# 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)

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
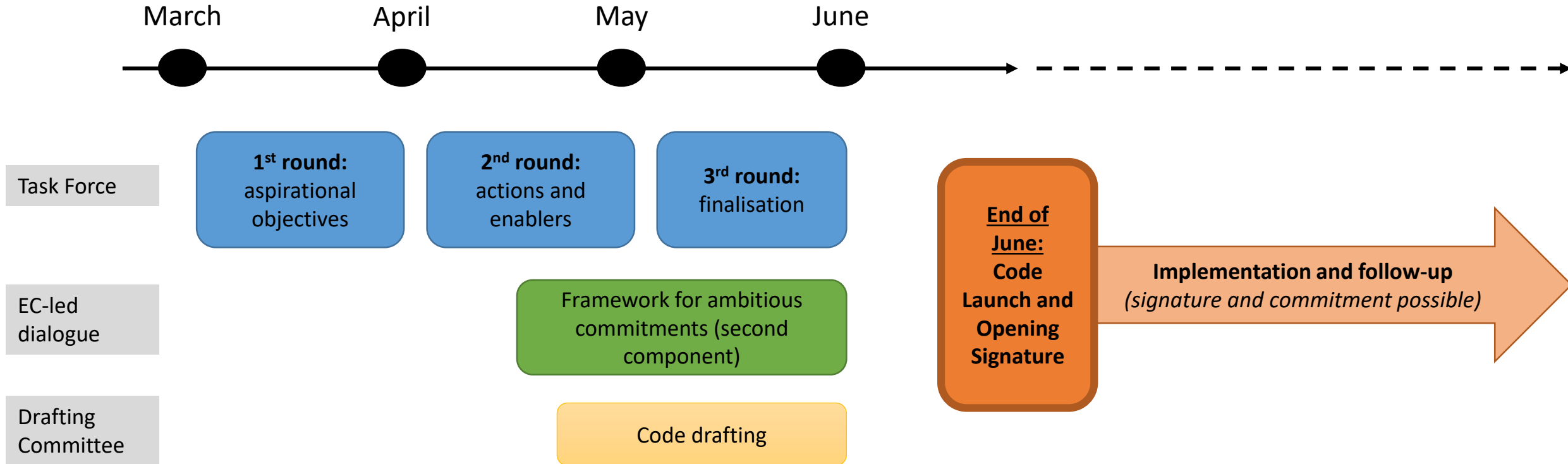
Structure (indicative)

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
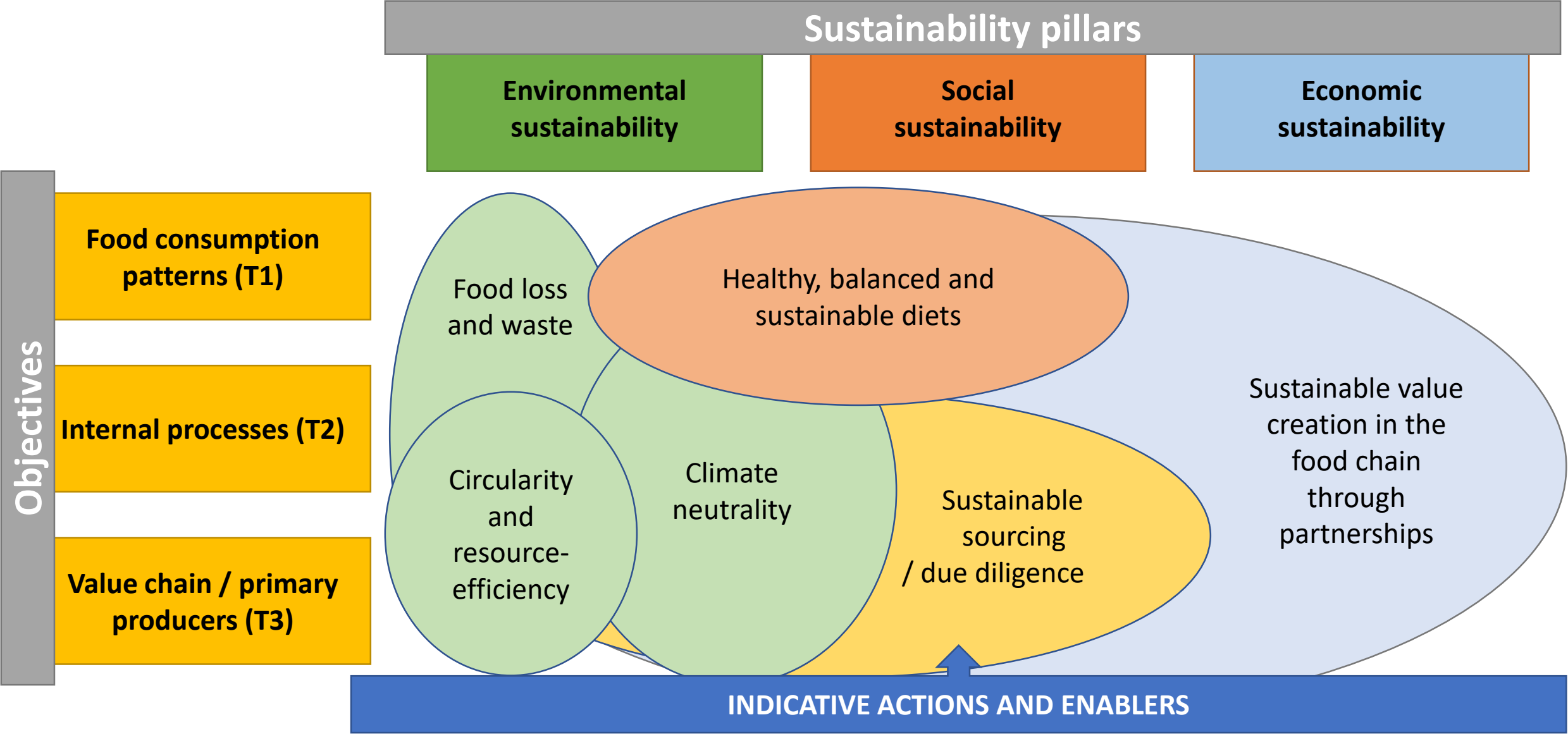
Preparation for Task Force meetings

- Task Force members received **homework questions** in advance

- Meetings reviewed members' **feedback**, focusing on aspirations and (prioritization of) <u>actions</u>
  - Potential impact? Adoptable by a broad range of stakeholders? SME-friendliness? Incentives? Political relevance? Etc.

- (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"

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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

T1: "Food consumption for healthy and sustainable diets"

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

Indicative actions (summary):

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"

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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)

Indicative actions (summary):

Biodiversity

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

Link to actions T1 and T3

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

Indicative actions (summary):

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"

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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

T3: "Improving the sustainability of the food value chain – in relation to primary producers and other actors in the chain"

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):	**Indicative actions (summary):**	**Indicative actions (summary):**
Enhanced competitiveness and sustained value creation	**More sustainable production**	**A strong and inclusive workforce**

• Collaboration across the chain
• Capacity-building, training, advice, skills
• Digital solutions, novel technologies and innovation
• Reward sustainable (production) practices/ investments
	• 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
		• Working conditions, occupational health and safety
		• Training/upskilling/re-skilling
		• Social dialogue
		• Diversity, equity an 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

Indicative actions (summary):

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"

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- 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