

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

Two components in Code of conduct

Component 1 = general part Code

Aspirational objectives

Determine actions that contribute to aspirational objectives

- Specific actions that can be practically adopted by all actors
- Go beyond current legal obligations and existing voluntary codes
- Minimizing administrative burden esp for SMEs

Monitor adherence to code

Commission will monitor overall effect F2F (incl. Code)

Component 2 = specific part Code for individual companies

Selected targets + monitoring framework

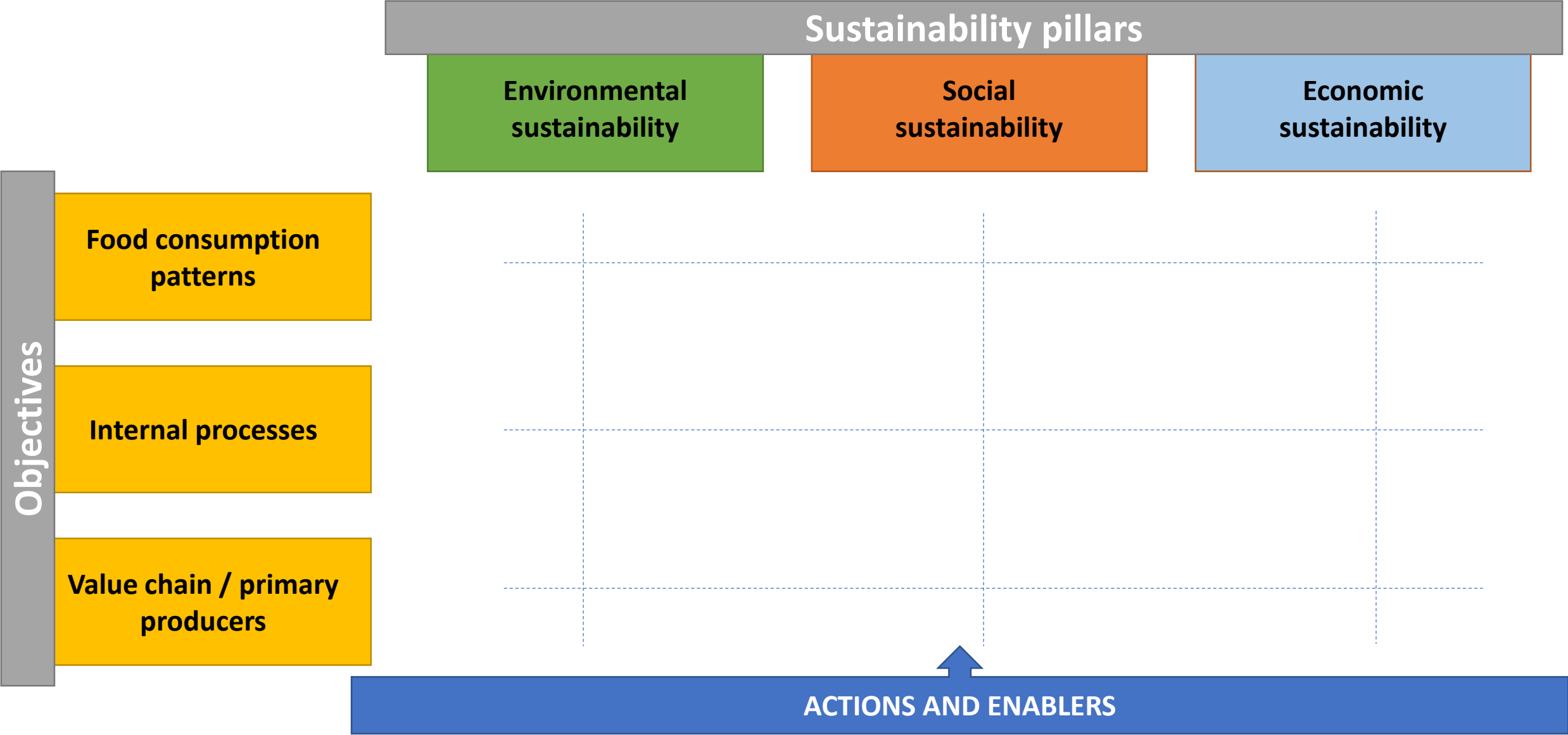
Freedom for companies how to reach targets

Monitor progress (outcome)



- 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



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”

T1: “Food consumption for healthy and sustainable diets”

First meeting: 17 March

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”

First meeting: 17 March

- 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

T1: “Food consumption for healthy and sustainable diets”

First meeting: 17 March

Aspirational objective	Aspirational target	Link	Indicator	Actions
<p>Promote adequate, balanced nutrition, prevent malnutrition in all its forms, and help reverse the rise in childhood obesity</p>	<p>Help reverse the negative trends of malnutrition (micronutrient deficiency, overweight and obesity) in the EU by 2030</p>	<ul style="list-style-type: none"> • SDG 2, 3.4 • EU Action Plan on Childhood Obesity 2014-2020+ 	<ul style="list-style-type: none"> • WHO Childhood Obesity Surveillance Initiative (COSI) • Global Burden of Disease study 	<ul style="list-style-type: none"> • 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

INDICATIVE / TBC

T1: “Food consumption for healthy and sustainable diets”

First meeting: 17 March

Aspirational objective	Aspirational target	Link	Indicator	Actions
Prevent and reduce food waste at retail and consumer level	Halve food waste by 50% by 2030	<ul style="list-style-type: none">• SDG 12.3• EU Platform on Food Losses and Food Waste	Food waste measurement by Member States <i>(first comparable results from the measurement of food losses and food waste generated in the Member States will be available in summer 2022)</i>	<ul style="list-style-type: none">• 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”

First meeting: 23 March

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**

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

First meeting: 23 March

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.

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

First meeting: 23 March

Aspirational objective	Aspirational target	Link	Indicator	Actions
<p>Climate neutral food chain in Europe by 2050</p>	<p>55% emission reduction target in the EU food chain by 2030, following a science-based approach</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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) 	<p><u>De-carbonisation</u></p> <ul style="list-style-type: none"> 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) <p><u>Biodiversity</u></p> <ul style="list-style-type: none"> 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) <p><u>Climate change adaptation</u></p> <ul style="list-style-type: none"> Develop contingency plans in case of supply chain disruptions (e.g. climate, disease, conflict, etc.)

INDICATIVE / TBC

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

First meeting: 23 March

Aspirational objective	Aspirational target	Link	Indicator	Actions
<p>Optimal circularity and resource-efficiency in the food chain in Europe</p>	<p>Objectives of EU Circular Economy Action Plan (TBC)</p> <ul style="list-style-type: none"> • Waste: halve food losses and waste in the EU food chain by 2030 • Packaging: all food and drink packaging to be recyclable or reusable by 2030 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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) 	<p>Resource-efficiency</p> <ul style="list-style-type: none"> • Support (more) sustainable, efficient use and management of water, energy, etc. in operations <p>Waste</p> <ul style="list-style-type: none"> • 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 <p>Packaging</p> <ul style="list-style-type: none"> • 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.

INDICATIVE / TBC

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

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First meeting: 25 March

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”

First meeting: 25 March

Aspirational objective	Aspirational target	Link	Indicator	Actions
<p>Create sustainable value in the European food supply chain through partnership</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<p><u>Economic sustainability (competitiveness, sustained value creation and fair incomes)</u></p> <ul style="list-style-type: none"> 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 <p><u>Environmental sustainability (sustainable production)</u></p> <ul style="list-style-type: none"> 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. <p><u>Social sustainability (workers, addressing inequalities, vulnerable groups)</u></p> <ul style="list-style-type: none"> 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

Aspirational objective	Aspirational target	Link	Indicator	Actions
Sustainable sourcing	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> SDG 2, 8, 12, 13, 14, 15, 17 European Green Deal: Biodiversity Strategy / Farm to Fork Strategy 	<ul style="list-style-type: none"> 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 	<p>Deforestation:</p> <ul style="list-style-type: none"> 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 <p>Due diligence:</p> <ul style="list-style-type: none"> 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

INDICATIVE / TBC

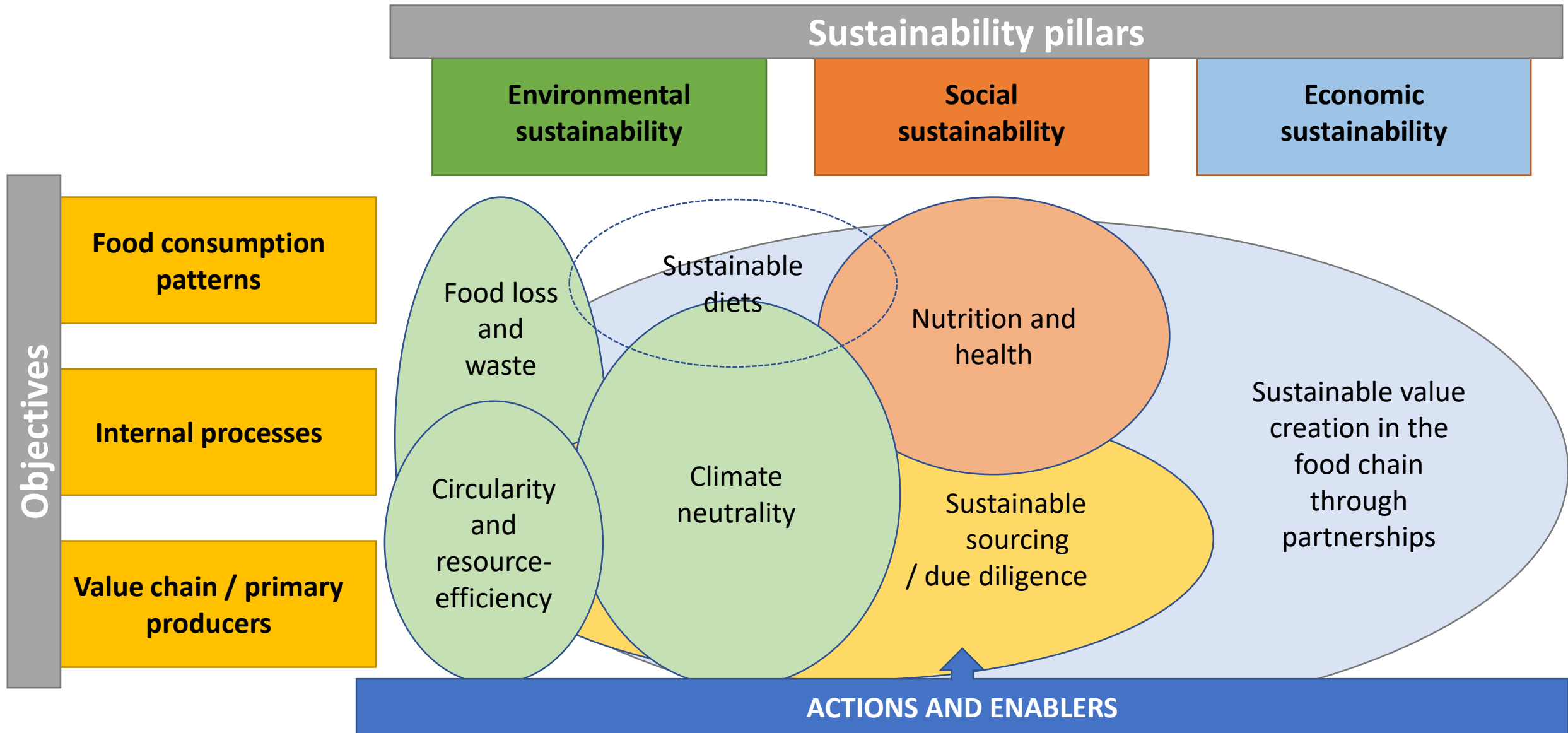
T4: “Monitoring and evaluation”

T4: “Monitoring and evaluation”

First meeting: 11 March

- **Main considerations** for the development of a monitoring and evaluation framework:
 - **Simple and straight forward**: 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



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
- ...