Study on commitments pledged under the EU Code of Conduct on responsible food business and marketing practices

Meeting of the Collaborative Platform

12 December 2023

Agenda

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About the Study

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Signatories and commitments

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Reporting by signatories

4
Concluding reflections

Study scope
Main study tasks

Task 1	Study design
Task 2	Mapping of commitments by Code of Conduct (CoC) signatories
Task 3	Review of other similar EU and non-EU initiatives
Task 4	Development of communication material
Task 5	Synthesis and reporting

Tasks 2 & 3 – Methodology

2022 CoC Mapping

- Mapping criteria and categories developed, refined, agreed with the EC
- Signatories, commitments and reports submitted by July 2022 reviewed and mapped
- 2022 report

2023 CoC Mapping

- Review of mapping framework; two new sub-categories added
- New signatories, commitments and reports submitted by July 2023 reviewed and mapped
- (Draft) 2023 report

Other initiatives

- Longlist of 62 other voluntary initiatives identified
- 18 initiatives shortlisted for in-depth review via literature review, interviews
- Self-standing report with key findings

Signatories and commitments

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Signatories (as of 31 July 2023)

136

Signatories of the EU Code of Conduct

75

Companies

67 large enterprises

8 SMEs

61

Industry associations

48 European

8 national

5 global

11

Sectors

Incl. food manufacturing (33 companies), retail / wholesale (18), beverages (10), agriculture (4), other sectors (10)

Commitments by companies

- Signatory companies have made a total of **524 commitments** (including 36 new ones since last year)
- Most commitments fall under the aspirational objectives **1**, **3** and **4**

Company commitments per aspirational objective

AO1: Healthy, balanced and sustainable diets for all European consumers	85
AO2: Prevention and reduction of food loss and waste	52
AO3: A climate neutral food chain in Europe by 2050	59
AO4: An optimised circular and resource-efficient food chain in Europe	103
AO5: Sustained, inclusive economic growth, employment and decent work for all	103
AO6: Sustainable value creation in the European food supply chain through partnership	32
AO7: Sustainable sourcing in food supply chain	90

Base: Analysis of 524 commitments

Commitments by companies

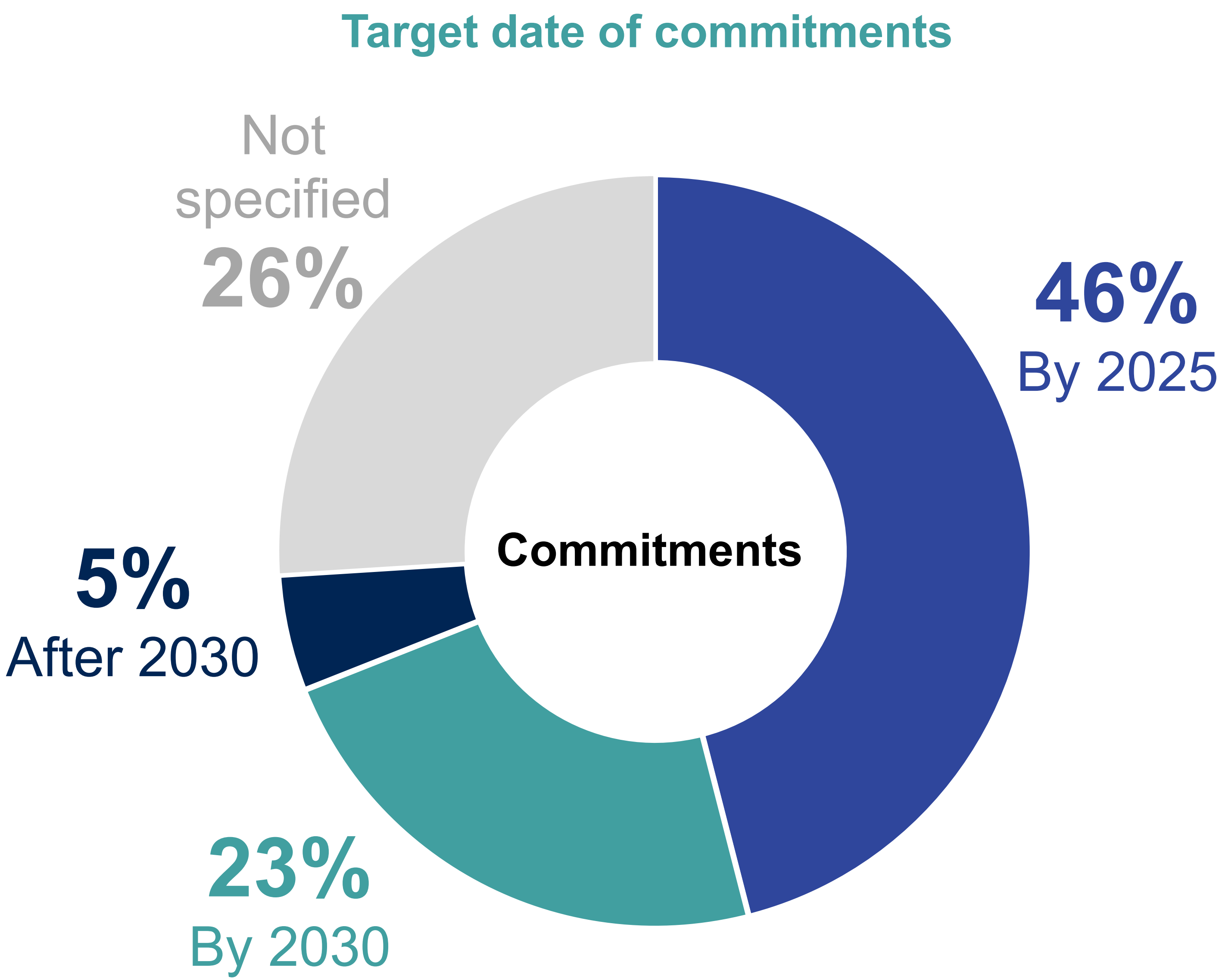
- The vast majority of signatory companies committed to action under **AO3:** climate neutral food chain
- **64 companies** made a total of **103 commitments** under AO3
- More than half of signatory companies also committed to action under AO1, AO4 and AO7

Percentage of companies that made at least one commitment under each aspirational objective

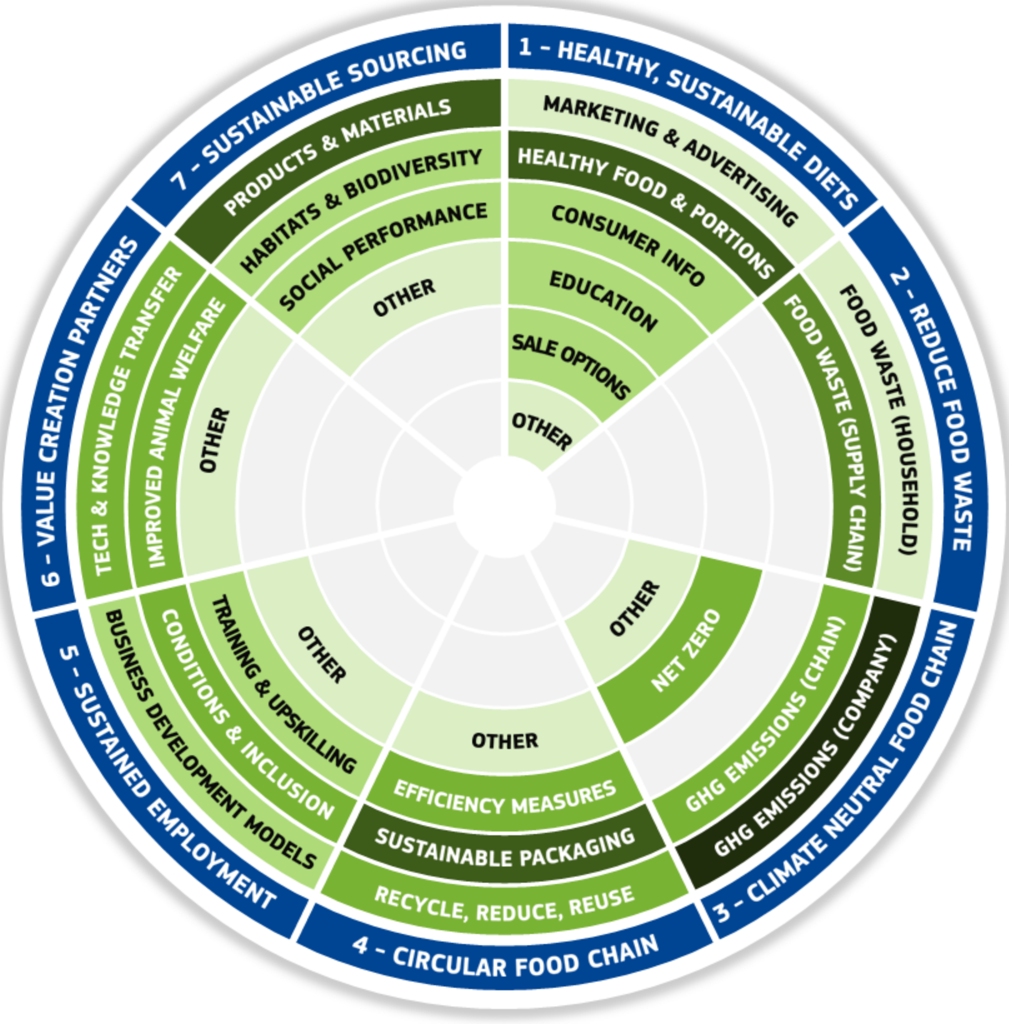
AO1: Healthy, balanced and sustainable diets for all European consumers	61%
AO2: Prevention and reduction of food loss and waste	37%
AO3: A climate neutral food chain in Europe by 2050	85%
AO4: An optimised circular and resource-efficient food chain in Europe	65%
AO5: Sustained, inclusive economic growth, employment and decent work for all	32%
AO6: Sustainable value creation in the European food supply chain through partnership	41%
AO7: Sustainable sourcing in food supply chain	53%

Base: Analysis of 524 commitments

Almost half of all commitments made by companies are expected to be achieved **by 2025,** and **another quarter** expected to be achieved **by 2030**



Distribution of commitments across sub-categories



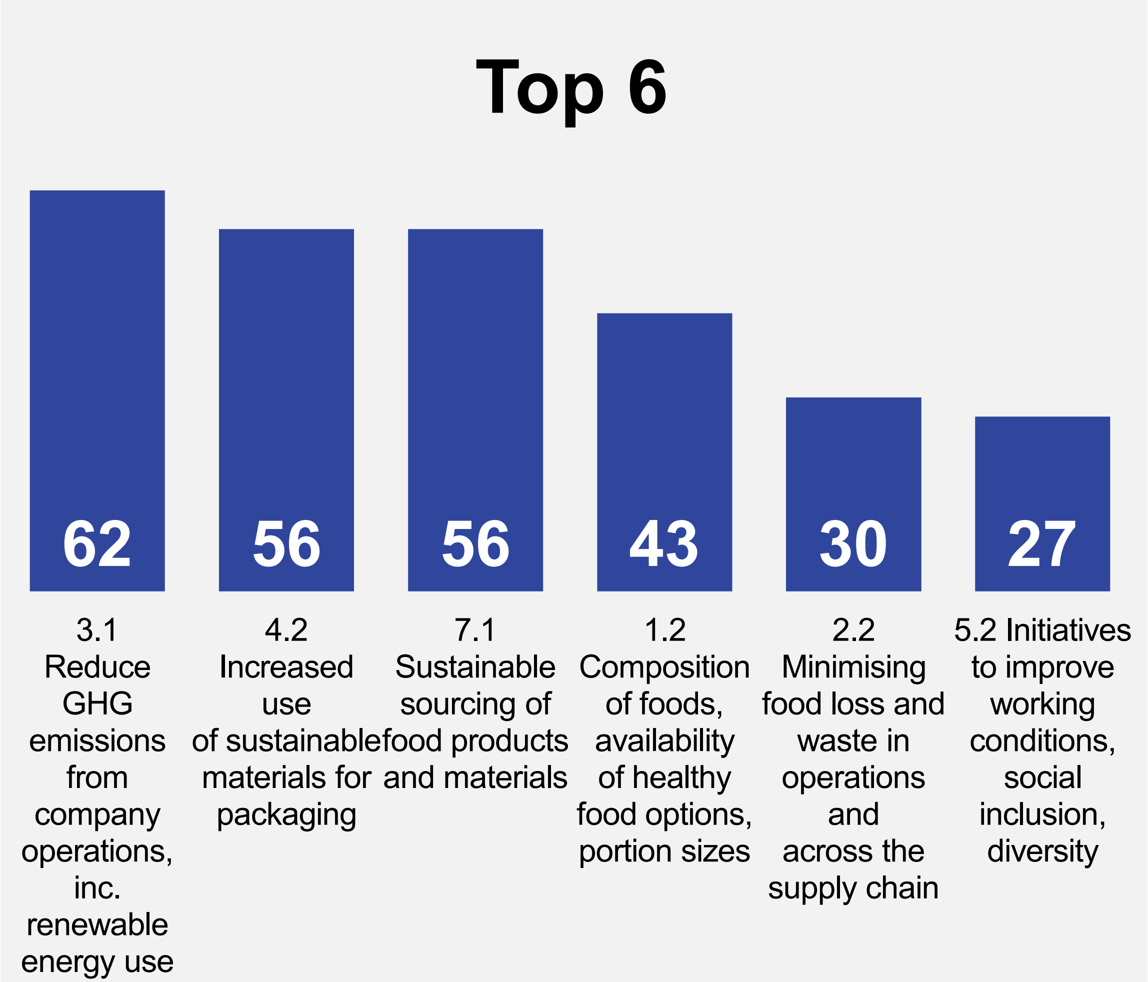
% of companies making at least one commitment

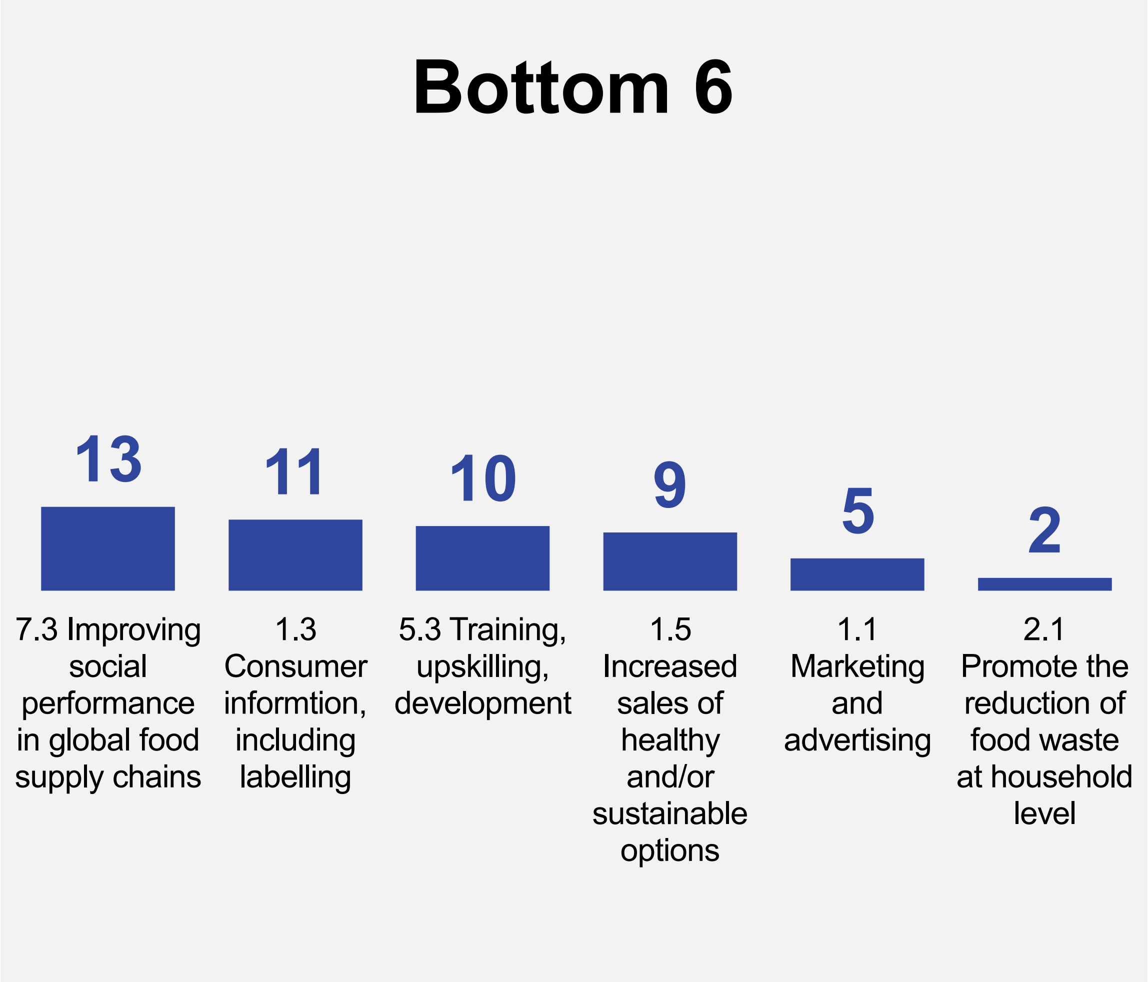
(by sub-category)

- 0% - 10%
- 11% - 20%
- 21% - 30%
- 31% - 40%
- 41% - 50%
- 51% - 60%

Distribution of commitments across sub-categories

Company commitments by sub-categories

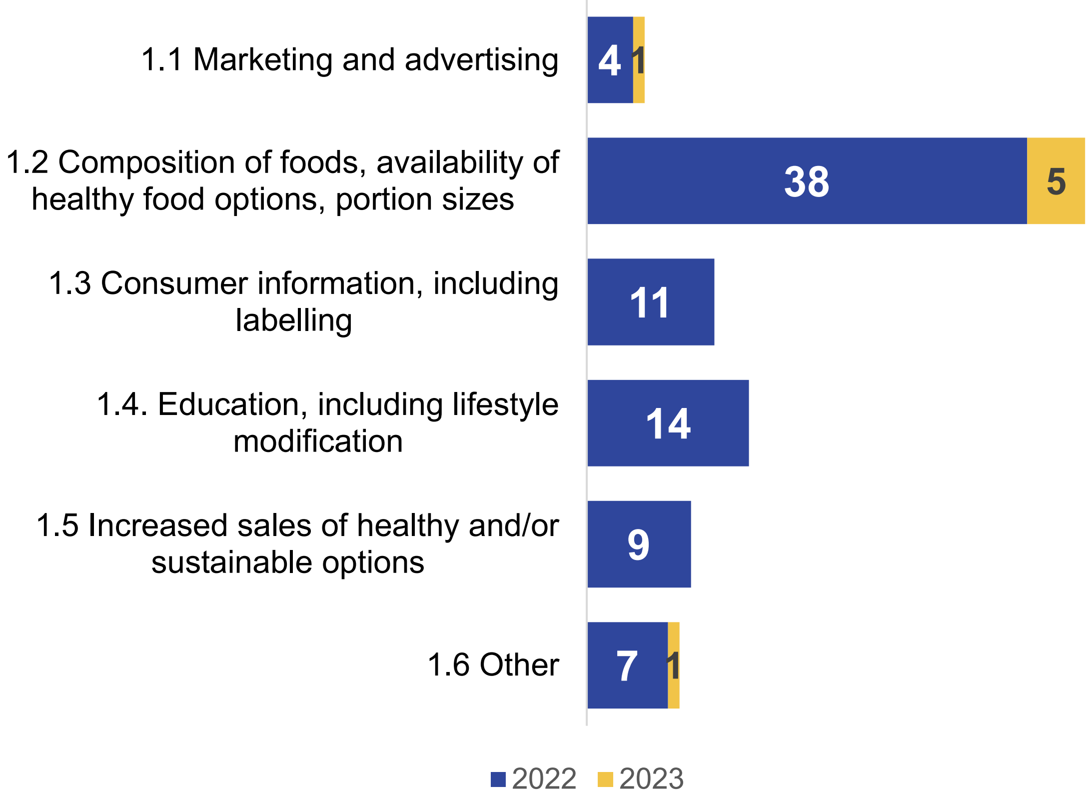




Base: Analysis of 524 commitments

AO1: Healthy, balanced and sustainable diets

Number of commitments

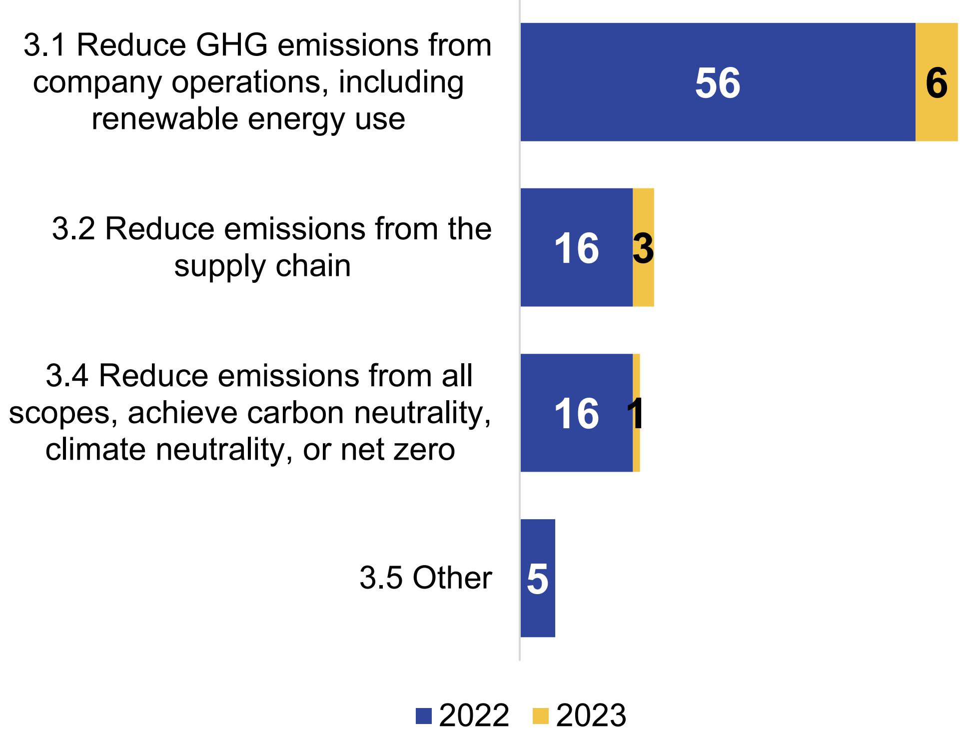


Percentage of signatory companies that have made at least one commitment

Sub-category	Manufacture of food products	Manufacture of beverages	Wholesale and retail trade	Other sectors	Total
1.1	6%	10%	0%	8%	5%
1.2	45%	60%	39%	23%	42%
1.3	15%	10%	28%	0%	15%
1.4.	3%	40%	22%	0%	12%
1.5	12%	10%	17%	0%	11%
1.6	3%	0%	11%	23%	8%

AO3: A climate neutral food chain

Number of commitments

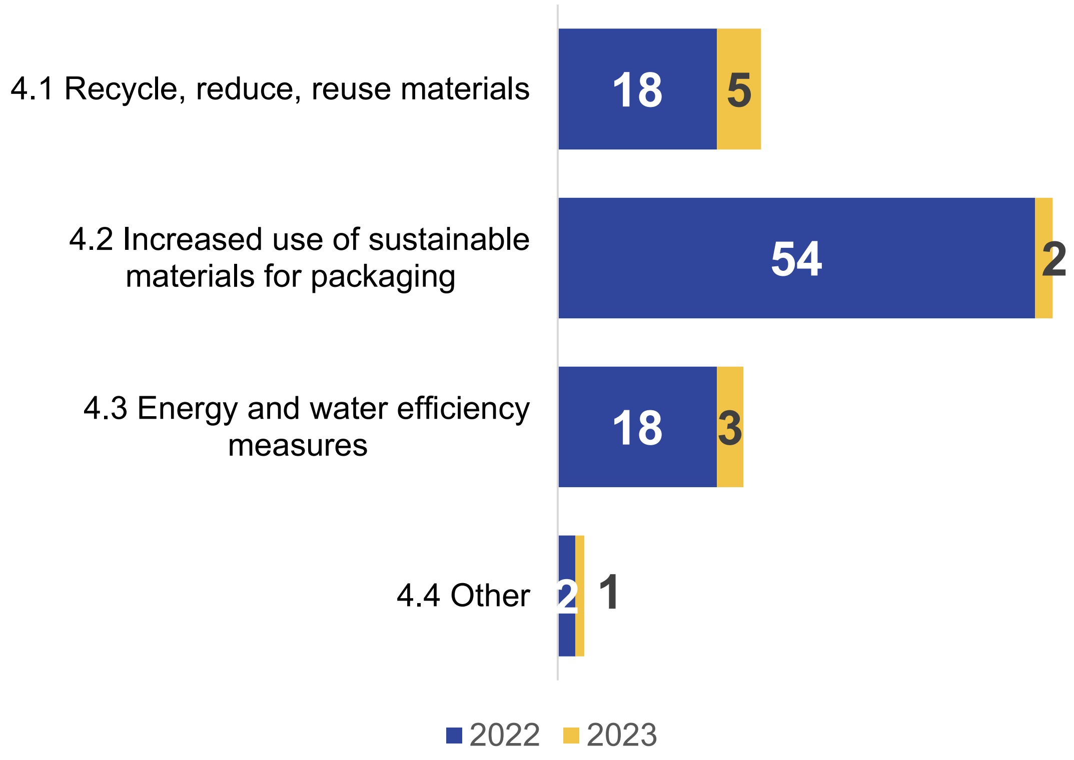


Percentage of signatory companies that have made at least one commitment

Sub-category	Manufacture of food products	Manufacture of beverages	Wholesale and retail trade	Other sectors	Total
3.1	61%	40%	56%	69%	58%
3.2	21%	40%	17%	31%	24%
3.4	27%	50%	17%	0%	23%
3.5	9%	0%	6%	8%	7%

AO4: A circular and resource-efficient food chain

Number of commitments



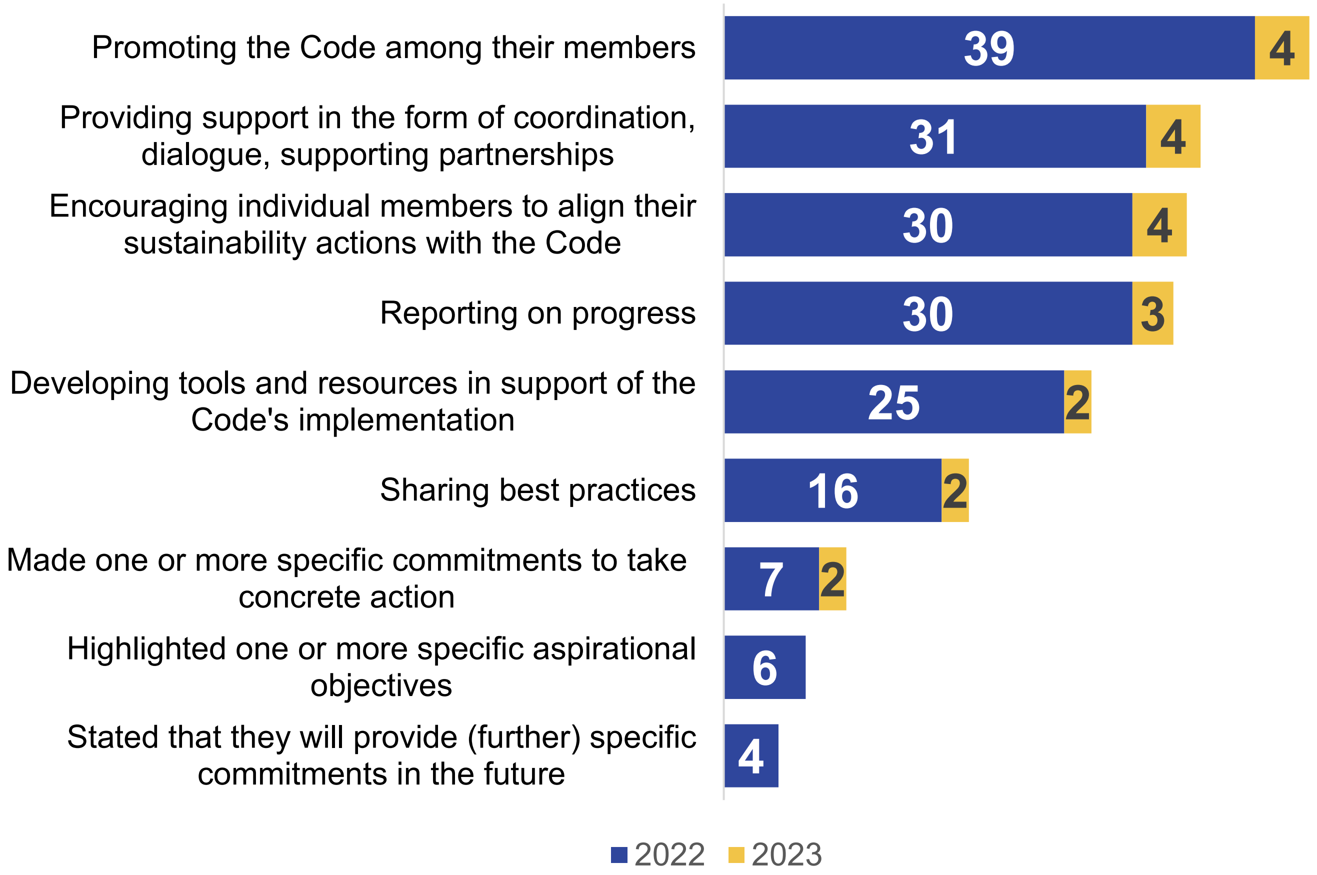
Percentage of signatory companies that have made at least one commitment

Sub-category	Manufacture of food products	Manufacture of beverages	Wholesale and retail trade	Other sectors	Total
4.1	15%	30%	33%	23%	23%
4.2	55%	80%	22%	31%	46%
4.3	24%	50%	0%	31%	23%
4.4	0%	0%	11%	8%	4%

Commitments by associations

- Signatory associations mainly committed to **promote** the Code and **support** and **encourage** their members, and reporting on members' progress
- Nine associations made **one or more specific commitments**

Associations' pledges



Base: Analysis of 61 associations' pledges

Signatories reporting

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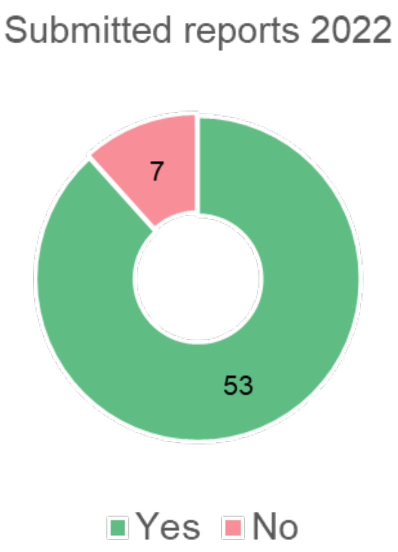
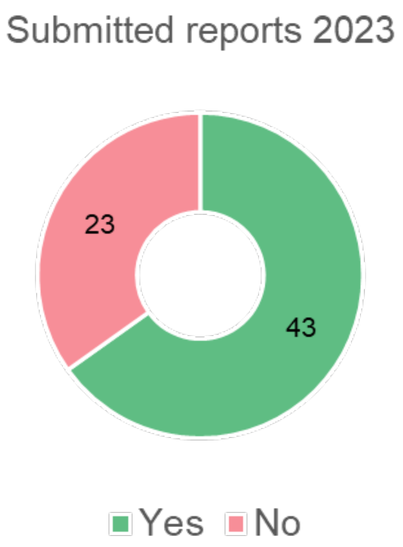
Reporting 2023

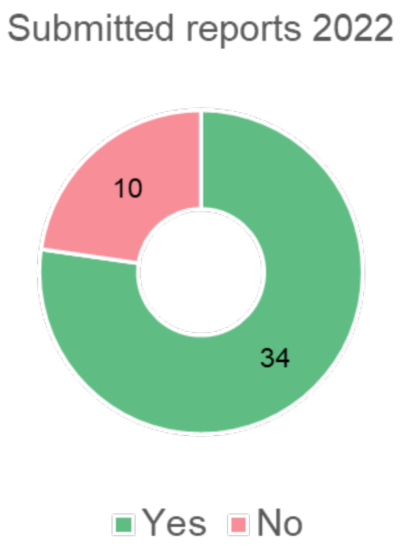
- Signatories to the Code (except SMEs) are required to submit an annual report to provide an update on the activities and results of the commitments made in their pledges.
- By 31 July 2023, 78 signatories had submitted a report (62% of the 125 signatories who were expected to do so in 2023).

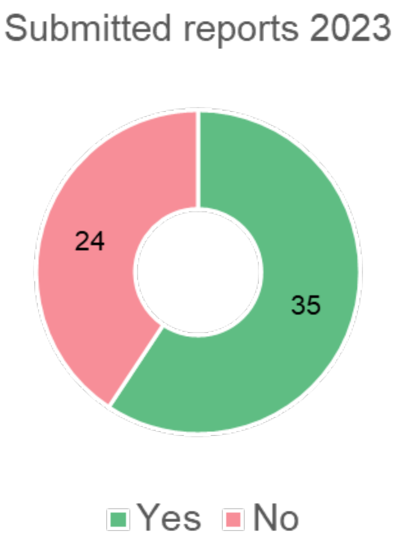
Signatory companies





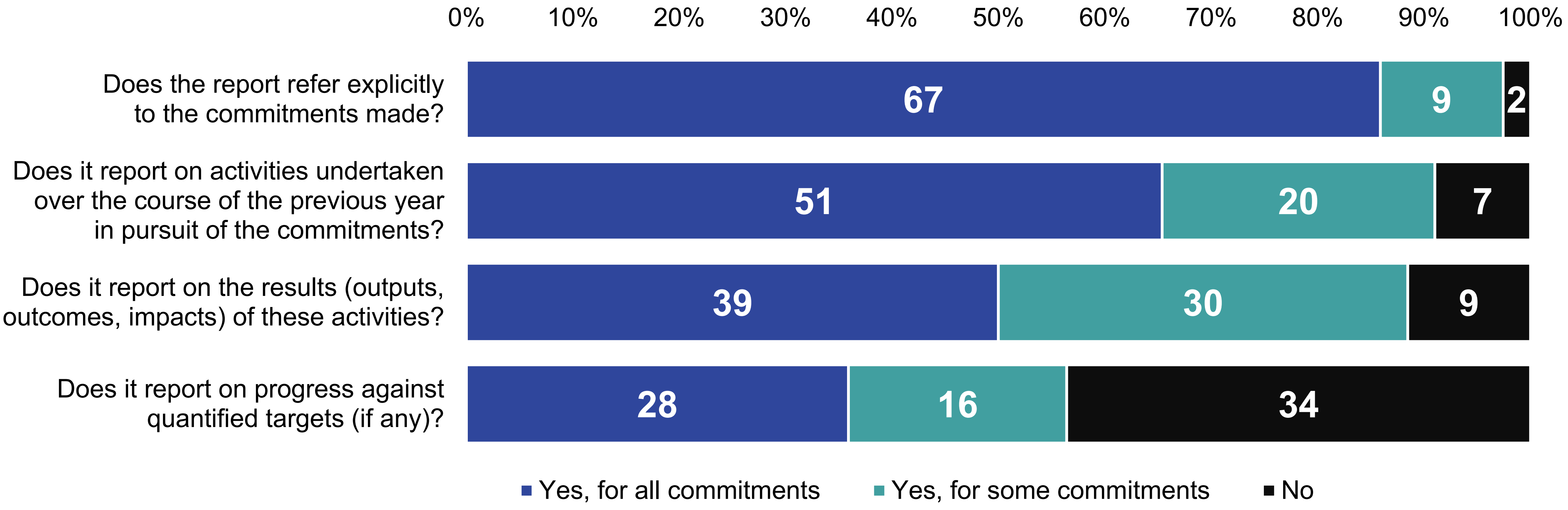
Signatory associations





2023 monitoring reports by signatories

Reports have become clearer and more consistent



First commitments fulfilled

In their 2023 reports, 12 signatory companies reported they had achieved 24 of the targets they had set themselves.

Examples of targets met

"In 2022, we **met our commitment** to increase the proportion of women in the group's top 200 senior executive positions to 30%. We will continue our efforts to aim for parity in all management positions."

Food manufacturing company A

"We managed to **exceed the objective** (7%), placing ourselves at 20% of the energy consumed that comes from our own production"

Food manufacturing company B

Updated or extended commitments

13 companies (out of the 43 that submitted reports in 2023) included updated or expanded commitments (compared to just two companies in 2022).

Examples of updated commitments

Original pledge:
"30,000 partners that are producers in organic, local and agroecology by 2025"

2023 reporting:

Level reached: 37,758 partners

New target: "45,000 partners that are producers in organic, local and agroecology by 2025"

Wholesale and retail trade company

Original pledge:
"Make 100% of packaging reusable, recyclable or compostable by 2025"

2023 reporting:
"We are nearly 83% of the way to 100% reusable, recyclable or compostable packaging, with around 35.4% using recycled materials.
[…]
Additionally, we are working to **reduce the use of virgin plastic by 10%** (vs. 2020 baseline) and to boost the use of post-consumer recycled content in plastic packaging, toward a 12% goal for overall plastic packaging."

Food manufacturing company D

Concluding reflections

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Concluding reflections (1)

Positive developments

- **136 signatories** – more than double the number at launch in 2021.
- **524 commitments** (including 36 new ones) that address all 7 aspirational objectives of the Code, and are well aligned with relevant EU policy objectives.
- Annual reports have become more consistent; signatory companies **report more explicitly and clearly** on the activities undertaken under their commitments and their results, incl. progress against targets.
- The first few commitments have been **fulfilled** – and several signatories have **updated or expanded** their original pledges, often by making targets more specific and/or ambitious.

Concluding reflections (2)

But limited progress on most issues pinpointed last year

- Code **‘membership’ still insufficient** to achieve the desired far-reaching systemic change; some countries and sectors, and SMEs, under-represented.
- The levels of ambition of commitments, and the extent to which they have SMART targets and indicators, still **vary considerably**.
- Full potential of the **role of industry associations** not being exploited (e.g. more concrete commitments, promoting cooperative intersectoral commitments).
- Relatively **small number** of new signatories and commitments in 2023; lower proportion of signatories who fulfilled their obligation to submit a progress report.

Concluding reflections (3)

Some encouraging trends, but also a loss of momentum?

Issues for consideration:

- Need to continue to incentivise industry stakeholders to see the Code as an important part of their wider CSR strategies.
    - ➢ Ensure they perceive tangible benefits from submitting their activities as commitments under the Code, and reporting on them in line with the Code's requirements.
- As commitments evolve, some of the original pledges are no longer up to date. Would 2024 be a good time for all signatories to (formally) update their pledges, to ensure info on their commitments is easily available and consistent?

Findings from the review of similar initiatives

- The Code needs to be seen in the **context** of the broader ecosystem of voluntary initiatives.
- The review of 18 such initiatives suggests the Code is quite **unique** due to its:
    - very broad **scope**
    - very high degree of **flexibility**
- These (interrelated) elements are both a **strength** and a **weakness**.
- In view of this, the good practices identified in other initiatives are not always directly applicable to the Code. Nonetheless, some aspects warrant consideration.

Potential learnings from other voluntary initiatives

1

Look for more ‘common ground’ in specific areas

Strengthen / clarify the Code’s ‘aspirational targets’ (incl. common indicators)?

Encourage / require signatories to align commitments with these?

2

Foster greater accountability and transparency

Create synergies with other initiatives for monitoring and reporting?

For *some* objectives, use specific KPIs developed by other initiatives?

3

Strengthen the networking element

Could the Code become more of a forum for generating information, research, tools, resources?

Facilitate more dialogue between signatories, as well as with the EU institutions?