

Annual report on the EU Code of Conduct on Responsible Food Business and Marketing Practices

General information

Name in full + acronym	EuroCommerce
Contact person with contact details	Els Bedert bedert@eurocommerce.eu
N° in the transparency register	84973761187-60
Date of signature of the Code	19 June 2021
Step of the food chain represented (ex: primary production, production, processing, trade, retail, ...)	Retail and Wholesale
Who do you represent? (e.g., number of members, companies, SMEs)	34 Company members 27 National associations 15 Affiliated EU associations Members

- Endorse the aspirational objectives set out in this Code.

By endorsing the code, we subscribe to its aspirational objectives and inform and engage our membership in these. We also support the aspirational objectives through our involvement or membership to various EU stakeholder platforms, including the EU Platform on Food Losses and Food Waste, EU platform on Animal Welfare, engagement in the UN Race to Zero initiative and other international organisations, such as the Consumer Goods Forum (CGF), GS1 and Efficient Consumer Response (ECR). We regularly produce reports covering these subjects such as our annual report on grocery retail together with McKinsey, our report on investments in retail and wholesale for transformation and on climate net-zero emissions (2024) in partnership with Oliver Wyman.

- Promote and disseminate this Code with(in) our constituency.

EuroCommerce has continued to inform and engage its members on the implementation of the Code of Conduct and the activities organized under its remit, despite the huge workload in the past 18 months brought about by negotiations on new legislation and the cost-of-living crisis, while still recovering for crises in the years before.

Information, promotion and dissemination take place via our biweekly WG F2F meetings, where members are updated on Code of Conduct developments and are encouraged to contribute to its further growth and success. This working group consists of +/- 70 member's representatives from our (beyond signatories).

We allocate time for exchange during our Food Committee meeting (3x per year) and in the status report prepared for this. We are reaching around 200 experts via this channel.

In addition, EuroCommerce serves its members through an SME interest group addressing specific SME needs in EU policy development. This group was informed about the new agrifood code of conduct tool developed under the cluster collaboration platform.

We referred to the Code of Conduct in our contributions for the development of the retail transition pathway and the agrifood transition pathway.

EuroCommerce's **website** includes examples/best practices of our members' sustainability efforts – which is part of our commitment under the Code: <https://www.eurocommerce.eu/farm-to-fork/>

- Encourage their members to align their sustainability actions and/or business practices to the aspirational objectives and targets of the Code and invite them, on a voluntary basis, to adhere to this Code, as appropriate.

The CoC is a priority listed in our Food Committee annual workplan. Nevertheless, in 2023, due to the regulatory tsunami with some very important legislative files being negotiated, including many with strong impact on the CoC objectives, our members needed to primarily focus on the important legal developments which are impacting their business operations.

Again in 2023 the war in Ukraine and cost-of-living crisis impacted the available resources (time and budget) for EuroCommerce and even more so of our company members (and especially SMEs) to implement or develop voluntary commitments which come in addition to their obligations to ensure legal compliance and the continuation of usual business activities.

EuroCommerce continued to refer to the Code and its ambitions when speaking at stakeholder events.

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

In April 2024, we published the fourth version of the joint McKinsey/EuroCommerce state of grocery report covering the year 2023 and following earlier versions (*see annex*).

These reports provide consumer insights on sustainability issues in relation to food. It reports on challenges for our sector as well as current market trends based on consumer surveys and CEO interviews.

In line with the UN Race to Zero initiative, we continued to play a key role in supporting the sustainability transition with our members. Many companies have made SBTi¹ carbon emissions reduction commitments and several of our association members have developed roadmaps to reaching net zero.

We are an engaged partner of the ECR Community whereby our members and other companies exchange practical learnings, such as on how to prevent food waste ([ECR retail loss group](#)).

- continue to engage in dialogue with other food chain/systems actors and EU and international policymakers 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.

EuroCommerce continued to engage closely with food chain EU association members, as member of the CoC liaison group and at dedicated events.

A sample of stakeholder interactions

Sustainable Packaging Thematic Session CoC – June 2023

Showcasing approaches and examples of players in the field, the event discussed experiences and ideas to further strive towards CoC targets, specifically the aspirational objective 4: ‘An optimised circular and resource-efficient food chain in Europe’, and its aspirational target of ‘Improved sustainability of food and drink packaging, striving for all packaging towards circularity by 2030’). Four presentations on company commitments and approaches to sustainable packaging from Danish Crown, Herbalife, PepsiCo and TetraPak.

Sustainable Consumption panel debate with BEUC: Who decides what you eat? The power of food environments on consumer diets - June 2023

During this event, BEUC launched a new report that dives into these issues and offered examples of the power of food environments on consumer diets. The panel consisted of representatives from DG SANTE, European Commission, EuroCommerce, European Parliament, BEUC and FAO.

We outlined the unique position retailers and wholesalers hold in the value chain as they serve as a link between producers and consumers. As such we are well-positioned to nudge consumers to consider more sustainable options, help increase transparency and coordination along the value chain, and make producers aware of the importance of holistic sustainability information. In response to growing demand, many retailers have already made more shelf space available for sustainable options thus effectively responding to consumer demand and providing such products and making the accessible through their different channels (in-stores, online etc.)

Joint event EU Code of Conduct “Scaling up the sustainable transition with agri-food SMEs” - November 2023, Organised by Copa-Cogeca, EuroCommerce, Euro Coop, FoodDrinkEurope, Independent Retail Europe, and UECBV.

The event showcased the very best in small business sustainability and how SME’s can be supported in the transition to more sustainable food systems, leaving no-one behind. Session with a duo presentation by our Wholesale member Metro AG: a great sustainability initiative from Quest (METRO AG) – International wholesaler – Tomasz Rychlik (Odido Wrząca) – Polish retailer. Key messages included the benefits of partnership and meeting Consumer expectations. This is especially important to show the practical side of the SME reality.

¹ Science -based target initiative: <https://sciencebasedtargets.org/>

Public hearing EESC – stock taking – June 2023

The EESC hosted a public hearing in the context of the meeting of its Permanent Study Group on Sustainable Food Systems. The event gathered representatives from FAO, the European institutions and civil society organisations to explore the state of progress of the EU on the path to more sustainable, fairer and inclusive food systems, following the new actions agreed upon during the [UN Food System summit in 2021](#) (UNFSS) and ahead of the July's Stocktaking Moment in Rome.

In particular, the event explored leverages from the Farm to Fork strategy to support the Coalitions of Action in the transformation of food systems by presenting EU actions and leadership towards global food systems transformation, discussing how the UNFSS follow-up can further upscale actions from the EU in the global context and examined any missing elements of the current governance structure. It also provided a discussion forum on how the UNFSS mobilizes support and connects with other actors including CEJA, EuroCommerce, Euro Coop and FoodDrinkEurope.

We underlined the triple transformation (sustainability, digital and skills) retail and wholesale is going through and our strong commitment on sustainability. Sustainability action is of course not new, but we have come to a point when a common EU legislative framework is urgently needed, to support and confirm the direction taken by our members and leverage action. This needs clear definitions for sustainable food, and the criteria and methods to measure them.

As food systems sustainability transformation depends on cooperation, the transition to healthy and sustainable food can only happen if we move together and the framework for sustainable food needs to also set roles and responsibilities along the supply chain, such as on data sharing. Many of the actions planned in the F2F strategy have indeed been taken up, including the code of conduct, the proposal for deforestation, corporate social due diligence and more recently the green claims proposal. All these are important to change supply chains food systems and the way we work together.

The Role of Food Manufacturers and Retailers in the Processing of Former Foodstuffs - June 2023

EFFPA, European Federation Former Food Processors Association, at the EU Green Week organized a webinar with contributions and presentations from AIBI, EuroCommerce, EFFPA and GMP+ to share insights on the role of the food waste reduction potential of Former Foodstuff Processing.

Food producers and retailers such as supermarkets can contribute to circular green economy significantly by separating and preparing their unsold food to former food processors to valorise their food loss into animal feed. This workshop explained how food loss can be prevented and allowed participants to discover what significant role food manufacturers and retailers can play in the circular green economy by making former foodstuffs available for animal feed production.

EAAE Congress 2023: Agrifood systems in a changing world: Connecting science & society - August 2023

Organised by University of Bologna, Wageningen University with discussants from Agricultural Economics and Rural Policy group, Wageningen University and Hebrew University and Shoshan Institution for Socioeconomic Research.

Models of producing and consuming food at local scale have been attracting attention in the scientific and societal debate on sustainable food futures. These models, often referred as short food supply chains (SFSC); and can take forms such as community supported agriculture, farmers' markets, or on-farm selling.

The session on Short Food Supply Chains: "Towards Food System Sustainability. Myth Or Reality?", looked through a multi-stakeholder lens to address the barriers and merits of these production and consumption models in shaping more sustainable food systems. How to comprehensively understand their sustainability performances? What's the attitude of consumers? Which governmental support might they need? Are there differences in the external costs conventional and SFSC cause?

EuroCommerce provided insights from the EuroCommerce/McKinsey State of Grocery Retail Report 2023, on consumers' demand for sustainable products, and illustrated some of the many strategies distributors implement to connect consumers, local food producers and suppliers, to meet that demand, in line with the EU Farm to Fork strategy. We highlighted how retailers use a combination of shorter and longer supply chains to bring food security, affordable prices and a wide choice of products to consumers. Promoting local sourcing without counteracting the benefits of the EU single market can lead to better and healthier diets.

Citizens Panel on Food Waste – November 2023.

On 7 November 2023, the Commission organized a meeting to provide feedback on the 23 recommendations put forward by the European Citizens' Food Waste Panel. EuroCommerce was represented by Els Bedert, director of Product Policy & Sustainability, at the panel responding to the Food Business Initiatives recommendations and presenting food waste commitments of the retail and wholesale sector. The final adopted recommendations serve to guide Member States achieving the proposed reduction targets. Please also see our [Food Waste Campaign](#)

Workshop on “Communicating sustainability from Producers Organisations to Consumers” at the Europe Marine days Brest – May 2023

Organised by the European Association of Fish Producers Organisations (EAPO), the workshop gathered panelists from DG MARE, MSC, EPAO, EuroCommerce and WWF EPO.

Exchanges via platforms

- [Market advisory Council on fisheries \(MAC\)](#) – The MAC is a stakeholder-led organisation composed of representatives of the entire seafood value chain (primary producers, processors, traders, suppliers, retailers, trade unions) and other interest groups (NGOs). The MAC provides advice on a broad range of topics including sustainability labelling and the future framework for sustainable food system. In 2023, advice was formulated on “Empowering Consumers for the Green Transition” and on “Animal Welfare”, among others. EuroCommerce is a member of the executive committee.
- [EU platform on food losses and food waste](#) - The EU Platform established in 2016, brings together EU institutions, experts from the EU countries, international organisations and relevant stakeholders. The Platform aims to support all actors in defining measures needed to prevent food waste; sharing best practice; and evaluating progress made over time. EuroCommerce is a member and participated in the Action & Implementation, Date marking and Food Donation sub-groups.
- [EU platform on animal welfare](#) - The 'Platform on Animal Welfare' aims to develop and exchange of coordinated actions on animal welfare with a particular focus on: better application of EU rules, through exchanges of information and best practices and the direct involvement of stakeholders; the development and use of voluntary commitments by businesses to further improve animal welfare; the promotion of EU animal welfare standards to valorise the market value of the Union's products at the global level. Our membership was extended under the new mandate.
- [European Circular economy stakeholder platform](#) - A joint initiative by the European Commission and the European Economic and Social Committee which includes work on packaging (among others). EuroCommerce is part of the coordination group.
- [Commission Expert Group/Multi-Stakeholder Platform on Protecting and Restoring the World's Forests, including the EU Timber Regulation and the FLEGT Regulation](#) - The platform was launched to help protect and restore world's forests brings together an unprecedented range of stakeholders and expertise: consumer and producer countries, civil society organizations, and industry associations.

Annex

(Edition 2024) [Signs of Hope: The State of Grocery Retail in 2023](#)

The 2023 edition highlights a crucial trend, namely sustainability. While challenges remain, the potential for positive impact is immense. Millennials and Generation Z are leading the way in demanding eco-friendly products. Europe's top grocers are accelerating their efforts, particularly to reduce Scope 3 emissions.

Regenerative agriculture is changing the game, offering a pathway to healthier products and lower emissions. See the potential for reducing emissions in scopes 1 to 3 through bold sustainability initiatives.

(June 2024) [Net Zero Game Changer: Tackling the hidden carbon footprint in European retail and wholesale value chains.](#)

Our joint report aims to shed light on the carbon footprint of the sector in Europe and its value chains around the world. Besides providing insights into the status quo, it aims to set out a path towards a more sustainable future across four retail and wholesale subsectors: food and beverage and health and beauty, textile and apparel, consumer electronics, and home and do-it-yourself (DIY).

We hope to inspire and guide practitioners in the sector towards adopting low emission practices. The challenges posed by climate change require a collective effort, and this study seeks to empower stakeholders across the full value chain with data and analysis that will allow them to take decisive action toward a more sustainable future.

This report is the result of a collaboration between EuroCommerce and Oliver Wyman.

The key takeaways:

- **Impact:** The sector's value chains contribute nearly a third of Europe's CO₂e emissions of which 98% are in scope 3 (outside its direct control).
- **Action:** It's time to act decisively on carbon reduction to meet our targets. Sitting at the nexus between suppliers and consumers, retail and wholesale are pivotal in facilitating changes that will help cut CO₂e emissions.
- **Collaboration:** Only through collective efforts can we achieve meaningful change. This needs the right framework and support with agreed methodologies and efforts to ensure data are comparable and reliable.

Earlier editions

(Edition 2023) [The state of grocery retail: Living with and responding to uncertainty](#)

For the European grocery sector, 2022 was all about inflation and growing consumer price sensitivity. This led to the biggest decrease in the margins of grocers in five years. While margins are decreasing, interest rates and capital costs are rising. As a result, many grocery retailers see the challenge in financing the investments both in sustainability and technology that are necessary to reduce emissions, build resilience, and drive future growth.

The report takes a comprehensive look at the **key trends shaping the grocery sector** in the coming years. How will the fact that consumers plan to save more money on food affect different formats, channels, and categories? Will grocery retailers need to look for further economies of scale to better deal with rising costs and increased margin pressure? To what extent are grocers equipped and resolved to leverage analytics and automation to drive productivity? As e-grocery largely retains the uplift observed during the pandemic and meal delivery grows, will more online offerings reach break-

even in 2023? Finally, will more grocers join the ranks of the pioneers who already engage their suppliers to reduce greenhouse–gas emissions that occur during food production?

We surveyed more than 12,000 consumers across eleven European countries and almost 50 grocery executives from more than 20 countries across Europe.

(Edition 2022) [Transforming the retail and wholesale sector](#)

The 2022 report by EuroCommerce in partnership with McKinsey **on transforming the retail and wholesale sector** shows that necessary **investments** and the pressure to invest are significant: Euro 230bn to achieve 90% reduction of scope 1 & 2 carbon emissions in our sector and Eur 35bn for circularity. With low margins in the sector, we will need support through projects (e.g., on cooling and heating systems, pre-competitive research on textiles fibers, etc.), infrastructure (e.g., for the collection & sorting of waste) and policies (single market, standards, claims, etc.) to facilitate change. As part of this reducing administrative burden should be a priority. You will find the study and our policy recommendations on our website here.

(Edition 2022) [The state of grocery in Europe: Navigating the market headwinds](#)

(Edition 2021) [Disruption and Uncertainty – State of Grocery Retail 2021 report](#)