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FEDIOL 2022 Annual Report

under the
**EU Code of Conduct on
responsible food business and marketing practices**

1. General information

Name in full + acronym	EU Vegetable Oil and Proteinmeal Industry FEDIOL
Contact person with contact details	Nathalie Lecocq - nlecocq@fediol.eu
N° in the transparency register*	8507600232131
Date of signature of the Code	5 th July 2021
Step of the food chain represented (ex: primary production, production, processing, trade, retail, ...)	Primary processing of oilseeds and refining of crude vegetable oils
Who do you represent? (e.g. number of members, companies, SMEs)	70 companies, 180 processing sites, 11 national associations

FEDIOL endorsed the following four aspirational objectives, as being applicable and relevant for the sector:

- Aspirational objective #1: Healthy, balanced and sustainable diets for all European consumers, thereby contributing to: 1) Reversing malnutrition and diet-related non communicable diseases (NCDs) in the EU 2) Reducing the environmental footprint of food consumption by 2030
- Aspirational objective #3: A climate neutral food chain in Europe by 2050
- Aspirational objective #4: An optimised circular & resource-efficient food chain
- Aspirational objective #7: Sustainable sourcing in food supply chains

2. Promoting and disseminating the Code within our constituency

Having signed the Code of Conduct on responsible business and marketing practices, FEDIOL, together with the experts in its working groups, considered how to live up to these responsibilities along the four aspirational objectives identified as relevant for the FEDIOL activity.

Upon request by the FEDIOL Board, information on the code was shared in all relevant working groups. Further discussions took place about actions that could possibly support the objectives of the code.

This led to the identification of specific actions and to the elaboration of an action plan comprising **seven workstreams**.

1. **Understanding the sustainability challenge**
2. **Nutrition related information**
3. **Life Cycle Assessment**
4. **Reduction of GHG emissions**
5. **Monitor corporate environmental engagements**
6. **Support responsible sourcing**
7. **Communicate on the CoC related FEDIOL work**

The action plan was endorsed in November 2021 by the FEDIOL Executive Board, and its implementation was consequently launched at the appropriate level within the organization.

In the association, regular discussions on the code were held which enhanced understanding and showed the direction of travel to other members that may find it more difficult to engage directly with the Code. Further to the awareness raising and coordination within the FEDIOL working group structure, information on the Code and its objectives has been provided directly to company experts and has triggered regular up-dates on progress and advancement of the activity in all FEDIOL working groups.

Although the topic of **food and feed safety** is not explicitly targeted with the Code, because deemed to be covered by extensive EU legislation, FEDIOL underlines that ensuring food and feed safety cannot be taken for granted. Maintaining the same level of safety under evolving climate and production constraints, goes beyond the implementation of regulations. It requires regular review of the science, re-assessment of the risks, adjustment of processes and constant individual and collective efforts to enhance understanding and implement practical solutions in support of food and feed safety. This is a daily concern and forms the basis of Fediol activity in dedicated working groups.

3. **Encouraging members to align their sustainability actions and business practices to aspirational objectives and targets of the Code and inviting them to adhere to it**

The discussions within the FEDIOL working groups around the FEDIOL Code of Conduct implementation action plan provided ample occasions to inform, promote, enhance understanding of members about the objective of the Code and the importance of individual and collective action. Some of the workstreams are already in the FEDIOL roadmap as approved by the General Assembly as of June 2022, all aspects of the FEDIOL action plan to implement the Code of conduct will feature in the FEDIOL roadmap.

Workstream 1 of the FEDIOL action plan extended to the **Understanding of the sustainability challenge**. Indeed, it was felt that the Code of Conduct may not be easy to understand for FEDIOL members that are not closely involved in EU policy making and FEDIOL working activities. Companies may have questions on the implications for the day-to-day work, on how to address future challenges, on how to adapt company strategies. Exploring these questions could best be addressed through the organisation of dedicated webinars. These webinars could help feed the reflection on how to reach aspirational objectives and, more broadly, could address the Green Deal implications for companies. The first of these workshops was scheduled on 25 April with the title "*An optimised circular and resource-efficient food chain in Europe*". Starting with an introduction to the Code of Conduct, several external speakers have shed light on the tools that can help improving circularity and resource efficiency in the food chain in particular in oilseeds processing.

Workstream 2 of the FEDIOL action plan on **Nutrition related information** identifies which types of actions can be undertaken by FEDIOL to increase understanding on vegetable oils and fats hereby improving information to customers through the labelling. Two approaches were agreed, following brainstorming and discussions in several meetings of the FEDIOL working groups. One of them is the development of a FEDIOL website which is further described under the next reporting point. A second action relates to the provision of clear wording on frying practices. Indeed, brainstorming in the FEDIOL groups identified the need for increasing and harmonizing information on how and at which temperature to fry, given the various approaches followed on food labels. A recommended wording for inclusion on labels of bottled vegetable oils and fats will be developed. Once developed, this will also entail further discussions with other stakeholders downstream in the chain.

Workstream 5 of the FEDIOL action plan on the **monitoring of corporate environmental engagement** is providing an overview of company commitments in the area of GHG emission reductions, no-deforestation commitments and water related objectives. It helps shedding light on corporate objectives, on the monitoring of these commitments and allows companies to benchmark their engagement.

Workstream 7 entails the communication about Code of Conduct related FEDIOL work. In the course of 2022, a dedicated webpage is set up within the FEDIOL website to illustrate the different actions implemented in support of the Code's aspiration and to offer a one-stop-reference where tools can be found.

4. Exploring the possibility of developing sector-specific tools and resources in support of this Code

Workstream 2 of the FEDIOL action plan has focused on **possible nutrition-related communications' tool** which could support better consumption of oils through information on vegetable oils and fats targeting consumers and opinion leaders. After examination of several options, FEDIOL experts have agreed to develop a website with nutrition information on what are vegetable oils and fats, their role, their functionality per botanical origin, their nutritional properties (incl. associations health and nutrition claims) and understanding their labelling. The objective of such initiative is to support sustainable consumption through enhanced availability of vegetable oils and fats related information and how this can relate to a healthy(er) diet. A draft project is currently under elaboration and should be implemented in the course of 2022.

Workstream 3 of the FEDIOL action plan foresees the update of **its Life Cycle Assessment report**. The activity has been launched in summer 2021 and will be concluded in the course of 2022. The work package will provide a tool allowing each FEDIOL member to assess the performance of its own products compared to the sector's average. This can help identify hotspots and support actions or envisaged pathways on reduction of environmental impact such as reduced GHG emissions. The LCA related tool can also provide the basis for a dialogue with the customer on environmental performance of products.

As part of **Workstream 4** and in response to the **reduction of Green House Gas Emissions** aspirations, FEDIOL experts have explored the options of gathering data from members own activities (scope 1 and 2), to monitor progress, which is particularly important as Europe has committed to reach climate neutrality by 2050 and reduce carbon emissions by 55% in 2030. FEDIOL experts engaged in gathering how many CHP (combined heating and power) plants are operating in our sector and since when. In a second step, maintaining confidentiality and anonymity of the information received, data could be

collected on emissions, electricity used, and volumes processed back to, as far back as 2005 with FEDIOL companies, in case possible. This work is in progress.

Workstream 6 of the FEDIOL action plan to implement the Code relates to the **promotion of sustainable sourcing** of materials in relation with (direct) suppliers. FEDIOL has for several years now set in place specific data collection among its members and developed monitoring tools to encourage the uptake of scientifically robust sustainability certification schemes. FEDIOL monitored the uptake of certified sustainable palm oil and produced a factsheet reporting about progress or at least state of play. More recently a monitoring of responsible soy has been released (soy compliant with FEFAC soy sourcing guidelines) for the first time together with a monitoring of soy with low and high deforestation-risk. FEDIOL's objective is to continue providing information and enhance transparency on the situation highlighting the sustainability of soy and palm oil sourcing through maintained data collection and reporting on soy and palm.

5. Engage in dialogue with other food chain/systems actors and EU and international policy-makers to forge (new) relationships, exchange good practices and discuss challenges encountered, learn from each other (studies, projects) and create better mutual understanding, and identify opportunities for collaboration and potential partnership.

FEDIOL has a longstanding practice of engaging, cooperating and actively teaming up with other players in its different supply chains, whether upstream or downstream. Several areas of cooperation, which have precisely been set up to find synergies in support of better achieving objectives of the Green Deal through engagement with partners can illustrate this.

On sustainable sourcing

In cooperation with FEFAC and COCERAL regular exchanges have taken place to advance the uptake of responsible sourcing of soy. Support has been provided to the FEFAC sustainable soy sourcing guidelines and their up-date. In the run-up to the proposed legislation on deforestation-free supply chains, an approach involving a smart set of tools has been developed in conjunction with other players in the supply chain as part of the Tropical Forest Alliance with a view to achieve a sustainable transformation of production practices. These forms of cooperation have been maintained throughout the discussion on the proposed regulation on deforestation-free supply chains. They were meant to address and solve unintended consequences of the regulatory proposal with numerous exchanges and testing of alternatives to some proposed but inadequate provisions that would prevent from achieving the objective of reducing deforestation.

FEDIOL has resumed cooperation within ESPOAG (European Sustainable Palm Oil Advocacy Group) with other European associations using palm oil and other national platforms active in palm oil use in support of the uptake of responsibly sourced palm oil in Europe. Discussions have focused on how to overcome the practical issues triggered by the proposed legislation on deforestation-free supply chains in the palm oil sectors.

FEDIOL has joined the OECD and FAO Multi-Stakeholder Expert Working Group (MS-WG) to develop over the period 2021 and 2022 a Practical Business Tool on Deforestation, Forest Degradation and Due Diligence in Agricultural Supply Chains, for publication early 2023, with a view to help shape the tool and benefit from global knowledge.

On a climate neutral food chain in Europe by 2050 and an optimised circular & resource-efficient food chain

These are work areas that have been brought up in a collaborative manner under the PFP activity (Primary Food Processors) where very similar objectives are sought with other primary processors of agricultural raw materials pursuing the same objectives (see PFP report).

On healthy balanced sustainable diets

The Ukraine invasion by Russia and the crisis this has created on commodity markets has put into perspective our certainty about food security and about supplies of ingredients that are necessary for healthy diets. Rapid and close cooperation with critical players in the supply chain including COCERAL, FEFAC helped identifying issues and solutions to very short-term critical problems of availability and of alternative commodities. Additional discussions at EU and national level took place on how to continue providing a high level of food information to consumers, whilst addressing the availability of vegetable oils and fats and responding to FBOs downstream in the chain.

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