



Code of Conduct for Responsible Business and Marketing Practices Farm to Fork Strategy

CONCEPT NOTE

1. WHY A CODE OF CONDUCT FOR THE FOOD SECTOR?

The EU Farm to Fork Strategy adopted in May 2020¹ addresses comprehensively the challenges of sustainable food systems. It provides a roadmap for the sustainability transition of our food system towards making European food the global standard for sustainability. As part of a holistic approach, the strategy also called on the food industry, retail and food service sectors to show the way toward increasing the availability and affordability of healthy, sustainable food options to improve the sustainability of the food system. To promote this the Commission, together with all relevant stakeholders, will design a Code of Conduct for responsible business and marketing practices.

2. WHICH ACTORS ARE INVOLVED & WHY?

The Code is an integral part of the strategy's action plan and addresses specifically the operators 'between the farm and the fork'- the food processors, food service operators and retailers. These actors shape the market and influence consumers' dietary choices through the types and nutritional composition of the food they produce, their choice of suppliers, production methods and packaging, transport, merchandising and marketing practices.

While many of the actors in these categories have undertaken important steps to strengthen the sustainability of our food systems, further action is necessary. As these 'middle of the food chain' actors do not act in isolation, the other stakeholders in the wider food system will also be involved in developing the Code considering the interlinkages in the agri-food industrial ecosystem² and across sectors,

3. THE OVERALL AMBITION

The Code aims to shape a truly sustainable food environment and enable the transition towards sustainable and biodiverse ecosystems at the foundation of the food system. It would cover all major aspects of food sustainability (economic, social, and environmental) and reflect the goals and ambitions of the Farm to Fork Strategy and Green Deal, as well as the need for these actors to recover and be more resilient in the wake of the COVID-19 crisis.

The Code would encourage the 'middle of the food chain' actors to voluntarily, but tangibly improve and communicate their sustainability performance. They would take action within their own operations and positively influence industry peers and other food system stakeholders (farmers, consumers, etc.) to make similar changes. The Code would also:

- foster an understanding among actors towards a common goal and a degree of alignment of actions;
- shift the norm for food business culture towards sustainability whilst guaranteeing fair and transparent competition;

¹ https://ec.europa.eu/food/farm2fork_en

² Based on the industrial eco-systems policy approach under the EU Industrial Strategy

- provide clarity and build additional trust among all food system actors;
- increase the credibility, visibility and recognition of viable commitments; and
- promote front-runner solutions.

4. WHAT ARE THE MAIN OBJECTIVES AND RELATED COMMITMENTS?

The Code should cover all major areas of food sustainability and have the following **general objectives**:

- **To stimulate the uptake of healthier and sustainable consumption patterns³**, by, amongst others, improving the food environment, in order to reduce the overall environmental footprint of the food system and to improve people's health and quality of life or promoting healthy and sustainable products;
- **To facilitate the uptake of sustainable practices by all relevant actors in the food system**, including by enabling primary producers (such as farmers and fishers) to improve their performance, contributing to fair incomes and good working conditions⁴;
- **To foster further improvement of internal processes, operations and organisation** in food processing, retail and food service to ensure a high sustainability performance, responsible business and marketing practices⁵ and integration of biodiversity and natural capital considerations⁶. This includes the reduction of food waste and loss along the food value chain and promotion of circular economy principles⁷.

To achieve these objectives and have a meaningful impact, it is indispensable that the Code include **specific and tangible commitments** that can be practically implemented, measured and which actually contribute to a truly sustainable food environment. Commitments may take the form of a declaration of engagement and actions to take in major areas, together with a commitment to move towards higher levels of ambition within a defined timeframe. The Code will also include a set of **more ambitious, measurable commitments** by actors who are able to show leadership and demonstrate greater ambition. These may be commitments on health, economic, social and environmental aspects (for example, commitments to reduce an operators' environmental footprint of total sales with X% by 2030). Commitments will be monitored using a set of indicators as part of an accompanying **monitoring framework**.

³ Taking into account the experience of the EU platform for action on diet, physical activity and health and ensuring alignment with national initiatives in the Member States including ongoing initiatives such as the joint action BestRemap, for example through reformulation, in line with the EU frameworks for national initiatives on salt and on selected nutrients with annexes, increase of sales of fruit and vegetables, legumes, nuts and wholegrains, reduction of sales of sugars in final products, portion size, offering, marketing including promotion practises enabling a shift towards more plant-based diets, in line with dietary recommendations.

⁴ Including (among others): optimisation of transport and logistics; ensuring decent working conditions throughout the chain, enabling farmers to produce sustainably and earn a decent income through a fair distribution of value, fostering animal welfare and sustainable agricultural practices, diversifying sourcing strategies and product portfolios, to leave space for a growing diversity of products that are valued by Europeans, and actions to reward farmers who enhance biodiversity and prevent deforestation.

⁵ For example, in line with footnote 3, fair marketing practises and limitation of (online) marketing of products high in sugars, fat, saturated fat and/or sodium/salt and ending of sales of sugary food and drinks in primary and secondary educational institutions.

⁶ This includes integration of natural capital into the corporate accounting and decision-making framework used by agri-food companies and ensuring the values, dependencies and impacts on biodiversity throughout their supply and value chains are accounted for according to international standards and codes of conduct.

⁷ For example, reduction of packaging.

5. HOW & WHEN WILL THE CODE BE DESIGNED?

The Code will be designed in a participatory way as part of a **stakeholder dialogue**.

The dialogue will involve the ‘middle of chain’ actors and associations, other business operators along the wider food chain and their representatives (e.g. farmers and fishers associations), SME organisations, selected NGOs, experts and academia, consumer representatives, co-ordinators of national and industry initiatives and Member States. The specific commitments may be designed in **thematic working groups**, which shall regularly meet in the first half of 2021. A technical sub-group will prepare the framework of the Code ahead of the over-comprehensive dialogue.

As the vast majority of food companies are **small and medium enterprises (SMEs)**, the Code will involve them, based on their needs and capabilities and should effectively and practically guide them in their sustainability transition, without imposing unnecessary burden. EU support mechanisms for SMEs, as outlined in the EU SME strategy and financing programmes, should facilitate SME participation.

In order to avoid overlaps, the Code will build on existing work and take into account planned EU political and legislative initiatives, all food related policies as well as outcomes of current EU studies on food sustainability and on marketing practices towards vulnerable groups, best practice examples of industry codes and related work at national and international level⁸.

As indicated in the Farm to Fork action plan, the Code is to be ready for signing by stakeholders by the **end of June 2021**.

The Commission will monitor the commitments under the Code and how they correspond to set objectives and consider legislative measures if progress is insufficient, as part of the review of the Farm to Fork strategy.

6. SUMMARY

The Code of Conduct is a unique opportunity for all actors in the food system to improve performance, visibility and mutual understanding in line with the objectives of the Farm to Fork Strategy. In order to achieve results, it needs to build on strong commitments, with measurable impact and be based on an inclusive process. The initiative will take into account different aspects, including the need for recovery and resilience (caused by the COVID-19 crisis) and the broader economic, environmental and societal challenges facing the food system.

⁸ Such initiatives include (but are not limited to): other actions in the Farm to Fork and Biodiversity Strategies, the European Cancer Plan, and Circular Economy Action Plan; the planned legislative proposal on ‘Minimising the risk of deforestation and forest degradation associated with products placed on the EU market; the upcoming initiative on corporate governance and due diligence, the Product and Organisation Environmental Footprint methods and initiative on Green Claims, sustainable packaging and waste policies etc.