



SAI Platform Supply Shed Collaborative Project

Executive Summary for Members

THE PROJECT

The SAI Platform Australia engaged Pollination to support development of guidance and insights on “supply sheds”, which are the sourcing regions from which companies source a commodity. The initiative aimed to explore what supply sheds are, how they operate in practice, and activities currently underway for companies to drive environmental outcomes through supply shed models

Pollination conducted desktop research and stakeholder interviews with 17 stakeholders across industry, corporates, research bodies, technical providers and government, to collate market intelligence on how supply shed initiatives are being used and the direction of travel going forward. This included how accounting standards and guidance were evolving to support these initiatives, how supply sheds are used for insetting, and what new models were emerging to share and scale financing of impact at the supply shed level. Insights from the desktop research and stakeholder interviews have been translated into a final “Supply Shed Insights” Report for members.

FORUM SUMMARY

The SAI Platform Forum, held on 30 October 2025 in Canberra, brought together multiple SAI members, government officials, finance providers and researchers to share experiences, learn from emerging initiatives, and discuss opportunities for collaboration when it comes to driving environmental outcomes in supply chains and through supply shed approaches. The event focused on how supply shed models can drive systemic change by enabling collective action, improving measurement and reporting, and fostering shared responsibility among stakeholders.

The day included:

- Presentations from Pollination on high level findings from the report, including overall supply shed concepts and a deep dive into insetting.
- Engaging panels from leading experts across both industry and government. This included a stakeholder industry panel with participants from Greenham, Goodman Fielder, Dairy Australia and GrainGrowers discussing trends, barriers and opportunities in their sector. The policy panel included speakers from DAFF, DCCEEW, Agriculture Victoria and the Zero Net Emissions Agriculture CRC, and provided updates on recent policy releases, pilots and programs.
- A presentation from Jack Holden on the latest Scope 3 Emissions Reporting Workbook for Australian Food & Grocery Council members, which provides Australian-sourced emissions factors to support the calculation of greenhouse gas emissions associated with purchased goods and services in order to meet annual sustainability reporting requirements.
- Case studies from Pollination and NutrienAg on supply shed programs currently being run in both Australia and the US.



The Forum provided valuable insights to inform thought leadership and well as building industry wide momentum for the adoption and integration of supply shed models. Insights from the Forum have also informed the report development.

SUMMARY OF INSIGHTS

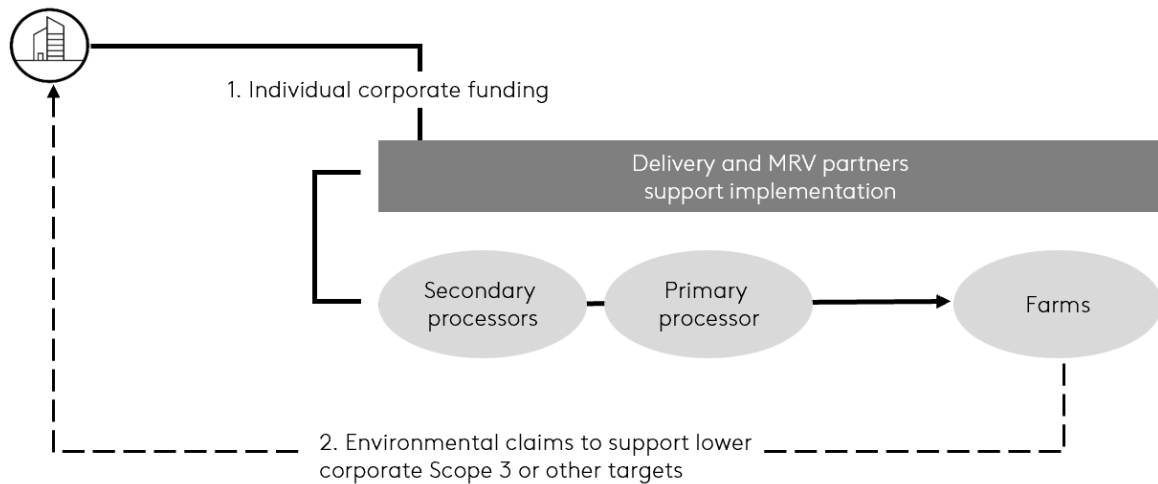
The member report is designed to provide approachable guidance for companies considering supply shed approaches in agricultural supply chains. Insights include:

- **Definitions and technical considerations:**
 - Supply sheds are predefined sourcing regions from which companies procure commodities. They represent the footprint of production tied to a supply chain in a particular region, rather than requiring full traceability to farm level.
 - Supply sheds are a particularly important approach for driving investment in insetting, which is where an organisation supports its supply chain to deliver climate and nature outcomes within the supply chain.
 - Supply shed attribution enables companies to invest in farms within the region they procure from, and claim the associated Scope 3 reduction or removal, even without direct traceability to individual farms in that area.
- **Benefits:**
 - Supply shed initiatives can tackle many of the challenges that have hindered progress to date in agricultural supply chains where lack of traceability is an issue.
 - In particular, the ability to leverage coordinated cost-benefit sharing means that these approaches can be scalable for fragmented supply chains. They can also be tailored to account for relevant sector considerations.
 - For corporates, investment through supply shed approaches can help to drive reduced climate and nature risks, scope 3 emissions reductions, enhanced supply chain resilience, and compliance with stakeholder expectations.
 - For producers and growers, supply sheds open up new revenue streams, with the associated funding providing support for improved productivity, environmental outcomes and resilience to climate variability.
- **Barriers:**
 - Current emissions reporting tools are inconsistent and less mature compared to other compliance areas (e.g., modern slavery), creating complexity.
 - There are different approaches to accounting and attribution, including how to approach inventory vs intervention accounting methods.
 - There is regulatory uncertainty when it comes to emerging GHG Protocol and SBTi guidance. Some parties are using carbon credits as tracking mechanisms but this usage is also unclear in the current standards.
 - There are significant levels of stakeholder coordination required across buyers, producers and intermediaries within fragmented supply chains. However companies also face potential competition issues when acting together to invest which needs to be managed.
 - Determining fair and commercial approaches to “who pays for what” is a key overarching challenge

Two relevant supply shed business models were identified through the work:

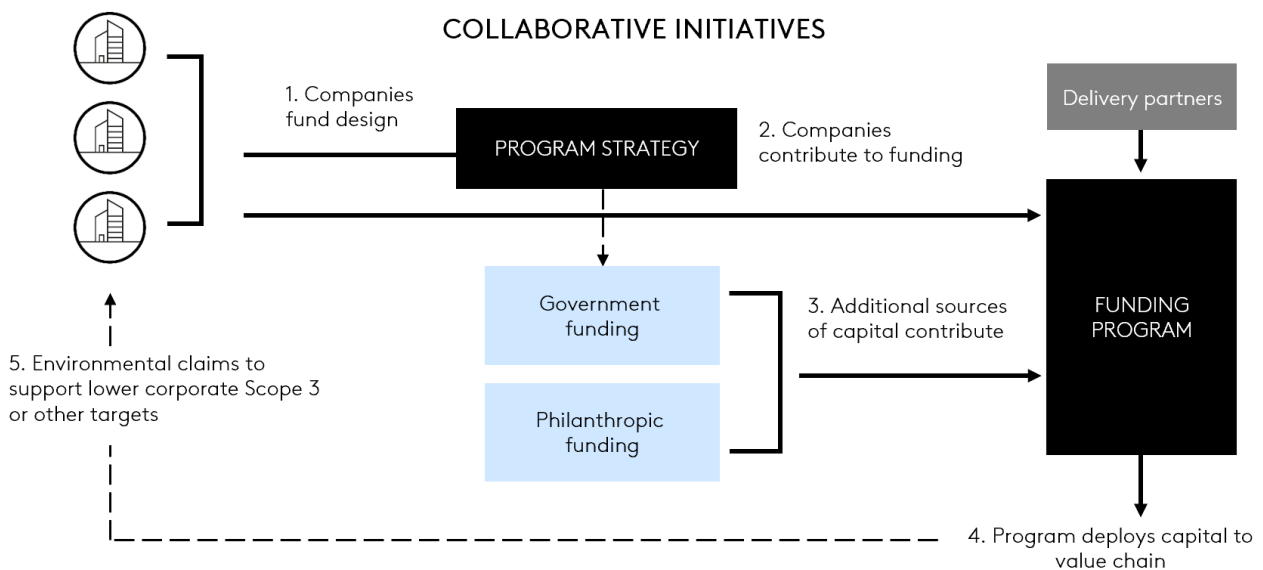
1. Investment by an individual corporate which has a relatively concentrated supply chain

INDIVIDUAL CORPORATE LED



- 2. Funded through multiple corporates (likely through a coordinator) to combine funding and drive outcomes across a more fragmented supply chain.**

COLLABORATIVE INITIATIVES



A range of example companies exploring these approaches are identified in the report. More were identified during the Forum, including supply shed and related initiatives by SAI Platform members, finance providers, farmer and industry organisations.

Next steps: The SAI Platform will work through the findings of the project and Forum and determine its role in taking supply shed concept and practice forward. Collaboration with relevant businesses, organisations and institutions that can assist SAI members in tackling the challenges and realising the opportunities will be a focus of this work.