

THE VOICE OF THE UK COFFEE INDUSTRY.

THE BRITISH
COFFEE
ASSOCIATION



BCA Sustainability Committee Meeting
4 June 2019

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Agenda

- 1:30 - Welcome and introductions
- 1:35 - News round-up
- 1:45 - Insights from recent sustainability meetings
- 2:00 - Introduction to the International Women's Coffee Alliance (IWCA) - Kellem Agnew Emanuele, President of the IWCA
- 3:00 - BREAK
- 3:10 - Update on Sustainability Heat Map – revisions and recommendations
- 4:10 - Top ten priorities for the Sustainability Committee – shaping future meetings and focal areas
- 4:25 - AoB

Sustainability News Round-Up in Q2 2019

Bumper crops could cut the cost of your morning latte after slump in price of coffee beans and milk

- Coffee costs falling due to bumper crops in Brazil and UK's good spring weather
- Markets trading in coffee beans report the lowest bulk prices for a decade
- Warm British weather in spring improved the quality of the grass cows feed

Which coffee pod brands are the most eco friendly?

Pod system	Recyclable pods?	Compostable pods?
Nespresso	Yes, via Nespresso's scheme	Yes – compostable options available for Original-line machines (not Vertuo)
Lavazza	No	Yes – Lavazza makes a compostable pod, and the whole range will be compostable from September 2019
Dolce Gusto	Yes, but only if you order direct from Dolce Gusto	No
Tassimo	Yes, but drop-off points are	No

Barista's shot of inspiration turns used coffee grounds into spectacles



The Resources and Waste Strategy: Responding to the Consultations

COFFEE CONTRIBUTES £17.7 BILLION TO UK ECONOMY

Anita Rani and Hugh Fearnley-Whittingstall reveal how much plastic waste we generate in new BBC series

Despite the plastic mountain they are encouraged by a change in public attitude to waste



Insights from recent sustainability meetings

AFCA 2019 – Kigali

- World coffee market outlook
- Living wage & living income
- Productivity, yield, quality vs. profitability
- Land fragmentation & overpopulation
- Diversification & alternative livelihood options
- Aging farming populations & the 'Next Generation'
- Gender equality and equity

SCA 2019 – Boston

- Coffee in Crisis – macroeconomic dysfunctions
- Cost of production & profitability
- Beyond certification
- Transparency in value chains –
- Beyond the “C” market - the Speciality Coffee Transaction Guide
- Resilience and financing
- Technological innovations at origin
- World Coffee Research (WCR)

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International Women's Coffee Alliance

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<Insert IWCA slides>

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BREAK

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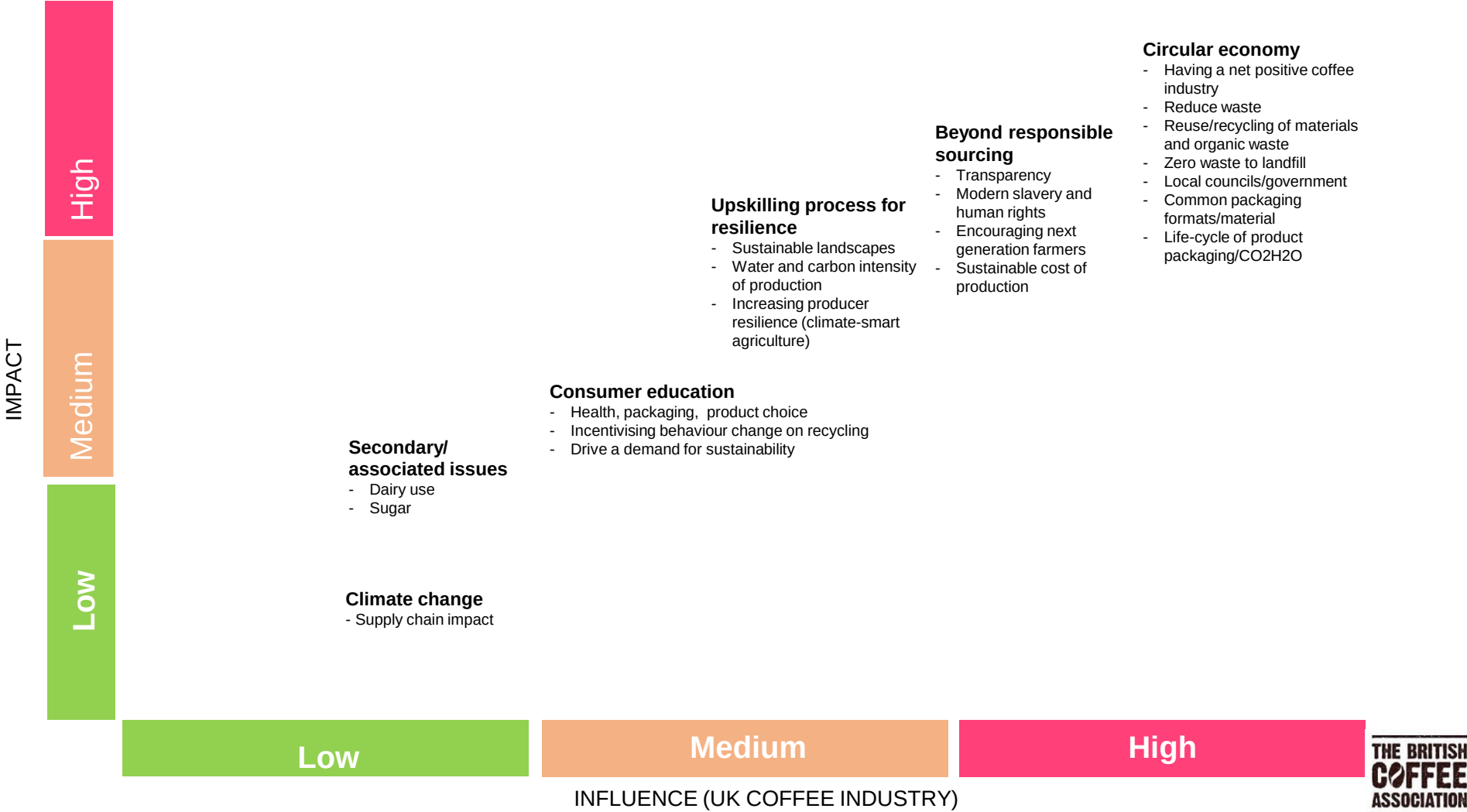


Update on Sustainability Committee Heat Map –
Revisions and recommendations

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Stage 1 Feb 2017



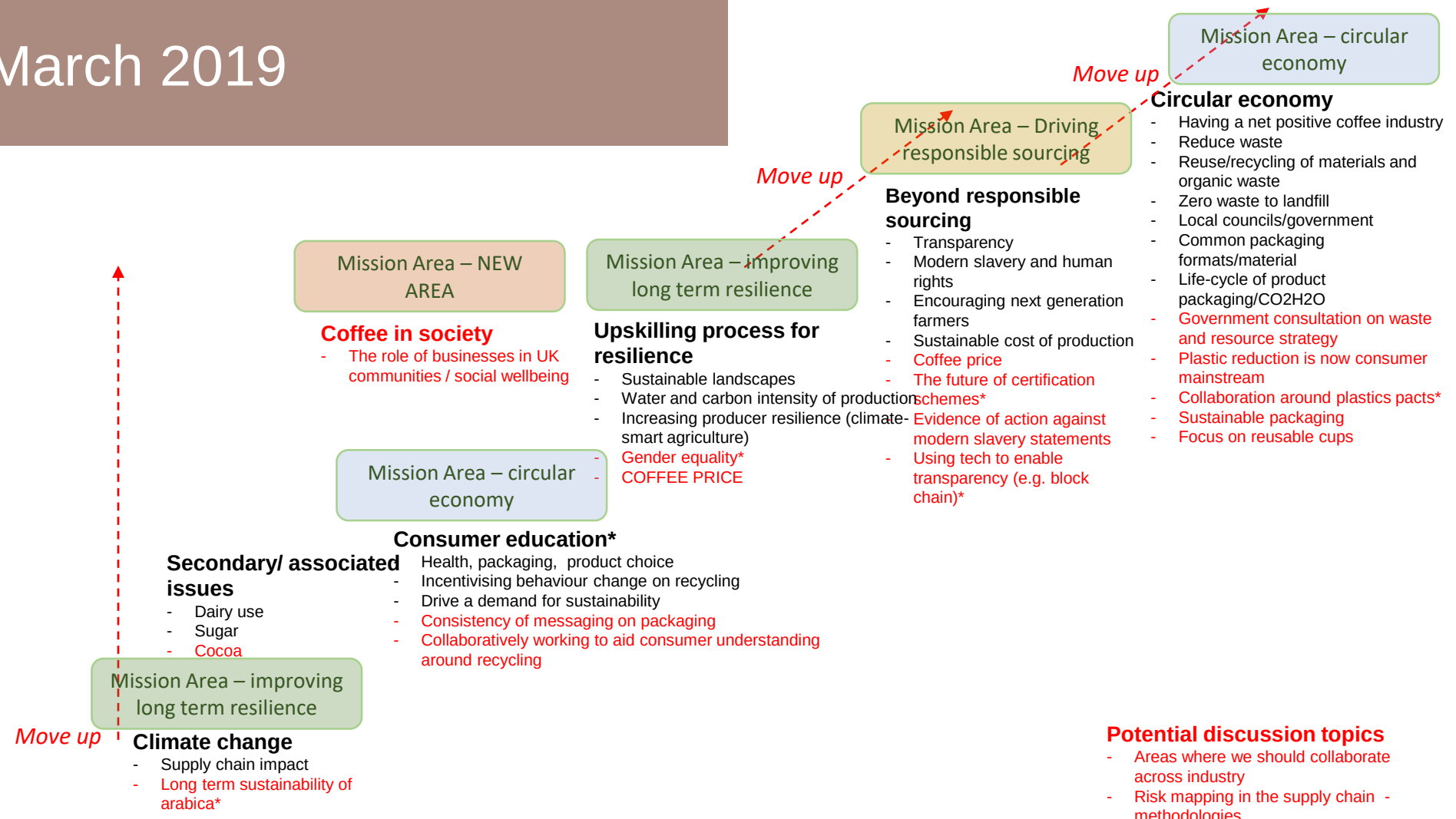
Outputs from March 2019

IMPACT

High

Medium

Low



- Potential discussion topics**
- Areas where we should collaborate across industry
 - Risk mapping in the supply chain - methodologies
 - * agenda areas

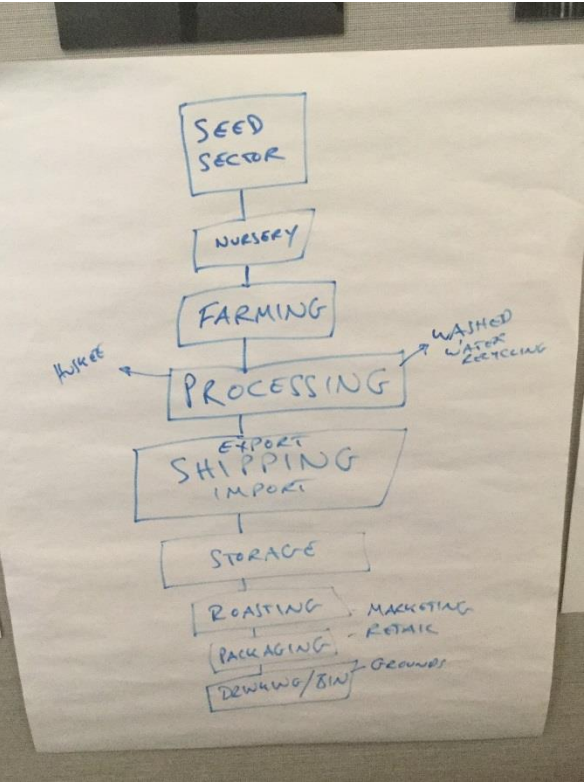
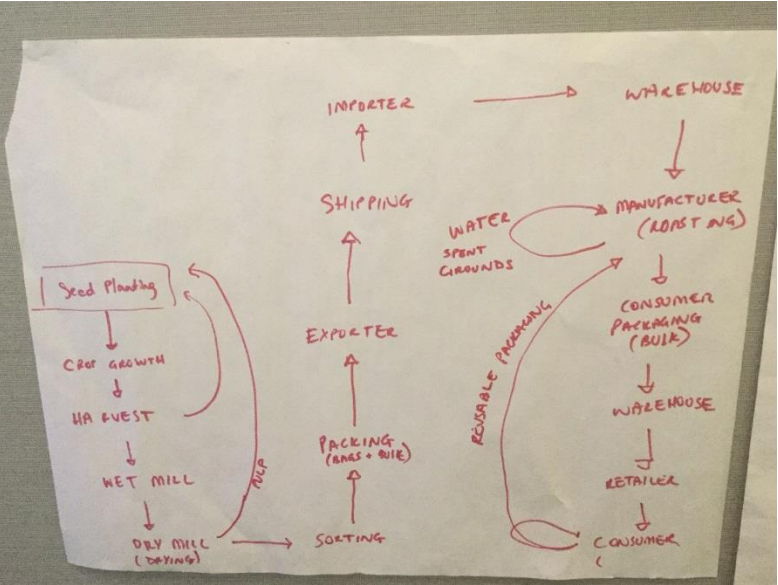
Low

Medium

High

INFLUENCE (UK COFFEE INDUSTRY)

Outputs from the BCA educational seminar

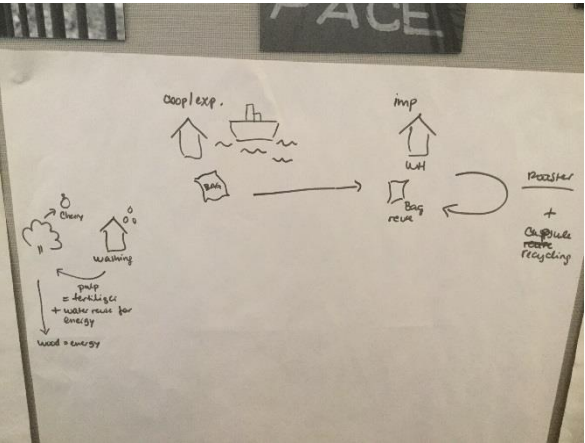


TOP 5 ISSUES

FOR THE UK COFFEE INDUSTRY

X-CROSSOVER

- GREEN WETTER MARKET PRICE
- COST OF PRODUCTION
- PRICE TRANSPARENCY
- CLIMATE SMART FARMING
- WASTE + RECYCLING
- FARM PRODUCTIVITY
- MODERN SLAVERY
- ACCESS TO CASH
- CAPSULES MACHINES
- CONSUMER EDUCATION
- MULTINATIONAL CORPS
- LIVING WAGE + INCOME
- ATTRACTING YOUTH



BCA Sustainability Committee Mission – Key Issues

Resilience at Origin

Environmental/Climate resilience

- Climate Smart Farming – access to know-how
- Farm Productivity
- Plant Science & Crop resilience (WCR) - arabica's long term sustainability
- Land-use changes / alternative land-use options

Economic resilience

- Green coffee market Price – futures/outright
- Cost of Production
- Financial literacy
- Access to credit / pre-finance/microfinance & VSLAs
- Attracting Youth/Next generation in coffee

Social resilience

- Access to Clean Water & Energy
- Access to Healthcare
- Access to Education
- Gender equality/equity
- Access to Family Planning

Responsible Sourcing

Social Responsibility

- Modern Slavery / Human Rights Due Dil. & Reporting
- Role of Certifications - & beyond
- Hired labour working/living conditions
- Living Wage/Living Income

Transparency & Traceability

- Price transparency on farm gate prices
- Full transparency of supply chains
- Tech-enabled traceability e.g. blockchain
- Industry/landscape collaboration

Environmental Resp. - LCAs

- Carbon / Energy footprint/Sequestration
- Water footprint
- Waste Management
- Deforestation-free supply chains

Circular Economy

Advocacy

- Govt. waste and resources strategy
- WRAP Plastics pact
- Reusable cups
- Capsules – recycling/collection points

Resource efficiency - Manufacturing

- Energy efficiency
- Water management
- Waste management Zero waste to landfill
- Reuse and recycling

Sustainable Product Design

- Packaging LCA
- Packaging Standards & Certification – FSC
- Recycle/Reuse/Compost - ability
- Consumer education

New area to define

Coffee in society – community investment

HIGH

British coffee industry has high level of influence on and the issue has a high impact

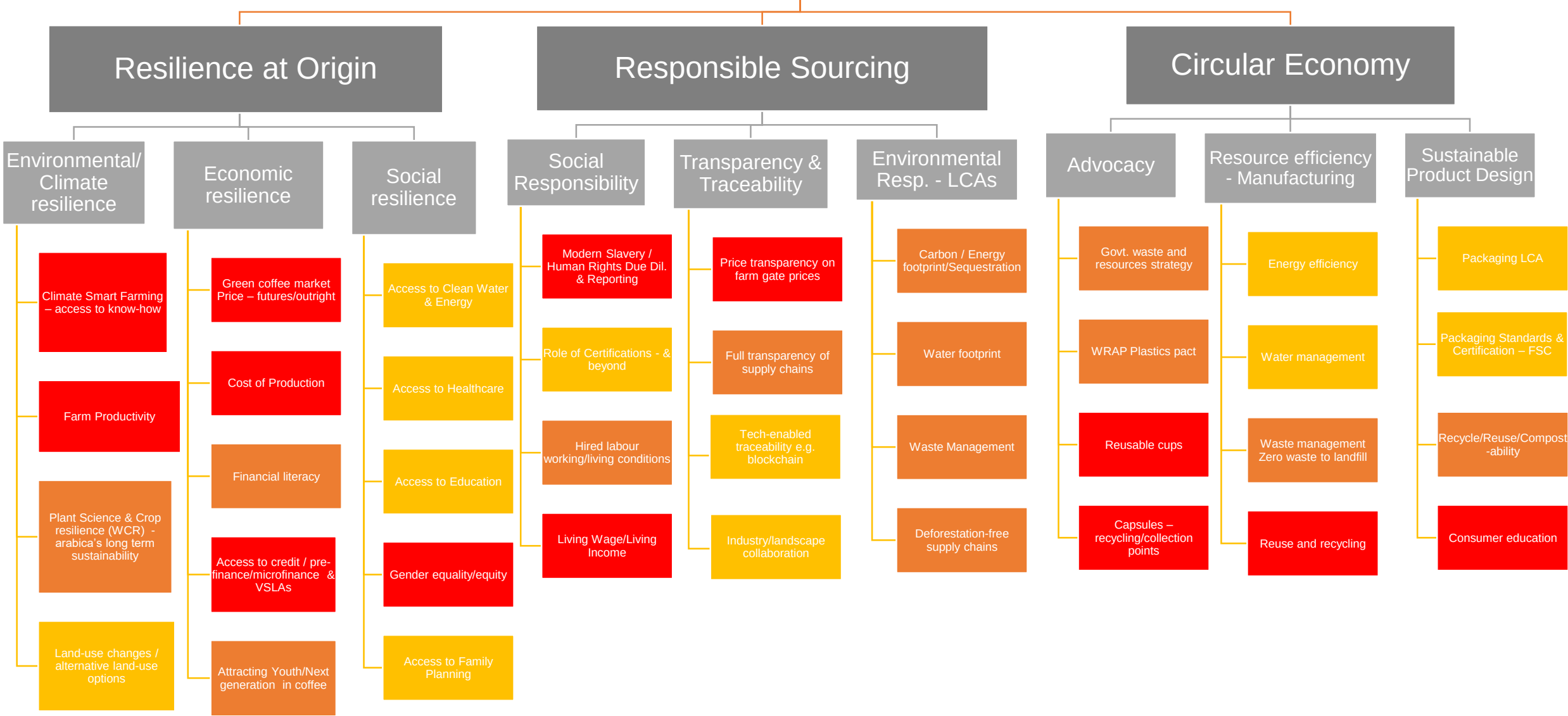
MEDIUM

British coffee industry has moderate level of influence on and the issue has a medium impact

LOW

British coffee industry has low level of influence on and the issue has a low impact

BCA Sustainability Committee Mission –
Key Issues



To discuss...

- Which of the top issues should the BCA have a defined point of view on?
- What does having a defined point of view mean? (e.g. white paper/ position statement)
- Future meeting focus areas based on heat map

To suggested focus areas

Circular Economy

Area	Definition	Current BCA position	Activities to date	Supporting documents
Reusable cups	The recyclability of reusable cups including national recycling schemes and govt consultations on areas such as taxation	Backs cup recycling, and has an industry line on taxing cups	Member of the Paper Cup Recovery and Recycling Group	Bean to bin and Beyond paper Bean to Bin and Beyond industry debate event
Capsules – recycling/collection points	The recyclability of coffee pods including national recycling schemes	Promotes the recycling of pods		Bean to bin and Beyond paper Bean to Bin and Beyond industry debate event
Reuse and recycling	Covers all packaging associated with the coffee industry to ensure that materials are recyclable. Also includes areas such as taxation reviews	Responding to the Government's May 2019 Extended Producer Responsibility Consultation		Bean to bin and Beyond paper
Consumer education	Ensuring that customers know how what coffee industry related packaging is recyclable and the harmonisation of recycling communications	A point of view is needed on labelling and consumer comms – has this been defined?		

To suggested focus areas

Responsible Sourcing

Area	Definition	Current BCA position	Activities to date	Supporting documents
Third-party certifications (FT, RA/UTZ, Org)	Compliance to certain social, environmental and/or price & premium payment related standards, verified by independent third-party audits.			
Modern Slavery / Human Rights Due Dil. & Reporting	Compliance with the UK Modern Slavery Act 2015 - designed to combat modern slavery in the UK and consolidates previous offences relating to trafficking and slavery – came into force on 29 th October 2015.			
Price transparency on farm gate prices	Efforts related to understand the farm gate prices paid to smallholder farmers at the point of sale to a washing station/mill thereby creating greater transparency and a chance for more equitable value distribution along the supply chain.			
Living Wage/Living Income	A living wage is the minimum income necessary for a worker to meet their basic needs incl. food, housing, clothing, education, health care. The goal of a living wage is to allow a worker to afford a basic but decent standard of living. Living income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Both concepts build on the work of the Global Living Wage Coalition.			

To suggested focus areas

Resilience at Origin

Area	Definition	Current BCA position	Activities to date	Supporting documents
Climate Smart Farming	Climate-smart agriculture (CSA) is an integrative approach to address these interlinked challenges of food security and climate change, that explicitly aims for three objectives: sustainably increasing agricultural productivity, to support equitable increases in farm incomes, food security and development.			
Green coffee market Price – futures/outright	Futures markets are used to offset price risk in the green coffee market where different qualities of coffee are traded. Traders therefore link individual prices with the futures price by establishing a price difference, the differential. An outright futures position is a long or short trade that is not hedged from market risk.			
Access to credit / pre-finance/microfinance & VSLAs	The most common types of coffee trade finance are the pre-financing of coffee to be purchased, advances against actual stock holdings, and the financing of the goods during processing for export and shipment. Microfinance, also called microcredit, is a type of banking service that is provided to unemployed or low-income individuals or groups who otherwise would have no other access to financial services. A Village Savings and Loan Association (VSLA) is a group of people who save together and take small loans from those savings. The activities of the group run in cycles of one year, after which the accumulated savings and the loan profits are distributed back to members.			
Gender equality/equity	Gender equality, also known as sexual equality, is the state of equal ease of access to resources and opportunities regardless of gender, including economic participation and decision-making; and the state of valuing different behaviours, aspirations and needs equally, regardless of gender.			

AoB

- ECF Sustainability Working Group
- ICO/ECF Sustainability Event - 6th June Brussels
- World of Coffee – 6th- 8th June Berlin
- Dates of next meetings:
 - Tuesday 10th September, 1 – 4pm
 - Tuesday 3rd December, 1 – 4pm

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