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 (1st round of meetings)

General Meeting, 30 March 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
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
- Internal processes
- Value chain / primary producers

Sustainability pillars

- Environmental sustainability
- Social sustainability
- Economic sustainability

ACTIONS AND ENABLERS
Cross-cutting issues

- Definitions

- General principles

- Clarification on roles, responsibilities/mandates, etc.

- Cross-cutting topics:
  - Food safety
  - Food affordability
  - Food security (incl. security of supply)
  - Skills and training
  - Innovation
  - ...
Preparation for Task Force meetings

- Task Force members received homework questions in advance
- Meetings review members’ feedback & discuss common themes

Prioritisation necessary – top 3 issues:

- Potential aspirational objectives
- Potential actions operationalizing the aspirational objectives
- Enablers to support the actions
- Other useful information

- Long list of potential aspirational objectives
- Plethora of suggested examples for actions
- Rich list of enablers identified
- Mixed interpretation of objectives / actions and of actions / enablers
T1: “Food consumption for healthy and sustainable diets”
Members’ Top 3 Prioritisation (feedback 18/20)

1. Healthy diets / plant-based diets / fruits, vegetables, nuts
2. Food loss / waste
3. Consumer information / communication
T1: “Food consumption for healthy and sustainable diets”

• **Broad support on the need for:**
  • “balanced diets”
  • *enablers* to support and incentivise actors; these should come from stakeholders *outside* of the middle of the supply chain (e.g. public authorities)
  • a *clarification* of the *role/responsibility* of each type of signatory: EU-level association vs. company
  • embedding the **three facets of sustainability** into the Code’s content and structure

• **Discussed, but undecided on whether:**
  • to have a stronger overarching *environmental focus*, beyond food waste only, in T1 (or discuss in T2)
  • “*consumer engagement*” is an aspirational objective or enabler/action
  • *actions* be listed as indicative or minimum requirement
  • *actions* are formulated with “open” or “indicative” wording

• Members were invited to provide input to any segment of the Code’s structure
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| **Promote adequate, balanced nutrition, prevent malnutrition in all its forms, and help reverse the rise in childhood obesity** | Help reverse the negative trends of malnutrition (micronutrient deficiency, overweight and obesity) in the EU by 2030 | • SDG 2, 3.4  
• EU Action Plan on Childhood Obesity 2014-2020+ | • WHO Childhood Obesity Surveillance Initiative (COSI)  
• Global Burden of Disease study | • Encourage increased consumption of fruits and vegetables, wholegrain cereals, nuts, pulses and fibre  
• Continuously improve the nutritional quality of food and drink products, e.g. through product reformulation and new product development/innovation  
• Provide transparent product information to consumers beyond legal obligations  
• Promote consumer awareness of balanced diets, mindful consumption and healthy & sustainable lifestyles  
• Improve consumers’ understanding of obesity, nutrition, energy balance, food and diets (invest in education on sustainable, healthy nutrition)  
• Encourage more environmentally sustainable, healthy food consumption patterns by developing (science-based) voluntary guidelines and consumer information tools  
• Promote sustainable procurement practices  
• Support diet-related health in deprived communities, promote/address specific nutritional needs for vulnerable groups |
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| Prevent and reduce food waste at retail and consumer level | Halve food waste by 50% by 2030 | • SDG 12.3  
• EU Platform on Food Losses and Food Waste | Food waste measurement by Member States  
(first comparable results from the measurement of food losses and food waste generated in the Member States will be available in summer 2022) | • Support the proper implementation of SDG 12.3 along the food supply chain in line with the food waste hierarchy  
• Support, promote or undertake initiatives to inform and raise awareness of consumers and food chain businesses to prevent and reduce food waste, especially at household level  
• Support and participate in the development of EU guidelines for measuring food waste along the food supply chain  
• Improve collaboration along the food supply chain to minimize food waste by strengthening capacity for innovation, e.g. new product development from co-products or discarded products |
T2: “Improving the impact of food processing, retail and food services’ own operations on sustainability”
T2: “Improving the impact of food processing, retail and food services’ own operations on sustainability”

Members’ **Top 3(4) Prioritisation** *(feedback 15/20)*

1. **Climate and biodiversity neutrality** *(incl. emissions, transport, etc.)*
2. **Circularity & resource efficiency** *(incl. energy, water, food loss/waste, packaging, etc.)*
3. **Skills & training**
4. **Sustainable internal processes, operations & organisation**
Among others, there was **overall agreement** on:

- The **two first pillars**. Consideration could be given to creating a third pillar on skills and training, as well as **worker health and safety**.
- The need to keep in mind/reinforcing all **three pillars of sustainability** (economic, social, environmental) when drafting the objectives.
- The target of “**55% emission reduction in the EU food chain**” refers to the **entire food chain** and **not** just the internal operations of the middle of the chain.
- The industry (“**middle of the chain**”) **cannot** reach aspirational objectives **alone**, **enablers** are a precondition. Therefore, the discussion surrounding enablers is also one about **obstacles**.
- Biodiversity should mostly be treated in Thematic session 3 in regard of **sourcing** issues.
### Aspirational objective

**Climate neutral food chain in Europe by 2050**

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

### Link

- **SDG 6** (clean water and sanitation), **7** (affordable and clean energy), **12** (sustainable production and consumption), **13** (climate action), **14** (marine protection), **15** (biodiversity), **17** (partnerships)
- Paris Climate agreement
- European Green Deal: EU Climate Law / EU Biodiversity Strategy / Farm to Fork Strategy

### Indicator

- European Environment Agency (EEA) – EU ETS data viewer
- Eurostat (climate and energy consumption data)
- SBTi Science-based targets (reduction pathway to meet goals of the Paris agreement)

### Actions

**De-carbonisation**
- Consider developing/improving sector roadmaps to decarbonisation by 2050, based on scientific evidence
- **Further reduce emissions**, including through less energy-intensive manufacturing processes (e.g., electrification, use of renewable energy) and logistics (e.g., promoting smart logistics)

**Biodiversity**
- Identify solutions to **conserve, protect and restore natural habitats and biodiversity** throughout the EU food chain (e.g., promoting the sale of local fruit varieties, inserting product lines)

**Climate change adaptation**
- Develop **contingency plans** in case of supply chain disruptions (e.g., climate, disease, conflict, etc.)
**T2: “Improving the impact of food processing, retail and food services’ own operations on sustainability”**

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<td><strong>Optimal circularity and resource-efficiency in the food chain in Europe</strong></td>
<td><strong>Objectives of EU Circular Economy Action Plan (TBC)</strong></td>
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| | • Waste: halve food losses and waste in the EU food chain by 2030 | • SDG 6, 7, 9 (resilient infrastructure, inclusive and sustainable industrialisation, innovation), 12, 13, 14, 15, 17 European Green Deal: Circular Economy Action Plan / EU Industrial Strategy / Farm to Fork Strategy | • EU FUSIONS food waste data set for EU 28 • FAO Food Loss and Waste Database • Eurostat monitoring report on progress towards the SDG’s in an EU context • Member States’ reporting to the EC based on the EC Delegated act on food waste measurement (part of the Waste Framework Directive) | **Resource-efficiency** • Support (more) sustainable, efficient use and management of water, energy, etc. in operations |}
| | • Packaging: all food and drink packaging to be recyclable or reusable by 2030 | | | **Waste** • Raise awareness and mobilise resources towards preventing and reducing food loss and food waste at all levels of operations (e.g. production, storage, transport, raw material purchasing) • Prioritise redistribution of food surpluses to people in need, in line with the food waste hierarchy • Promote and support the European Commission and Member States in the development of waste management infrastructure, that meet harmonised quality and performance criteria, across the EU Member States | |
| | | | | **Packaging** • Identify and work to uptake – and support research and innovation into – more sustainable packaging solutions, while safeguarding food safety and quality • Improve the recyclability or reusability of food packaging in order to deliver the volumes and quality of recycled materials necessary to meet sector needs • Work to increase the content of recycled materials in food packaging whenever technologically feasible and economically viable, while ensuring product quality and safety • Promote, support or take part in initiatives aimed to inform and raise awareness of consumers on zero littering and proper disposal of food packaging waste. | |
T3: “Improving the sustainability of the food value chain – in relation to primary producers and other actors in the chain”
Members’ **Top 3 Prioritisation** (*feedback 15/20*):

1. Decent work, supporting farmers’ income, affordability, addressing inequalities, attention for specific vulnerable groups => Supply chain partnerships (*in its broad interpretation*)

2. Sustainable sourcing

3. Skills and training
T3: “Improving the sustainability of the food value chain – in relation to primary producers and other actors in the chain”

First meeting: 25 March

• Main deliberations:
  ✓ The importance of the 3 pillars of sustainability: trade-offs are possible
  ✓ Develop the partnership all along the value chain, supporting and rewarding the efforts; new business and cooperation models to be developed
  ✓ International dimension: worldwide supply chain – need for synergy and consistency with the Trade agenda – promotion of the European standards
  ✓ Due diligence: national governments must be on board & existing Codes used
  ✓ R&I: digital solutions, novel technologies, common methodologies, new potentials for sustainability
  ✓ Skills & Training = horizontal issue; moved from aspirational objective to action

• Main questions:
  ✓ Supply chain partnerships – rewording as aspirational objective => Creating sustained value in the European food supply chain through partnership
  ✓ Alignment of the aspirational objectives with other groups (T1 & T2)
  ✓ Sustainable sourcing & due diligence: aligning existing codes and corporate commitments
T3: “Improving the sustainability of the food value chain – in relation to primary producers and other actors in the chain”

**Aspirational objective**  
Create sustainable value in the European food supply chain through partnership

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| • 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, in line with the Paris Climate Agreement  
• A socially strong food chain | • SDG 2, 8, 9, 12, 13, 14, 15, 17  
• Paris Climate agreement  
• European Green Deal: EU Climate Law / Zero pollution action plan / EU Biodiversity Strategy / Farm to Fork Strategy  
• Common Agricultural Policy, Common Fisheries Policy  
• Social acquis, European Pillar of Social Rights, ILO Conventions | • Eurostat economic indicators, including evolution of value along the supply chain, business investment in R&D and skills and training  
• Monitoring of the implementation of the UTP Directive  
• Eurostat Comext database  
• Environmental indicators | **Economic sustainability (competitiveness, sustained value creation and fair incomes)**  
• Support and **reward** suppliers’ sustainable production practices/investments  
• Engage in **training, advice and skills** development to create shared/added value  
• Identify synergies and opportunities for **collaboration** across the chain (e.g. pre-competitive research and innovation; common methodologies to measuring supply chain impact, etc.)  
• Boost the uptake of **digital solutions and novel technologies** along the chain  
• Promote **fair and efficient practices** in commercial relations; reduce B2B unfair trading practices  
• Support strengthening the resilience of the food supply chain through **contingency planning**  
• Support and promote an ambitious EU agri-food trade agenda  

**Environmental sustainability (sustainable production)**  
• Promote and support **sustainable agricultural practices** in close partnership with farmers, aimed at reducing emissions and nutrient losses; enhancing circularity and resource-efficiency, improving biodiversity and animal welfare, etc.  
• Support a high level of productivity for agricultural products placed on the market through **sustainable use of pesticides and fertilizers.**

**Social sustainability (workers, addressing inequalities, vulnerable groups)**  
• Support workers’ **social protection, working and housing conditions, occupational health and safety**  
• Support a strong and fruitful **social dialogue** to ensure inclusive growth  
• Address inequalities and disruptions across the food value chain affecting most **vulnerable groups**
**T3: “Improving the sustainability of the food value chain – in relation to primary producers and other actors in the chain”**

First meeting: 25 March

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| **Sustainable sourcing**   | • End deforestation, forest degradation and destruction of natural habitat in commodity supply chains by 2030 and preserve and protect high value ecosystems  
   • Enhanced due diligence in food supply chain management | • SDG 2, 8, 12, 13, 14, 15, 17  
   • European Green Deal: Biodiversity Strategy / Farm to Fork Strategy | • UN Global Compact  
   • UN Guiding Principles on Business and Human Rights Reporting Framework  
   • ILO Declaration on Fundamental Principles and Rights at Work  
   • OECD-FAO Guidance for Responsible Agricultural Supply Chains | **Deforestation:**  
• Encourage exchange of best practices and help identify appropriate solutions and strategies towards **deforestation-free food supply chains and foster afforestation**  
• Strengthen the credibility and reliability of **forest related certification schemes for food**  
• Support sustainable sourcing of raw materials outside of the EU  
**Due diligence:**  
• Champion the implementation of effective **due diligence processes** to identify and address adverse impacts in the supply chain (e.g. human rights, forced (child) labour and deforestation)  
• Encourage the uptake and implementation of international **due diligence codes** such as the **UN Guiding Principles on Business and Human Rights**, the **OECD Guidelines for Multinational Enterprises**, and the International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy  
• Support the uptake of the **OECD-FAO Guidance for Responsible Agricultural Supply Chains**, providing guidance for EU companies and producer countries on **social and environmental risk reduction** in agri-food supply chains |
T4: “Monitoring and evaluation”
Main considerations for the development of a monitoring and evaluation framework:

- **Simple and straightforward**: the framework should have clear aims, its implementation be efficient, non-burdensome and suitable for the entire chain
- **Robust**: monitoring and trusted by external stakeholders
- **Alignment**: with existing frameworks and initiatives should be sought to ensure low reporting burden and consistency of principles and data requirements
- **Inspiring**: through the framework, companies should be incentivised to take action

Key components to consider:

- **Why**: aims and scope of monitoring
- **Who**: the entity to undertake the monitoring
- **What**: the indicators to be monitored (outcomes T1-3) and data to be considered
- **When**: the frequency of reporting
Aspirational objectives - framework

Sustainability pillars
- Environmental sustainability
- Social sustainability
- Economic sustainability

Objectives
- Food consumption patterns
- Internal processes
- Value chain / primary producers

Actions and enablers
- Sustainable diets
- Climate neutrality
- Circular economy and resource-efficiency
- Sustainable sourcing and due diligence
- Nutrition and health
- Sustainable value creation in the food chain through partnerships
Enablers (indicative)

- Provide and support advisory services, training, skills
- Identify support, incentive/reward and funding opportunities
- Facilitate sharing of best practices
- Develop information, education and awareness campaigns
- Promote collaboration and partnership (incl. public-private)
- (Co-)invest in dedicated research, science and innovation
- Overcome policy hurdles to sustainability
- Develop harmonised definitions, data and methodologies
- ...