

2023 Sustainability Summits Observations and Recommendations



Industry leaders shared their experiences in
Sustainability & ESG in the fresh produce industry.

Auckland, New Zealand – February 2023

Sydney, Australia – March 2023



Executive summary

The International Fresh Produce Association hosted two Sustainability Summits in New Zealand and Australia on the 28th of February and the 2nd of March 2023. The objective was to identify major sustainability challenges facing the entire fresh produce and floral sector, and to seek consensus on key strategies to address issues obstructing improvements in sustainability and ESG. The goal being to drive grassroots-based improvements and understanding of sustainability and ESG for the fresh produce and floral sector.

The Summit brought together key personnel from across the fresh produce supply chain. The program was divided into two components: plenary addresses from sustainability experts, followed by workshop sessions designed to explore sustainability challenges and strategies.

The plenaries were designed to set the scene and covered the following topics:

- What sustainability means to IFPA from a global perspective.
- The landscape of corporate sustainability in Aotearoa (New Zealand).
- Sustainability at Zespri.
- Hort Innovation sustainability framework update.
- Recent developments in ESG: observations on Australia.

The speakers highlighted:

- The IFPA definition of sustainability its focus and approach.
- The cause of the current sustainability imperative.
- What is happening in New Zealand currently, and what we should be prepared for.
- The Zespri sustainability story.
- The framework and baseline to present a pathway for horticulture to: promote our industry, foster constructive relationships, direct industry investment and growth opportunities.
- Drivers of increased focus on ESG.
- Greenwashing, what's changing?
- Key stages of organisation's approaches to decarbonization.

This was followed by participants sharing their stories on their journey towards improving sustainability for the consumer and improving culture for their organisation.

During the workshop sessions, summit attendees addressed a series of questions designed to flush out issues and factors which are impeding the uptake of good sustainable practices. These included:

1. Why are sustainability and ESG important to our industry?

Potential areas of focus:

- To attract and retain talent
- Meeting consumer expectations
- Global responsibility and stewardship
- Risk mitigation



2. What other industries do you see leading in the sustainability space, and what can we learn from them?

- Tourism: ecotourism and its appreciation for nature
- Energy sector: renewable energy
- Beef: reducing carbon emissions
- Consumer goods: Nestle and other large brands

3. What is the biggest challenge for our industry in the sustainability space, and can IFPA help with any key components of this?

- The understanding and alignment of values across the supply chain
- Where to start in the sustainability journey and how to tell the story
- Financial constraints
- IFPA can:
 - i. Provide education and knowledge to start the sustainability story
 - ii. Technical resources
 - iii. Bring the industry together to work collaboratively
 - iv. Tell our story

Key recommendations for the International Fresh Produce Association moving forward include:

- Seek greater engagement with peak industry bodies to promote the importance of sustainability and ESG, and to facilitate improved access and knowledge of sustainability and ESG guidance materials across the entire fresh produce industry.
- Develop the tools and resources to educate on key sustainability concepts .
- Investigate ways to improve the development of programs to ensure their utility and accessibility for small and medium sized enterprises.
- Revisit the summit on a yearly basis to review progress in advancing sustainability and ESG.



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Background

Sustainability remains a key issue for the fresh produce industry globally, consumers are driving demand for more sustainable practices in our sector. From our extensive industry survey we know that the themes of sustainability and ESG are increasingly important to the fresh produce and floral industry. Our survey has shown that there is a perception of both opportunity and uncertainty for the industry in these areas.

Sustainability Summit

The Sustainability Summits were held at the Annex, Wynyard NZ on the 28th of February 2023; and Tribeca at Doltone House, Sydney Australia on the 2nd of March 2023. The summits hosted industry leaders and key stakeholders from the fresh produce supply chain, academia community members, and sustainability professionals.

The program commenced with a series of keynote speakers, and a question-and-answer session where the participants engaged with the keynote speakers. Participants were given the opportunity to share their sustainability stories, this was followed by a structured workshop session designed to stimulate discussion on key sustainability and ESG issues.

The objective was for the attendees to identify sustainability and ESG challenges and to seek consensus on strategies to address current issues obstructing improvement in sustainability and ESG.

The goal being to drive grassroots-based improvement and understanding of sustainability and ESG in the fresh produce sector.



Plenary Session

The program included keynote addresses covering the sustainability and ESG challenges facing the fresh produce sector.

Speaker	Affiliation	Topic
Tamara Muruetagoiena (Both NZ & Aus)	Director of Sustainability, IFPA	What Sustainability means to IFPA. IFPA's Sustainability Focus & Approach
Pip Best (NZ)	Oceania Climate Change & Sustainability Services Partner, EY	Seeing the wood for the trees. The landscape of corporate sustainability in Aotearoa
Rachel Depree (NZ)	Executive Office for Sustainability, Zespri	Sustainability at Zespri. Values led - Value driven
Sarah Cumpston (Aus)	Head of Data & Insights, Hort Innovation Australia	Sustainability Framework IFPA Update
Alex Lewin (Aus)	Climate Change & Sustainability Services, EY	Recent developments in ESG. Observations in Australia

Following the presentations, a question-and-answer session provided a deeper dive into the issues, this enabled the attendees to explore the plenary topics in more detail.

Please download the presentations from the Sustainability Summits below:

[> Auckland Sustainability Summit Presentation](#)

[> Sydney Sustainability Summit Presentation](#)



Workshop Session

Working in groups, the attendees were tasked with discussing and responding to a series of questions, followed by presenting their observations to the summit. The goal was to tease out issues and factors which are impeding the uptake and implementation of good sustainability practices.

Topic 1: *Why are sustainability and ESG important to our industry?*

- Our consumers demand and expect a more sustainable product
- To future proof our resources and protect our workforce and retain talent
- For food security
- To mitigate risk
- To be industry leaders
- For investment, to maintain access to capital
- To be good corporate citizens
- To meet shareholder and government regulations (if applicable)
- To drive innovation and increase efficiency
- For growth in international trade
- For the reputation of our industry
- Looking after our planet for future generations
- Duty of care to consumers and the environment
- Access to finance and capital
- Limited resources, land and water
- Consumer, investor and government expectations
- Employee passion aligned with company values
- Compliance
- Industry protection
- Opportunities to educate a younger generation
- Social licence
- Market access
- Productivity and profitability

It was agreed that sustainable farming practices can help reduce air, water, and soil pollution and protect the biodiversity that sustains us all . Combating climate change through sustainable food production may assist in decreasing extreme weather, that can lead to food insecurity.

A focus on sustainability can increase efficiency by reducing waste and can provide a competitive advantage. It can also help to protect and or strengthen a brand or reputation, increasing consumer trust and confidence.



Topic 2: *What other industries do you see leading in the sustainability space and what can we learn from them?*

- Beef industry- good at gathering data to provide a clear focus to the sector. Take ownership of the issue and are solutions focused
- Nestle – branded products and they face regulatory pressures. They are good at the narrative and know how to communicate
- Packaging Companies – they have continuous improvement, focused on waste management and collaborate with industry
- Telecommunications companies – recycled devices and are tackling the issues around security of data
- Second Hand Fashion Industry – upcycling, good story tellers and marketers, uses technology to drive sustainable innovation
- Eco Tourism – minimize the impact on the environment, respect local culture, support human rights and provides direct financial benefits for conservation.
- Vehicle manufactures – good at telling a story, EV transformation
- RSPCA – respecting animal welfare
- Oil, Gas and Electricity Companies – starting to focus on environment and social responsibilities, OHS is a strong focus
- Retailers - creating a discussion around modern slavery
- Fast Food Industry – reducing single use plastic
- Chocolate Companies – cocoa, improvements in how it is farmed, good at telling the story
- Steinlager - aim to be carbon neutral
- Hybrid working model - reduces emissions from commuting

We know that companies leading the sustainability space have transparent and ethical sourcing of their materials and are conscious of the manufacturing processes and practices. They are waste conscious and concerned about their products end of life.

The companies discussed in the workshop attract more customers through improved brand image and advantage. They reduce waste and greenhouse gas emissions, and they increase business ability to comply with regulations where applicable and likewise make a good impression on their shareholders.

The companies with good sustainable and ESG practices increase productivity and reduce costs.



Topic 3: *What is the biggest challenge for our industry in the sustainability space?*

***And can IFPA help with any key components of this?
(Approaches, delivery, resources)***

- Cost
- Time
- Uncertainty
- Access to tools and data
- Fragmented product groups
- Industry needs to be more aligned, values across the supply chain
- Talent, building a culture that focuses on sustainability
- Getting started
- Defining what sustainability and ESG means for our sector
- Food waste
- Gain wider industry member engagement
- Regulations are not universal
- Sustainability of the Supply Chain
- Sector needs to work more collaboratively
- Complex issue
- Having the skills and knowledge to start
- How to capture those benefits
- Overcoming traditional perceptions on sustainability
- Understanding the metric - what is the current baseline
- Diversity of practices

Key recommendations for the International Fresh Produce Association included:

- IFPA should provide tools, resources and guidance materials to improve access and knowledge of sustainability and ESG across the entire fresh produce industry.
- Explore ways to better enhance the uptake of sustainability and ESG information and guidance.
- IFPA global should facilitate workshops and training opportunities across A&NZ before the end of 2023.
- To include a yearly sustainability and ESG summit in Australia and New Zealand.



- IFPA should provide case studies.
- IFPA could provide marketing.
- IFPA to work in and outside of the fresh produce industry to source best practice in sustainability standards

The lack of understanding, and the limited access to tools and resources are key factors that limit improvements in sustainability and ESG. It was noted and agreed that sectors of the fresh produce supply chain could benefit from greater education and more effective outreach to improve sustainability and ESG practices in their businesses.

A good sustainability and ESG outcome would be the effective execution of programs and resources, resulting in sustainability and ESG no longer being a challenging issue for the sector. This requires sustainability and ESG aspirations to be embedded in businesses and considered an integral part of business culture across all strata of the industry. This means accountability for sustainability and ESG would be proactively entrenched throughout the business and industry leaders.

It was noted that SMEs face a greater challenge within their businesses due to the lack of resources to start their sustainability journey. There was a genuine consensus that IFPA should unite and collaborate with peak industry bodies and stakeholders in the supply chain to address sustainability and ESG issues in the industry. Gaps and knowledge have been identified and there is limited resources and guidance information for the sector.

While there is no doubt that sustainability and ESG are important issues for the sector, it remains an ongoing challenge to advance sustainability and ESG with many members across the supply chain. This is due to the lack of resources to access information and support, for the sector to start and/ or improve their sustainability journey.

The costs required to address sustainability and ESG in the sector were raised as a concern.



Summary

The summit brought together key industry personnel to explore ways to improve sustainability and ESG across the supply chain. Sustainability and ESG are paramount to the Australian and New Zealand consumer. Consumers expect sustainable food systems.

Keynote speakers highlighted the current state of sustainability and ESG in Australia and New Zealand, the regulatory environment, the global perspective, and IFPA's seven sustainability focus areas.

The workshop sessions delved into issues facing the industry and approaches being used to manage sustainability and ESG.

The issues that need to be communicated better include the following:

- Knowledge of current and emerging trends in sustainability and ESG.
- The value of sustainability and ESG programs in an organization.
- The greater understanding of liability, risks and reporting.
- Be clear on the communication scope and depth for sustainability efforts.
- Tell our story, make it succinct and make it personal.
- Make our sustainability and ESG issues more understandable.

Ways to engage and enhance message delivery include:

- Education and training that promotes the importance of sustainability and ESG – as a business imperative and for employees to put sustainability and ESG as a priority.
- Innovative and practical delivery tools and technologies.
- The provision of appropriate information targeted at the different groups (i.e. commodity, region) within the supply chain.

Solutions identified by the attendees included: the ongoing development of targeted sustainability and ESG resources, guidance, and tools which are accessible and practicable for all; an examination of how such materials can be more effectively disseminated; increased industry-wide conversations about organisational culture and the importance of business owners taking responsibility for their sustainability and ESG programs; and the use of relevant modes of dissemination of sustainability and ESG communication.

The summit also identified opportunities for the International Fresh Produce Association to support the fresh produce sector. This included engagement with peak industry bodies; exploring approaches to better enhance the uptake of sustainability and ESG information and guidance; and considering ways to improve the development of sustainability and ESG programs and resources. Consensus was also achieved to reconvene the summit in twelve months' time to review progress in advancing sustainability and ESG.



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