EU Code of Conduct for responsible business and marketing practices

Report from Chair, Vice-Chair and Rapporteurs on the work undertaken in the Task Force to date (2nd round of meetings)

General Meeting, 27 April 2021

Disclaimer: content expressed on the following slides provides a general synthesis of discussions held so far, is subject to further discussions and may therefore adjusted
Process/timeline

- **March**: Task Force
  - 1<sup>st</sup> round: aspirational objectives

- **April**: EC-led dialogue
  - 2<sup>nd</sup> round: actions and enablers

- **May**: Drafting Committee
  - Framework for ambitious commitments (second component)

- **June**: End of June: Code Launch and Opening Signature
  - Implementation and follow-up (signature and commitment possible)
1. **Preamble**
   - Introduction
   - Purpose and structure
   - Scope
   - Roles and responsibilities

2. **General principles**

3. **Engagement: aspirations, actions and enablers**
   - T1-T2-T3
   - Framework for ambitious commitments by companies

4. **International dimension**

5. **Terms of implementation**
   - Monitoring and evaluation
   - Entry into force

**Potential Annexes:**
- List of Signatories
- Individual commitments by companies (second component) *separate doc?*
- Horizontal “enablers”
- Links to other EU and international (policy) initiatives in the area of food sustainability
- (Non-exhaustive) compendium of guidelines, standards, etc. related to food sustainability and responsible business conduct
Mandate and Task Force organisation

- T1: “Food consumption for healthy and sustainable diets”
- T2: “Improving the impact of food processing, retail and food services’ own operations on sustainability”
- T3: “Improving the sustainability of the food value chain - in relation to primary producers and other actors in the chain”
- T4: “Monitoring and evaluation”
Aspirational objectives – conceptual framework

Objectives

- Food consumption patterns (T1)
- Internal processes (T2)
- Value chain / primary producers (T3)

Sustainability pillars

- Environmental sustainability
- Social sustainability
- Economic sustainability

Food loss and waste

Healthy, balanced and sustainable diets

Climate neutrality

Sustainable sourcing / due diligence

Circularity and resource-efficiency

Sustainable value creation in the food chain through partnerships

INDICATIVE ACTIONS AND ENABLERS

Healthy, balanced and sustainable diets
Preparation for Task Force meetings

• Task Force members received homework questions in advance

• Meetings reviewed members’ feedback, focusing on aspirations and (prioritization of) actions

• (Preliminary) discussion about “enablers”
  • Aspirational objectives generally agreed
  • Plethora of suggested actions at various levels
  • Rich list of enablers identified
  • Mixed interpretation of objectives / actions and of actions / enablers
T1: “Food consumption for healthy and sustainable diets”
Main deliberations:
• Aspirational objective №1 formulation & wording
• Actions: granularity / coherence / competition rules compliance
• Level of ambition
• Language / terminology
• Priority industry action: consumer awareness & product reformulation
• Priority policymaker action (enabler): food education

**Overall agreement on:**
✓ Wording: “Healthy, balanced and sustainable diets”
✓ Adherence to competition rules
✓ Focus on key actions (most common, highest impact) vs. all-in actions
Aspirational objective #1: Promote healthy, balanced and sustainable diets for all European consumers

Aspirational targets:
- Help reverse malnutrition and diet-related noncommunicable diseases (NCDs) in the EU by 2030
- Help reduce the environmental footprint of food consumption by 2030

Indicative actions (summary):
- **More healthy, balanced and sustainable food consumption patterns**
  - F&V promotion
  - Reformulation, new product development/innovation (nutrition, environmental footprint)
  - Portion sizes
  - Sustainable procurement
  - Workplace health & sustainability
  - Specific nutritional needs/vulnerable groups

Indicative actions (summary):
- **Enhanced information, responsible marketing and empowerment**
  - Additional (voluntary) product information
  - Responsible marketing and advertising
  - Consumer awareness, mindful consumption, healthy & sustainable lifestyles

Link to actions T2 and T3
T1: “Food consumption for healthy and sustainable diets”

Aspirational objective #2: Prevent and reduce food waste at retail and consumer level

Aspirational target:
- Contribute to halving food waste by 50% by 2030

Indicative actions (summary):

**Improved food management**
- SDG 12.3
- Sectorial guidelines and toolkits
- Innovative packaging solutions
- Food redistribution (donations)
- Collaboration

**Better information and nudging**
- Consumer awareness (food waste reduction/prevention; zero littering and packaging waste disposal)
- Nudging techniques
- Portion, serving and package sizes

Link to actions T2 and T3
T2: “Improving the impact of food processing, retail and food services’ own operations on sustainability”
Main deliberations:
- Feasibility of certain actions proposed in the feedback
- SME-friendliness of some of the actions proposed

Overall agreement on:
- Aspirational objectives (*climate neutrality; circularity and resource efficiency*), targets, and actions
- Level of granularity
- Addition of a column to the table for enablers
- Limiting further additions to make progress on existing objectives and actions in view of May deadline for completion
T2: “Improving the impact of food processing, retail and food services’ own operations on sustainability”

Aspirational objective #3: Climate neutral food chain in Europe by 2050

Aspirational targets:
- 55% emission reduction target in the EU food chain by 2030, following a science-based approach

Indicative actions (summary):

**De-carbonization**
- Emissions in own operations:
  - Energy use and carbon emissions
  - Efficiency in logistics
- Life Cycle Assessment (LCA)

**Biodiversity**
- Natural habitats and biodiversity
- Impacts of operations on environment (air, land, soil, water, forests)

Link to actions T1 and T3

Second meeting: 15 April
T2: “Improving the impact of food processing, retail and food services’ own operations on sustainability”

Aspirational objective #4:
Moving towards an optimised circular and resource-efficient food chain in Europe

Aspirational targets:

- More sustainable, efficient use and management of energy and natural resources in operations by 2030
- Contribute to halving food waste by 2030
- All food and drink packaging to be recyclable or reusable by 2030

Indicative actions (summary):

**Improving resource-efficiency**
- Energy performance
- Water efficiency

**Minimising waste**
- Food waste prevention & reduction
- Redistribution of food surpluses (donations)
- Hazardous waste and substances
- Awareness-raising and resource mobilisation

**Improving the sustainability of packaging**
- More sustainable packaging solutions
  - Efficiency of packaging (material) use
  - Recyclability
  - Recycled content
  - Collection

Link to actions T1 and T3
T3: “Improving the sustainability of the food value chain – in relation to primary producers and other actors in the chain”
Main deliberations:
• Animal welfare (aspirational target or action)
• Workers (social sustainability)
• Structure / consistency (guidance → enablers?; 3 pillars; sustainable sourcing/due diligence, ...)

Overall agreement on:
✓ The two aspirational objectives (“Sustainable value creation in the European food supply chain through partnership”; “Sustainable sourcing and enhanced due diligence in food supply chains”)
✓ Importance of applicability by all businesses (type and size), their economic role in society, taking into account consumer demand and fair returns on investment/competitiveness for all
✓ Include action on animal welfare (“Support actions to (further) improve animal welfare and human/animal health (AMR)”)
✓ Add point on sustainable recovery from COVID-19
✓ Reliability of certification not only important for deforestation
✓ Structure
Second meeting: 21 April

Aspirational objective #5:
Sustainable value creation in the European food supply chain through partnership

Aspirational targets:
- Improved resilience and competitiveness of companies operating at any point along the food value chain by 2030
- Sustainable management and efficient use of natural resources by 2030
- A socially (and ethically) strong food chain

Indicative actions (summary):

Enhanced competitiveness and sustained value creation
- Collaboration across the chain
- Capacity-building, training, advice, skills
- Digital solutions, novel technologies and innovation
- Reward sustainable (production) practices/ investments

More sustainable production
- Sustainable agricultural practices for:
  - Climate change mitigation
  - Biodiversity
  - Circularity and resource efficiency
  - Climate adaptation while contributing to farmers’ livelihoods
- Animal welfare and human/animal health
- Sustainable use of pesticides and fertilisers

A strong and inclusive workforce
- Working conditions, occupational health and safety
- Training/upskilling/re-skilling
- Social dialogue
- Diversity, equity and inclusion
- Vulnerable groups

Link to actions T2 (and T1)
T3: “Improving the sustainability of the food value chain – in relation to primary producers and other actors in the chain”

Aspirational objective #6: Sustainable sourcing and enhanced due diligence in food supply chains

Aspirational targets:
- Enhanced due diligence in food supply chain management by 2030
- Contribute to ending deforestation, forest degradation and destruction of natural habitat in commodity supply chains by 2030 and preserve and protect high value ecosystems

Indicative actions (summary):

**Due diligence / responsible supply chains**
- Risk-based due diligence (identify/map/prioritise/apply) to mitigate adverse environmental and social impacts
- Guidelines
- Pre-competitive collaboration

**Sustainable sourcing**
- Raw material sourcing outside of EU
- Sustainability certification schemes
- Actions towards:
  - deforestation-/conversion-free supply chains
  - Afforestation
  - Sustainable land use

Link to actions T2 (and T1)
T4: “Monitoring and evaluation”
Current landscape of monitoring systems, accountability mechanisms, standard setters and data collection efforts (incl. OECD, FAO, WBA, SDSN)

Role of Associations: limited capacity and lack of mandate for monitoring and data collection

Need for monitoring mechanism to be concise and aligned, allowing for corporations, big and small, to implement

Next points for discussion:
- Format
- Mechanism
- Methods
- Frequency
- Roles