Study on commitments pledged under the EU Code of Conduct on responsible food business and marketing practices

Meeting of the Collaborative Platform

12 December 2023
Agenda

1. About the Study
2. Signatories and commitments
3. Reporting by signatories
4. Concluding reflections
### Study scope

**Main study tasks**

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1</td>
<td>Study design</td>
</tr>
<tr>
<td>Task 2</td>
<td>Mapping of commitments by Code of Conduct (CoC) signatories</td>
</tr>
<tr>
<td>Task 3</td>
<td>Review of other similar EU and non-EU initiatives</td>
</tr>
<tr>
<td>Task 4</td>
<td>Development of communication material</td>
</tr>
<tr>
<td>Task 5</td>
<td>Synthesis and reporting</td>
</tr>
</tbody>
</table>

The European Commission is working on initiatives like #EUFarm2Fork and #EUGreenDeal.
Tasks 2 & 3 – Methodology

2022 CoC Mapping
- Mapping criteria and categories developed, refined, agreed with the EC
- Signatories, commitments and reports submitted by July 2022 reviewed and mapped
  - 2022 report

2023 CoC Mapping
- Review of mapping framework; two new sub-categories added
- New signatories, commitments and reports submitted by July 2023 reviewed and mapped
  - (Draft) 2023 report

Other initiatives
- Longlist of 62 other voluntary initiatives identified
- 18 initiatives shortlisted for in-depth review via literature review, interviews
- Self-standing report with key findings
Signatories and commitments
Signatories (as of 31 July 2023)

136 Signatories of the EU Code of Conduct

75 Companies
67 large enterprises
8 SMEs

61 Industry associations
48 European
8 national
5 global

11 Sectors
Incl. food manufacturing (33 companies), retail / wholesale (18), beverages (10), agriculture (4), other sectors (10)
Commitments by companies

- Signatory companies have made a total of **524 commitments** (including 36 new ones since last year)
- Most commitments fall under the aspirational objectives **1, 3 and 4**

### Company commitments per aspirational objective

<table>
<thead>
<tr>
<th>Objective</th>
<th>Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>AO1: Healthy, balanced and sustainable diets for all European consumers</td>
<td>85</td>
</tr>
<tr>
<td>AO2: Prevention and reduction of food loss and waste</td>
<td>52</td>
</tr>
<tr>
<td>AO3: A climate neutral food chain in Europe by 2050</td>
<td>59</td>
</tr>
<tr>
<td>AO4: An optimised circular and resource-efficient food chain in Europe</td>
<td>103</td>
</tr>
<tr>
<td>AO5: Sustained, inclusive economic growth, employment and decent work for all</td>
<td>103</td>
</tr>
<tr>
<td>AO6: Sustainable value creation in the European food supply chain through partnership</td>
<td>32</td>
</tr>
<tr>
<td>AO7: Sustainable sourcing in food supply chain</td>
<td>90</td>
</tr>
</tbody>
</table>

*Base: Analysis of 524 commitments*
Commitments by companies

- The vast majority of signatory companies committed to action under AO3: climate neutral food chain
- **64 companies** made a total of **103 commitments** under AO3
- More than half of signatory companies also committed to action under AO1, AO4 and AO7

### Percentage of companies that made at least one commitment under each aspirational objective

<table>
<thead>
<tr>
<th>Aspirational Objective</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AO1: Healthy, balanced and sustainable diets for all European consumers</td>
<td>61%</td>
</tr>
<tr>
<td>AO2: Prevention and reduction of food loss and waste</td>
<td>37%</td>
</tr>
<tr>
<td>AO3: A climate neutral food chain in Europe by 2050</td>
<td>85%</td>
</tr>
<tr>
<td>AO4: An optimised circular and resource-efficient food chain in Europe</td>
<td>65%</td>
</tr>
<tr>
<td>AO5: Sustained, inclusive economic growth, employment and decent work for all</td>
<td>32%</td>
</tr>
<tr>
<td>AO6: Sustainable value creation in the European food supply chain through partnership</td>
<td>41%</td>
</tr>
<tr>
<td>AO7: Sustainable sourcing in food supply chain</td>
<td>53%</td>
</tr>
</tbody>
</table>

*Base: Analysis of 524 commitments*
Almost half of all commitments made by companies are expected to be achieved by 2025, and another quarter expected to be achieved by 2030.

Target date of commitments:

- **By 2025**: 46%
- **By 2030**: 23%
- **After 2030**: 5%
- **Not specified**: 26%
Distribution of commitments across sub-categories

% of companies making at least one commitment
(by sub-category)

- 0% - 10%
- 11% - 20%
- 21% - 30%
- 31% - 40%
- 41% - 50%
- 51% - 60%
Distribution of commitments across sub-categories
Company commitments by sub-categories

**Top 6**

1. Reduce GHG emissions from company operations, inc. renewable energy use (62)
2. Increased use of sustainable materials for packaging (56)
3. Sustainable sourcing of food products and materials (56)
4. Composition of foods, availability of healthy food options, portion sizes (43)
5. Minimising food loss and waste in operations and across the supply chain (30)
6. Initiatives to improve working conditions, social inclusion, diversity (27)

**Bottom 6**

1. Improving social performance in global food supply chains (13)
2. Consumer information, including labelling (11)
3. Training, upskilling, development (10)
4. Increased sales of healthy and/or sustainable options (9)
5. Marketing and advertising (5)
6. Promote the reduction of food waste at household level (2)

*Base: Analysis of 524 commitments*
AO1: Healthy, balanced and sustainable diets

Number of commitments

- 1.1 Marketing and advertising: 4
- 1.2 Composition of foods, availability of healthy food options, portion sizes: 38
- 1.3 Consumer information, including labelling: 11
- 1.4. Education, including lifestyle modification: 14
- 1.5 Increased sales of healthy and/or sustainable options: 9
- 1.6 Other: 7

Percentage of signatory companies that have made at least one commitment

<table>
<thead>
<tr>
<th>Sub-category</th>
<th>Manufacture of food products</th>
<th>Manufacture of beverages</th>
<th>Wholesale and retail trade</th>
<th>Other sectors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>6%</td>
<td>10%</td>
<td>0%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>1.2</td>
<td>45%</td>
<td>60%</td>
<td>39%</td>
<td>23%</td>
<td>42%</td>
</tr>
<tr>
<td>1.3</td>
<td>15%</td>
<td>10%</td>
<td>28%</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>1.4.</td>
<td>3%</td>
<td>40%</td>
<td>22%</td>
<td>0%</td>
<td>12%</td>
</tr>
<tr>
<td>1.5</td>
<td>12%</td>
<td>10%</td>
<td>17%</td>
<td>0%</td>
<td>11%</td>
</tr>
<tr>
<td>1.6</td>
<td>3%</td>
<td>0%</td>
<td>11%</td>
<td>23%</td>
<td>8%</td>
</tr>
</tbody>
</table>
AO3: A climate neutral food chain

Number of commitments

3.1 Reduce GHG emissions from company operations, including renewable energy use
- 2022: 16
- 2023: 56 (new)
- Total: 58%

3.2 Reduce emissions from the supply chain
- 2022: 16
- 2023: 3 (new)
- Total: 24%

3.4 Reduce emissions from all scopes, achieve carbon neutrality, climate neutrality, or net zero
- 2022: 16
- 2023: 1 (new)
- Total: 23%

3.5 Other
- 2022: 5
- 2023: 9
- Total: 7%

Percentage of signatory companies that have made at least one commitment

<table>
<thead>
<tr>
<th>Sub-category</th>
<th>Manufacture of food products</th>
<th>Manufacture of beverages</th>
<th>Wholesale and retail trade</th>
<th>Other sectors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>61%</td>
<td>40%</td>
<td>56%</td>
<td>69%</td>
<td>58%</td>
</tr>
<tr>
<td>3.2</td>
<td>21%</td>
<td>40%</td>
<td>17%</td>
<td>31%</td>
<td>24%</td>
</tr>
<tr>
<td>3.4</td>
<td>27%</td>
<td>50%</td>
<td>17%</td>
<td>0%</td>
<td>23%</td>
</tr>
<tr>
<td>3.5</td>
<td>9%</td>
<td>0%</td>
<td>6%</td>
<td>8%</td>
<td>7%</td>
</tr>
</tbody>
</table>
AO4: A circular and resource-efficient food chain

Number of commitments

- 4.1 Recycle, reduce, reuse materials: 18 commitments in 2022, 5 commitments in 2023
- 4.2 Increased use of sustainable materials for packaging: 54 commitments in 2022, 2 commitments in 2023
- 4.3 Energy and water efficiency measures: 18 commitments in 2022, 3 commitments in 2023
- 4.4 Other: 2 commitments in 2022, 1 commitment in 2023

Percentage of signatory companies that have made at least one commitment

<table>
<thead>
<tr>
<th>Sub-category</th>
<th>Manufacture of food products</th>
<th>Manufacture of beverages</th>
<th>Wholesale and retail trade</th>
<th>Other sectors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>15%</td>
<td>30%</td>
<td>33%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>4.2</td>
<td>55%</td>
<td>80%</td>
<td>22%</td>
<td>31%</td>
<td>46%</td>
</tr>
<tr>
<td>4.3</td>
<td>24%</td>
<td>50%</td>
<td>0%</td>
<td>31%</td>
<td>23%</td>
</tr>
<tr>
<td>4.4</td>
<td>0%</td>
<td>0%</td>
<td>11%</td>
<td>8%</td>
<td>4%</td>
</tr>
</tbody>
</table>

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Commitments by associations

- Signatory associations mainly committed to **promote** the Code and **support** and **encourage** their members, and reporting on members’ progress
- Nine associations made **one or more specific commitments**

**Associations’ pledges**

<table>
<thead>
<tr>
<th>Commitment</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting the Code among their members</td>
<td>39</td>
<td>4</td>
</tr>
<tr>
<td>Providing support in the form of coordination, dialogue, supporting partnerships</td>
<td>31</td>
<td>4</td>
</tr>
<tr>
<td>Encouraging individual members to align their sustainability actions with the Code</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>Reporting on progress</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td>Developing tools and resources in support of the Code’s implementation</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>Sharing best practices</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Made one or more specific commitments to take concrete action</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Highlighted one or more specific aspirational objectives</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Stated that they will provide (further) specific commitments in the future</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

*Base: Analysis of 61 associations’ pledges*
Signatories reporting
Signatories to the Code (except SMEs) are required to submit an annual report to provide an update on the activities and results of the commitments made in their pledges.

By 31 July 2023, 78 signatories had submitted a report (62% of the 125 signatories who were expected to do so in 2023).
2023 monitoring reports by signatories

Reports have become clearer and more consistent

<table>
<thead>
<tr>
<th>Question</th>
<th>0%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
<th>90%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the report refer explicitly to the commitments made?</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does it report on activities undertaken over the course of the previous year in pursuit of the commitments?</td>
<td>51</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does it report on the results (outputs, outcomes, impacts) of these activities?</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does it report on progress against quantified targets (if any)?</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Yes, for all commitments
- Yes, for some commitments
- No

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First commitments fulfilled

In their 2023 reports, 12 signatory companies reported they had achieved 24 of the targets they had set themselves.

Examples of targets met

“In 2022, we **met our commitment** to increase the proportion of women in the group’s top 200 senior executive positions to 30%. We will continue our efforts to aim for parity in all management positions.”

*Food manufacturing company A*

“We managed to **exceed the objective** (7%), placing ourselves at 20% of the energy consumed that comes from our own production”

*Food manufacturing company B*
Updated or extended commitments

13 companies (out of the 43 that submitted reports in 2023) included updated or expanded commitments (compared to just two companies in 2022).

Examples of updated commitments

<table>
<thead>
<tr>
<th>Original pledge:</th>
<th>Original pledge:</th>
</tr>
</thead>
<tbody>
<tr>
<td>“30,000 partners that are producers in organic, local and agroecology by 2025”</td>
<td>“Make 100% of packaging reusable, recyclable or compostable by 2025”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2023 reporting:</th>
<th>2023 reporting:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level reached: 37,758 partners</td>
<td>&quot;We are nearly 83% of the way to 100% reusable, recyclable or compostable packaging, with around 35.4% using recycled materials. [...] Additionally, we are working to reduce the use of virgin plastic by 10% (vs. 2020 baseline) and to boost the use of post-consumer recycled content in plastic packaging, toward a 12% goal for overall plastic packaging.”</td>
</tr>
</tbody>
</table>

| New target: “45,000 partners that are producers in organic, local and agroecology by 2025” | Food manufacturing company D |
| Wholesale and retail trade company | }
Concluding reflections
Concluding reflections (1)

Positive developments

• **136 signatories** – more than double the number at launch in 2021.

• **524 commitments** (including 36 new ones) that address all 7 aspirational objectives of the Code, and are well aligned with relevant EU policy objectives.

• Annual reports have become more consistent; signatory companies **report more explicitly and clearly** on the activities undertaken under their commitments and their results, incl. progress against targets.

• The first few commitments have been **fulfilled** – and several signatories have **updated or expanded** their original pledges, often by making targets more specific and/or ambitious.
Concluding reflections (2)

But limited progress on most issues pinpointed last year

- Code ‘membership’ still insufficient to achieve the desired far-reaching systemic change; some countries and sectors, and SMEs, under-represented.
- The levels of ambition of commitments, and the extent to which they have SMART targets and indicators, still vary considerably.
- Full potential of the role of industry associations not being exploited (e.g. more concrete commitments, promoting cooperative intersectoral commitments).
- Relatively small number of new signatories and commitments in 2023; lower proportion of signatories who fulfilled their obligation to submit a progress report.
Concluding reflections (3)

Some encouraging trends, but also a loss of momentum?

Issues for consideration:

• Need to continue to incentivise industry stakeholders to see the Code as an important part of their wider CSR strategies.
  ➢ Ensure they perceive tangible benefits from submitting their activities as commitments under the Code, and reporting on them in line with the Code’s requirements.

• As commitments evolve, some of the original pledges are no longer up to date. Would 2024 be a good time for all signatories to (formally) update their pledges, to ensure info on their commitments is easily available and consistent?
Findings from the review of similar initiatives

• The Code needs to be seen in the context of the broader ecosystem of voluntary initiatives.

• The review of 18 such initiatives suggests the Code is quite unique due to its:
  o very broad scope
  o very high degree of flexibility

• These (interrelated) elements are both a strength and a weakness.

• In view of this, the good practices identified in other initiatives are not always directly applicable to the Code. Nonetheless, some aspects warrant consideration.
Potential learnings from other voluntary initiatives

1. Look for more ‘common ground’ in specific areas
   - Strengthen / clarify the Code’s ‘aspirational targets’ (incl. common indicators)?
   - Encourage / require signatories to align commitments with these?

2. Foster greater accountability and transparency
   - Create synergies with other initiatives for monitoring and reporting?
   - For some objectives, use specific KPIs developed by other initiatives?

3. Strengthen the networking element
   - Could the Code become more of a forum for generating information, research, tools, resources?
   - Facilitate more dialogue between signatories, as well as with the EU institutions?