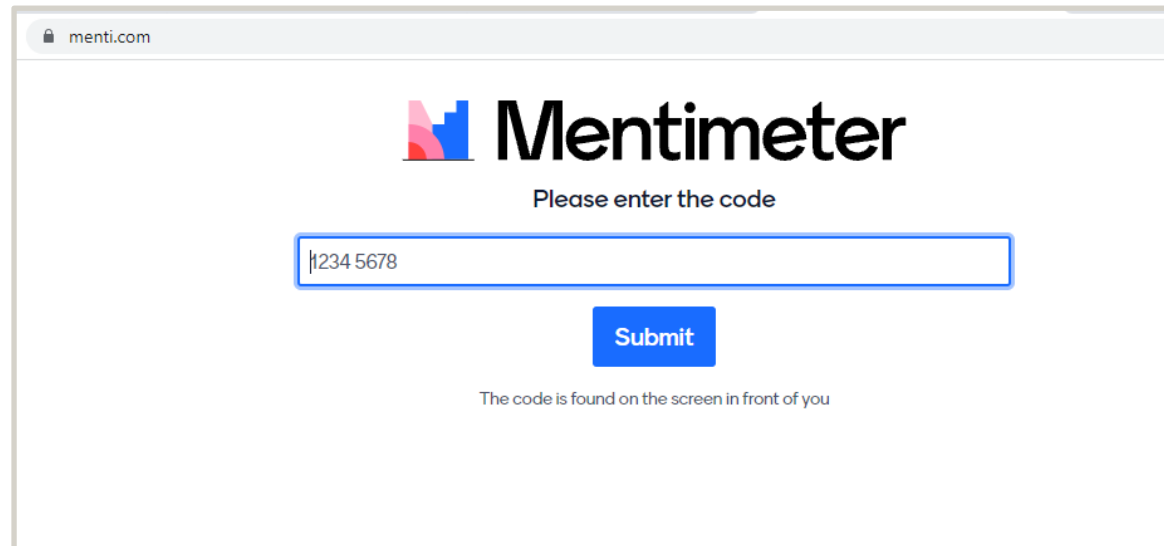
Market orientation: insights

Market orientation

Ordering labels limited impact

- Only able to speak to a few retailers. Would like to speak more

- General interest of retailers to better understand foreign sustainability (labels) for BtB purposes. Bilateral discussions between foreign label owners and retail are starting up.

  - Expected sustainability impact of ranking however limited

    - No communication to consumers expected and no guarantee of additional incentives from retailers to increase penetration rates of foreign labels

- Retailers focus on primary production in home country

  - More pressure from NGO's and government

  - More influence on supply chain (shorter, more purchasing power, long term relation)

- Even for primary production in home country limited demands/labels related to environmental issues (Demands/labels focus: animal welfare, deforestation, fair trade, organic, GMO)

Increased interest for performance measurement

- All stakeholders (retailers, government, label owners, NGO's etc.) see Performance measurement system as the future

- Severe bottle necks however: administrative burden and assurance

- Despite that

  - Some labels starting introducing systems that are very similar to PM system: Planet Proof Dairy

  - Retailers start piloting and show serious interest in simple (Eco-score) and more advanced ones (Eco-impact, TSC) especially when suited for consumer communication

Performance measurement: improvements

- Governments increase support PMS systems
  - NL: Circular farm level indicators; RIVM Food database
  - EU: PEF methodology and databases; Farm Sustainability Data Network; Tender EU food database
  - Fra: Agribalyse food database; 20 experiments
- Advanced Food processing companies develop PMS systems for scope 3 targets
- Increased availability of tools with secondary data (sector/regional averages) that can be combined with critical primary data (based on samples)
- IT Technology (Digitalization, linking databases)
- Best practices: Dairy NL; Beauty consortium*

WAGENINGEN
UNIVERSITY & RESEARCH

*   Henkel, L'Oréal, LVMH, Natura &Co, Unilever forming consortium for cosmetics environmental impact system (cosmeticsdesign-europe.com)

Next steps

Next steps: main finding

- Ordering labels has some value but seems in the long run less attractive than a performance measurement system, especially when the PMS is based on primary data from individual companies that is also communicated to consumers. This is expected to have the most positive impact on sustainability of food. Some bilateral "ordening"/equivalance is ongoing.

WAGENINGEN
UNIVERSITY & RESEARCH

Next steps: to early to choose one or the other

What could a HSS look like that could be used in the Northwest European markets?

State of the Art
Lots of dynamics in development of PM systems. Piloting results become available. Closely co-operate with initiatives to identify challenges and potential solutions.

Market orientation
Lots of dynamics in market adoption of PM systems and in government involvement. Better understanding of needs and wants of the market. What will be the impact of government policies (France, EU's Green Claim Initiative)?

WAGENINGEN
UNIVERSITY & RESEARCH

33

Next steps

- The best way to design SD and have impact at sustainability are not clear yet, e.g.
    - Right balance between administrative burden and quality of measurement
    - Visual FOP-communication with consumers, BtB, BtG, BtF?
    - Aggregation level of scores (individual farm, average processor, average region, average product category)
    - Primary versus secondary data
    - Scalability
    - Comparison between product categories or within product category
    - Business model
    - Incentives for participation
    - Incentives for improvement of sustainability
    - Coverage of themes (people/profit)
    - Only impact indicator or combination of indicators

Menti.com

Please enter the code: **52 57 11 89**
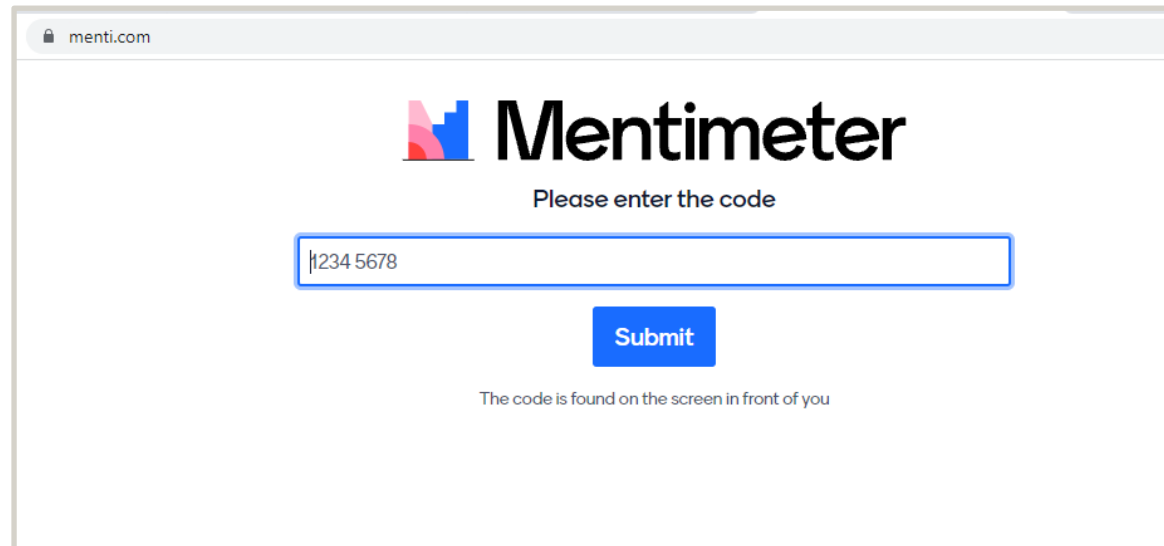
Next steps: proposal

- Performance measurement system more attractive and thus it makes sense to put this route in the foreground in the coming months

  - Follow dynamics and more in-depth analysis of initiatives

    (Including: look for initiative specific challenges and (how) can they be solved?)

  - What are promising elements or solutions for design of Sustainability Dashboard?

  - Carry out interviews

- However, not completely losing sight of the other approaches

What could a HSS look like that could be used in the Northwest European markets?

We welcome your feedback and tips

Houkje Adema

Koen Boone

Irina Verweij-Novikova

Mariët van Haaster-de Winter