

# **EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES**

*A common aspirational path  
towards achieving sustainable food systems*

2024 Annual Report



**Natural Mineral Waters Europe**  
Natural Mineral & Spring Waters

## General information

|   |  |
|---|--|
| Name in full + acronym  | Natural Mineral Waters Europe (NMWE)   |
| Contact person with contact details   | Adam Gono, adam.gono@nmwe.org  |
| N° in the transparency register   | 562370525222-50  |
| Date of signature of the Code   | 05 July 2021   |
| Step of the food chain represented (ex: primary production, production, processing, trade, retail, ...) | Primary production, production   |
| Who do you represent? (e.g. number of members, companies, SMEs)   | Over 500 producers (mostly SMEs) of natural mineral and spring water via 24 associations in 21 EU and 2 non-EU European countries and 7 direct corporate members |

## **NMWE endorses the aspirational objectives set out in this Code.**

Further, this report contains 2 sections:

- Section 1 responding to the 4 types of actions prescribed by the Code (promote – cascade – develop – engage), and
- Section 2 containing a general assessment of the progress towards NMWE’s Code of Conduct aspirations and commitments.

## Section 1: promote – cascade – develop – engage

- *to promote and disseminate this Code with(in) their constituency/ies*

In line with our commitment to the EU Code of Conduct, we have undertaken numerous activities to promote and disseminate the Code within our constituency.

The Code continues to be the **strategic centrepiece of NMWE**, guiding our activities in the area of environment and sustainability and being present in NMWE's internal processes.

1. The Code serves as a framework for NMWE's Environmental and Sustainability Committee meetings, presenting and discussing the advances made on the Code commitments.
2. The importance of the Code was reiterated at board meetings and our annual meeting, where our membership actively participates. We ensure that the Code's commitments are taken into account during the yearly budget preparation, with appropriate allocations in the environmental and sustainability chapter to address the needs arising from our Code commitments.
3. The Code is reminded in the rationale for all projects that arise from NMWE's commitments.

Summary of the events where the Code of Conduct was promoted since the previous reporting in April 2023:

- 7 Environmental and Sustainability Committees of NMWE
- 2 Annual Meetings of NMWE
- Several instances of NMWE presenting at its member's and partner organization conferences and committees (42d Conference of Polish trade association KIG PR, Serock, October 2023; Slovenian Strategic Beverage Forum, Ljubljana, October 2023; PETCORE Annual Conference, Brussels, February 2024; Spanish national association ANEABE's Technical Committee, April 2024)
- 1 presentation for the Business and Biodiversity Platform of DG ENVI
- 1 workshop dedicated to expanding the NMWE's commitment on water
- 2 workshops that are part of the NMWE's collaboration project with International Union for Conservation of Nature
- Side event to the European Business and Nature Summit 2023 and NMWE's 2024 Green Week Partner Event dedicated to water resilience and nature protection

- Via our social media channels on 4 thematically relevant UN days (Day of Awareness of Food Loss and Waste, International Day for Biological Diversity, two thematically relevant days of COP28)



*Workshop on the role of the sector on sustainable water management and biodiversity, Brussels, June 2023*

- *to encourage their members to align their sustainability actions and/or business practices to the aspirational objectives and targets of the Code and invite them, on a voluntary basis, to adhere to this Code, as appropriate*

Alongside promoting the Code, we have been encouraging our members to align with the Code objectives, in particularly the sections we highlighted as relevant for our sector by developing respective commitments.

For the first time, we tested the awareness of the Code and alignment with its goals in our membership through a dedicated survey. This survey will continue in the following years to track the development of this awareness and alignment.

#### **NMWE Code of Conduct awareness and alignment survey 2023**

- 20 responses overall

- 10 member associations, 10 companies (4 direct members, 6 indirect members through national associations)

***How familiar are you with the Code and NMWE's commitments?***

Where 1 was 'not at all' and 5 was 'perfectly', the responses tended between 3 (moderately) and 4 (quite well). None of the 20 responses stated 'not at all'.

The average for all responses was 3.3. The average for associations only was 3.4 and for companies 3.2. However, the average for the 4 companies being a direct member was 3.5 while for the 6 companies not being a direct member was 3.0.

We can see a pattern here: the familiarity correlates with the intensity of contact with NMWE. Direct corporate members being on average the most active type of members, their score surpassed that of association members, and both clearly surpassed that of indirect members, which are on relatively the least in contact with NMWE.

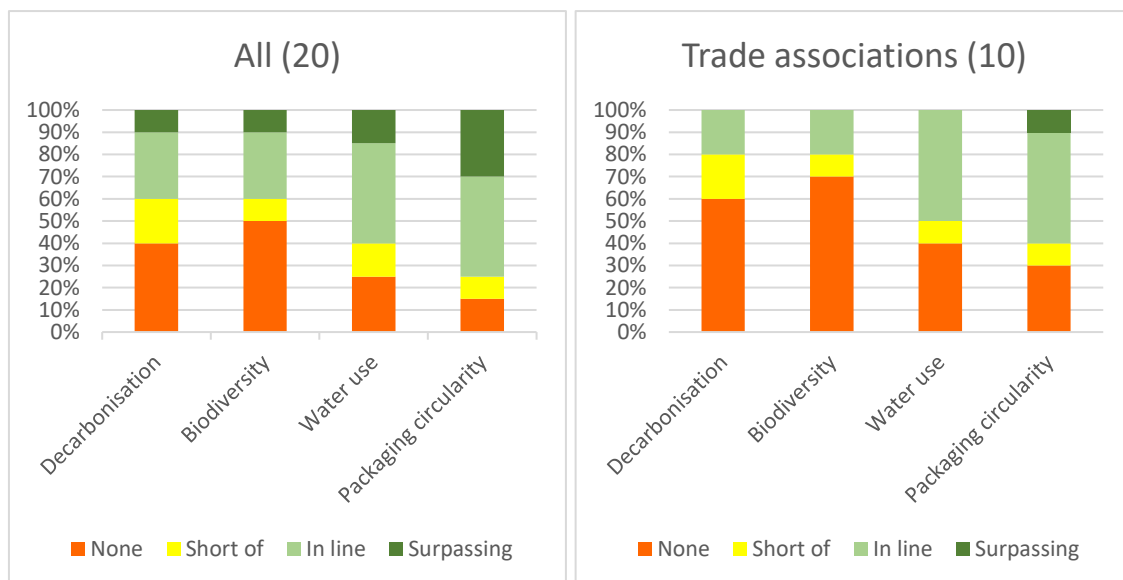
***Does your association or company have commitments in the four NMWE commitment areas (decarbonisation, biodiversity, water use, packaging circularity)?***

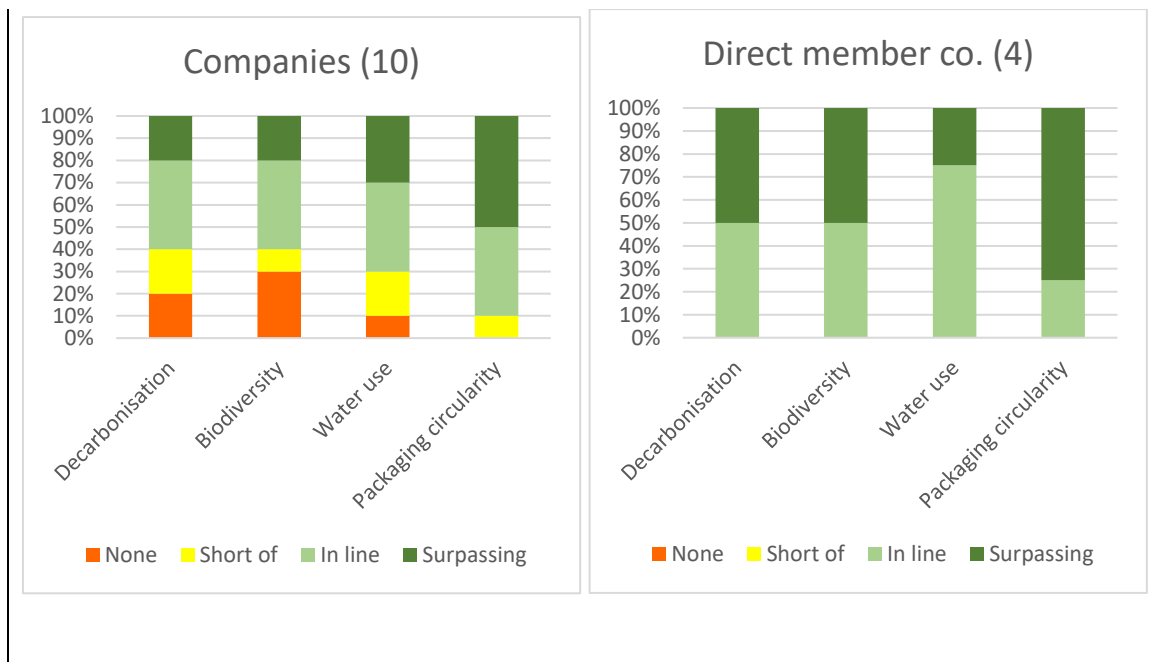
Respondents could select one of the four options: 1. No commitment, 2. Less ambitious commitment, 3. Commitment in line of NMWE, and 4. Commitment surpassing that of NMWE.

We got a mixed picture with results depending on area and stakeholder type.

Generally, packaging circularity was the area with the most commitments, biodiversity with the least. Water use commitment were fairly common for both associations and companies, while decarbonisation commitment were rather common for companies but quite rare for the associations.

In general, companies would have their commitments in place more likely than associations, and direct member companies (on average larger in size too) would all have their commitments in all 4 areas, in 50% of cases surpassing those of NMWE.





- *explore the possibility of developing sector-specific tools and resources in support of this Code*

NMWE is committed to aligning its actions with the aspirational objectives of the EU Code of Conduct. The association has identified four areas of commitment that correspond to the aspirational objectives of the Code:

1. Our decarbonisation commitment aligns with the no. 3 aspirational objectives of the Code.
2. Our biodiversity commitment aligns with the no. 6 aspirational objectives of the Code.
3. Our water efficiency commitment aligns with the no. 4 aspirational objective of the Code.
4. Our packaging circularity commitment aligns with the no. 4 aspirational objective of the Code.

NMWE has undertaken **significant efforts to develop tools and resources** to support these commitments and advance sustainability in the sector.

### Decarbonisation Commitment

In early 2024, [NMWE has completed its sectorial decarbonisation study](#). This study serves as the first step on the sector's path to carbon neutrality. It highlights the actions to be taken to decarbonise, especially for members with limited resources. The study includes a library of impactful interventions, encompassing individual member actions, collaborative efforts in decarbonising logistics and packaging.

Since its completion, the study has been a tool for engaging with stakeholders, to explain the sector's decarbonisation challenges, and identify necessary steps but also to engage with

suppliers to encourage environmentally friendly practices upstream. The study has also contributed to the reassessment of the commitment addressed in the section 2 of this report.

Following the completion of the study, activities have started to identify and address gaps in legislation, standards, and knowledge and engaging with relevant stakeholders are all underway. This has practically resulted in a **decarbonisation workshop** at NMWE's annual meeting in June 2024 engaging major suppliers to address Scope 3 emissions and enabling action in Scope 1-2 emissions too.



NMWE's supply chain decarbonisation workshop in Prague, June 2024.

*“If you cannot measure it, you cannot improve it.”*

As much as this might be the most overused quote in the business world, it is also NMWE's starting point for supporting members on the sector's decarbonisation path. The natural mineral and spring water sector is very fragmented: a majority of companies represented by NMWE, and a significant portion of the market is made up by SMEs. Typically, unlike their larger competitors, these companies do not have dedicated sustainability staff and do not possess tools or resources to have their environmental impact measured.

Therefore, NMWE decided to **develop a free sectoral environmental footprint calculation tool** that would, using sector's PEFCR methodology, to equip all members with the ability to measure and improve the environmental (incl. carbon) performance of their product. This process has been launched in the beginning of 2024 with the tool to be usable in the autumn of 2024.

## Biodiversity Commitment

It was reported in 2023 report that earlier that year NMWE launched a 2-year collaboration project with the International Union for Conservation of Nature (IUCN) to develop an implementation framework for biodiversity strategy with indicators and interventions tailor-made for the sector.

Since then, the project has continued according to the plan. Following a review of biodiversity commitments and policies in the spring and summer of 2023, 2 online workshops with NMWE members and 2 physical workshops with both members and external experts provided by IUCN have taken place. The process was presented also during the side of event of the European Business & Nature Summit 2023 in Milan, Italy.



*European Business and Nature Summit, Milan, October 2023.*

Currently, finalization of the project deliverable – **biodiversity strategy implementation framework recommendation** – is underway. The recommendation will contain an indicator framework tailor-made for the companies in the natural mineral and spring water sector, and a catalogue of meaningful interventions for biodiversity.

Once finalized, a roll-out of the recommendation will take place, including trainings and capacity building in the sector.

NMWE's goal in this project is equipping companies in the sector with a tool that helps them develop their biodiversity strategies, provide metrics to measure and monitor their performance and support interventions via nature conservation and restoration projects.

## Water Management Commitment

In the 2023 report, NMWE signalled the need to expand the existing commitment. This process started in September 2023 by organizing an expert workshop engaging sector representatives, hydrogeologists, water accounting experts, and NGOs to discuss how to make sector's commitments and activities on water more robust and effective.

As a result of this workshop, NMWE continues to develop 2 workstreams:

- **Sectoral Water Usage Ratio reporting on the site level**, as the original commitment defined, but with focus on data collection automatization, local water context and support of the members in improving their water efficiency. Production of the next WUR



report is now delayed and the report has not been done before July 2024; it is expected to be drafted in autumn-winter 2024. However, since the beginning of 2024, NMWE invested in development of **automatized IT tool to securely collect, anonymize and analyse individual site's water efficiency data**. In this way, production of the upcoming and every other future WUR report can be done with less resources.

- **Sectoral activities on Water Stewardship.** There has not been a concrete tool-development work since the workshop; the time in between has been dedicated to improving knowledge, defining NMWE's role, and engagement with other stakeholders (Alliance for Water Stewardship, World Resources Institute, WWF...). More concrete activities are expected to be formulated after the official update of the commitment (see Section 2 of this report).



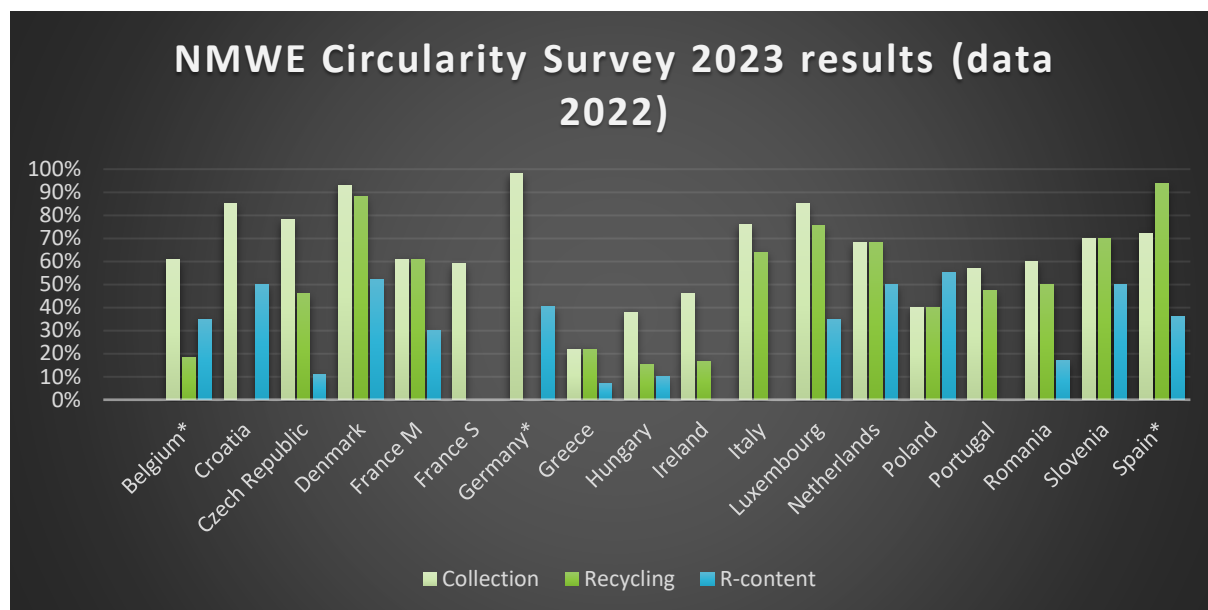
Graphic recording from the Expert Workshop on Sustainable Water Management, September 2023.

## Circularity Commitment

NMWE remains committed to promoting packaging circularity within the sector. In the current reporting period, NMWE focused on the legislative development around Packaging and Packaging Waste Regulation and Single Use Plastics Directive secondary legislation, focusing on:

- Robust deployment of Deposit Return Schemes to be mandated by PPWR to increase quality and quantity of the plastic packaging recycling,
- Measures to be taken to limit downcycling, as currently the majority of easily recyclable water packaging material collected is downcycled into non- or hardly recyclable applications,
- Environmentally beneficial, methodologically consistent and technically feasible accounting of recycled content.

In order to better track where the sector is on its path towards circular aspirations, in the second half of 2023 NMWE launched its own internal circularity survey.



Aggregated results of the NMWE Circularity Survey. In case of the 2022 missing (with asterisk), latest data was used.

This being the first iteration, the survey will be continuously improved and repeated annually. Besides its goal of informing, it is also supposed to create the culture of regular data collection and sharing under a unified methodology.

Finally, from August 2023 to spring 2024, NMWE actively participated in the development of the biannual [PET market state of play report](#) together with PRE, UNESDA, PETCORE and under the technical lead of ICIS.

- *continue to engage in dialogue with other food chain/systems actors and EU and international policymakers to forge (new) relationships, exchange good practices and discuss challenges encountered, learn from each other (studies, projects) and create better mutual understanding, and identify opportunities for collaboration and potential partnership.*

NMWE remains actively engaged in dialogue with other actors in the food chain/system and policymakers at the EU and international levels.

The 3 types of activities described in the first part of this report (promotion of the Code within own constituencies) included participation of and interaction with external stakeholders. Internal committees and annual meetings (points 1 and 2 respectively) often involved external guests. In particular, various activities design to implement the NMWE commitments (point 3) routinely involved stakeholders beyond NMWE’s membership.

Beyond those 3 categories of activities, NMWE interacted with various stakeholders (business, civil society, academia, policy-makers) via bilateral meetings, where our Code of Conduct commitments were reminded every time they could be relevant for the discussion.

As a result, these activities led us to promote the Code and our commitments to stakeholders including but not limited to:

- 4 NGOs and think-tanks active in transport decarbonisation on the decarbonisation commitment (European Rail Freight Association, Smart Freight Centre, Transport & Environment, Climate Group) in bilateral meetings and invitation to internal committee
- 4 associations and 5 companies from the sector suppliers on the decarbonisation commitment participating at the decarbonisation workshop during NMWE Annual Meeting 2024 and bilateral meetings
- 4 NGOs and international organisations (WWF, EEB, IUCN, Wetlands International) and 2 farmer organisations (IFOAM, EURAF) active in natural resource management on the sustainable water management and biodiversity commitments via bilateral meetings, biodiversity project, their events, and our Green Week event
- Academics on the commitment in sustainable water management and biodiversity participating in the expert water workshop and biodiversity project workshops
- An unspecified number of policymakers and with whom we interacted since the previous reporting

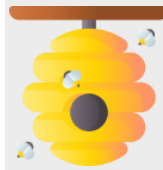
## Section 2 – general assessment of the progress towards NMWE’s Code of Conduct aspirations and commitments

Since the 2023, NMWE continue working on its 4 commitments derived from the Code. Following are the four areas with respective aspirations (bold italic) and specific actions.



***Drive the sector towards carbon neutrality by 2040 at the latest (or earlier, depending on the findings of a sector’s decarbonisation study).***

Undertake a sector’s decarbonisation study in 2022 and disseminate results among our members to facilitate and promote relevant actions in this area.



***Preserve and improve biodiversity in our areas of operations.***

NMWE will define and test specific biodiversity indicators to be used by natural mineral and spring water producers, esp. SMEs.



***Demonstrate efficient use of water in our operations and strive for a reduction target in the next five years.***

Carry out a water usage ratio (WUR) study to measure water usage in the sector’s operations (factory level), set reduction targets, and report on industry progress at least every two years.



***Strive towards full circularity for all its packaging by using only recyclable or reusable packaging by 2025 and by incorporating 50% recycled materials in new plastic bottles by 2030 (30% by 2025).***

NMWE will continue to actively promote well-designed deposit refund systems (DRS) alongside well performing EPRs, in collaboration with the whole value chain.

### Decarbonisation

The specific action has been fulfilled. There is a need to develop a new specific action.

There has been so far insufficient data over time to assess whether NMWE is on the path to see its decarbonisation aspiration fulfilled. However, the decarbonisation report has been the first step to address this deficiency and in future this assessment will be possible.

Since the formulation of the commitments in 2021, enough knowledge has been gathered to specify the temporal elements of the decarbonisation pathway. The aspiration should be rephrased accordingly; in addition, the new text should better describe the granularity of the aspiration (Scopes 1 & 2 vs. 3).

### Biodiversity

The specific action is approaching its completion. To avoid the need to update the NMWE’s commitments yearly, NMWE should present a longer-term specific action when proposing

updates for other commitments. Also, while the aspiration is future-proof, NMWE will strive to provide more specificity in its formulation as well.

### **Water use / water management**

The current specific action is continuous; NMWE has been delayed in delivering the committed report. However, this has been due to optimisation of tools to deliver this and future reports. As soon as the next report is delivered, NMWE will be able to see if the sector progresses towards the reduction expressed in the aspiration.

Nevertheless, despite NMWE continuing working on its original commitment, we believed – as a sector with special relation to water, fully dependent on stable quality and quantity condition – that we should be more ambitious to play an outsized role in sustainable water management beyond the factory gate. Therefore, NMWE is in the process of reinventing the water-related commitment from water use to water stewardship to include sustainable water management on the watershed level – that is, water stewardship.

### **Circular packaging**

With ICIS report estimating the average recycled content in PET bottles in the EU to be 24% in 2022, the sector seems to be on track to reach the 30% aspiration in 2025. However, while rollout of DRS in Europe continues in a number of countries, improvements need to occur in the large countries like France, Italy and Spain for the increasing trend of recycled content to really continue. Also, there are large discrepancies between individual countries, with some countries already reaching around 50%, while others incorporating hardly any recycled content.

The sector also seems to be on track to fulfil its ‘only recyclable packaging by 2025’ goal. However, it is difficult to track due to this aspect of packaging not being monitored on sectoral scale; it is only anecdotal evidence of direct NMWE members that supports the notion that the sector is converging with 100% recyclable packaging goal.

The aspiration as well as the specific action should be slightly adjusted to better reflect the range and character of both the goal and necessary tools and enablers.

In June 2024, NMWE has launched a process of its Code of Conduct commitment revision. It is expected that in October 2024 it will be ready to submit an updated text to DG Sante for approval and/or comments.

In Brussels, 01 August 2024



Patricia Fosselard, Secretary General, Natural Mineral Waters Europe