

**THE BRITISH
COFFEE
ASSOCIATION**

BCA Sustainability Committee Meeting
2nd March 2021

www.britishcoffeeassociation.org

@BritCoffAssoc

Antitrust Statement

Members of BCA shall not enter into any discussion, activity or conduct that may infringe, on its part or on the part of participants, any applicable competition law.

By way of example, participants shall not discuss, communicate or exchange any commercially sensitive information, including information relating to prices, marketing and advertising strategy, costs and revenues, trading terms and conditions with third parties, including purchasing strategy, terms of supply, trade programs, or distribution strategy.



Housekeeping

- Keep **camera ON** for the whole duration of the call
- Keep **microphones OFF** whilst listening and only turn microphone ON when contributing to a discussion
- Use 'raise hand' and chat functionality during the call when wanting to contribute or have any questions to the hosts



Agenda

- | | |
|--------------------|---|
| 1.30 - 1.40 | Welcome, introductions & housekeeping
Committee Co-Chair Position:
To confirm – Roxy Rocks-Engelman of Café Direct |
| 1.40 - 1.45 | News roundup |
| 1.45 - 2.05 | Guest speaker - Dr Sharon Hall, UKTIA |
| 2.05 - 2.30 | Update on EPR and DRS after FDF meeting with Defra Minister
Environment Bill Update – draft deforestation position paper
Brief update on trade agreements (EU, US, Aus, NZ and CPTTP)
OxCERT - to discuss interest in BCA involvement
Single Serve Units – renewed ECF activity and UK position |
| 2.30 – 2.50 | BCA Sustainability Committee 2021 Priorities |
| 2.50 – 2.55 | 2 nd New Co-Chair invitation |
| 2.55 – 3.00 | AoB & date for next meeting |



News round-up



Farmers in Peru's central jungle ripping up their coffee plants and replace them with coca leaf



Coffee Barometer

Little evidence coffee companies' sustainability efforts have impact: report



Following Brexit, UK Joins the International Coffee Organization



Fungus that eats fungus could help coffee farmers, shows new Swedish study led in Ethiopia



BCA webinar – Mobilising science for the future of coffee – Dr Vern Long, WCR

<https://www.youtube.com/watch?v=0XQvsWbCutg&feature=youtu.be>



Nature is a blind spot in economics that we ignore at our peril, says Dasgupta Review



UKTEA &
INFUSIONS
ASSOCIATION



UKTIA's Sustainability Committee

2nd March 2021

Introduction – UKTIA

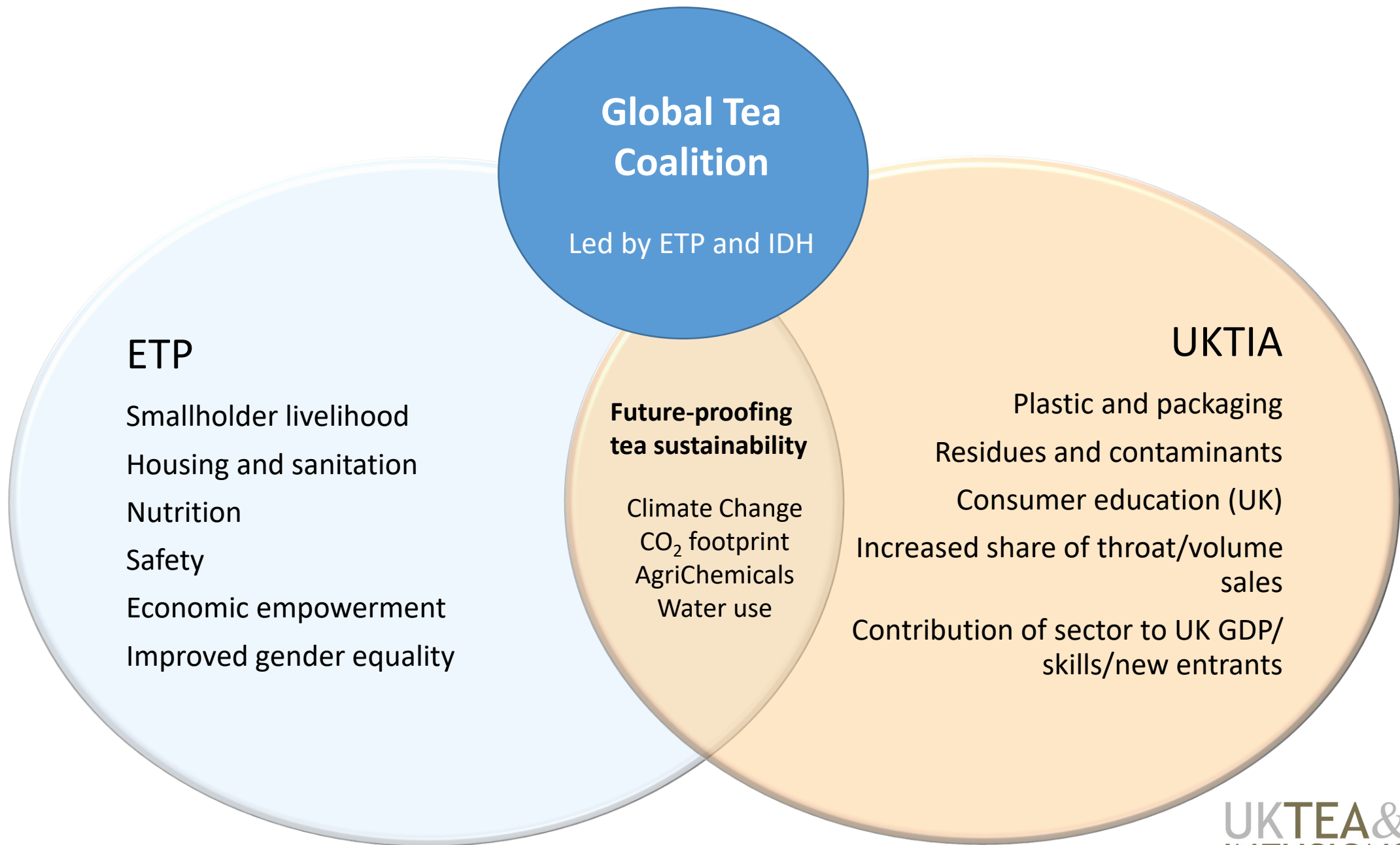
- 1966- 2005 The Tea Council Ltd.
- 2005 - Merger of the Tea Council and UK Tea Association to form the United Kingdom Tea Association Ltd.
- 2014 Merged with UK Herbal Infusions Association to form the United Kingdom Tea & Infusions Association (UKTIA) Ltd.

Discussing Sustainability in the Tea Industry

Historically no specific focus on Sustainability within UKTIA.

In June 2019, the membership came together to discuss which areas UKTIA should focus on and this resulted in the creation of a new Sustainability Committee in January 2020. The remit:

- Support members in their efforts to drive sustainability, with a **focus on what happens at the UK end of the supply chain.**
- Support the work of others e.g., ETP, RFA, Fair Trade, UEBT, etc. on resilience at origin. Presenting a united industry voice.
- Provide technical expertise from the regulatory and policy landscape and other international sources to support specific areas of sustainability work.
- To liaise with the UKTIA Technical Operating Group.
- To focus on national policy priorities e.g., plastics and packaging, Net Zero targets, adoption of Renewable Energy.
- To deliver national activities that promote share of throat for teas and herbal infusions.

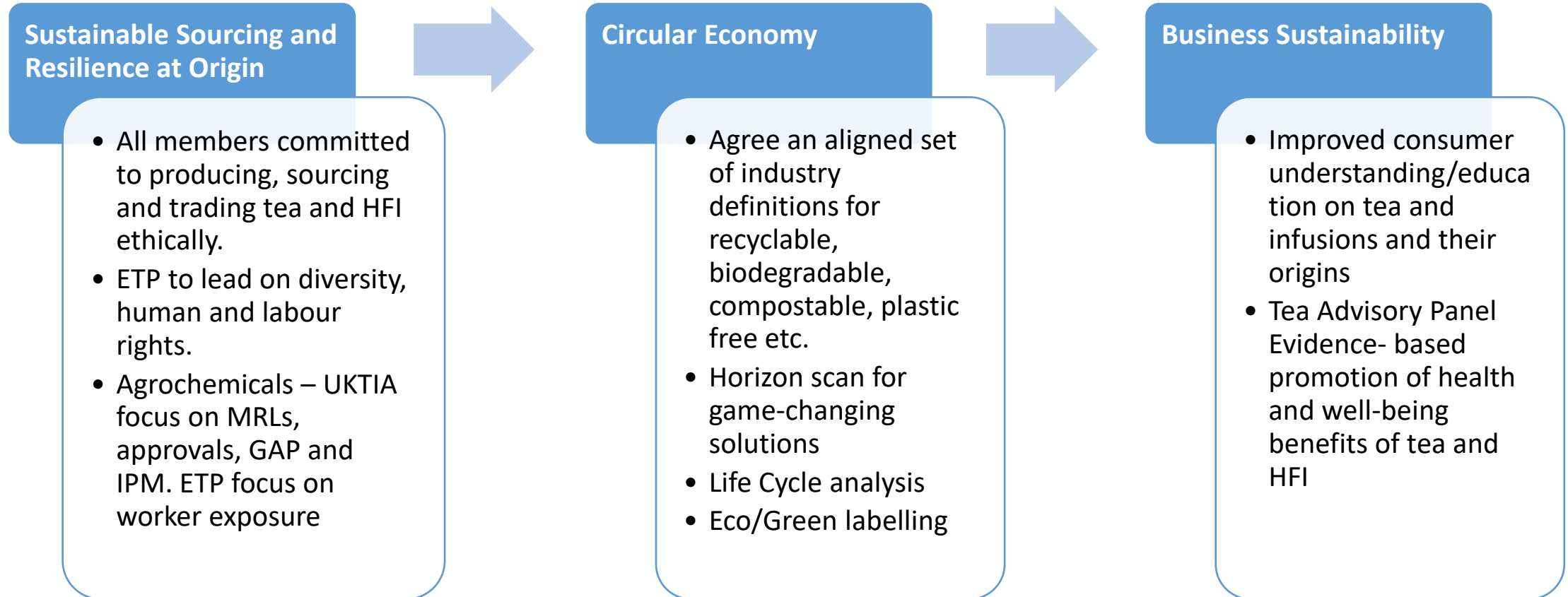


Global Tea Coalition – Three Pillars

ETP and IDH are leading on the development of the GTC under three pillars:

- **EQUALITY:** Developing empowered, safe tea communities with good opportunities for women and young people. OR Champion equality, empowerment and inclusion so all in tea communities are safe and have equal opportunity to progress and uphold a culture of zero tolerance on harassment and discrimination.
- **ENVIRONMENT:** Achieving a carbon neutral tea sector which does not contribute to deforestation and where estates and farmers are resilient to climate change.
- **ECONOMIC LIVING WAGES AND LIVELIHOODS:** Improving the economic sustainability of the industry so that everyone involved in producing tea in our supply chains has good livelihoods, workers earn a living wage and farmers a living income.

Sustainability across the Tea Supply Chain

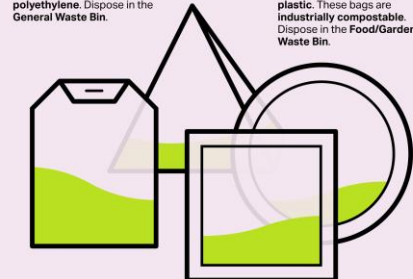


What's in a tea bag?



The bag is sometimes sealed with a type of plastic, typically polypropylene or polyethylene. Dispose in the General Waste Bin.

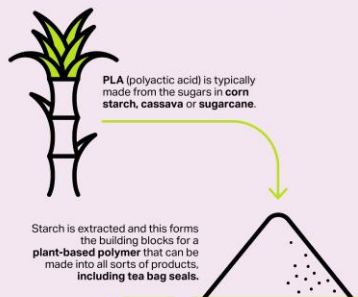
Increasingly bags are sealed with polyactic acid - PLA, a renewable plant-based plastic. These bags are industrially compostable. Dispose in the Food/Garden Waste Bin.



Tea bags can be made of conventional plastics such as nylon or PET. Dispose in the General Waste Bin.

Some are made completely from plant-based materials, such as cotton, or biodegradable paper stitched together with cotton. Dispose in the Food/Garden Waste Bin.

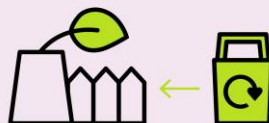
What is PLA?



PLA is preferable mainly because:



PLA tea bags that are industrially composted breakdown into naturally occurring substances such as gases (CO₂), water vapour and organic material.



Compost can be used to enrich soil in farm fields and gardens



How to dispose of tea bags



Once you have made your cup of tea there are a number of ways you can dispose of your tea bag.



Tea bags sealed with plant-based plastic (e.g. PLA), or labelled as biodegradable, can be placed in the Food/Garden Waste Bin.



Tea bags with traditional oil-based plastic seals, should be placed in the General Waste Bin.



Or, you can tear open the bag and empty the tea leaves on a garden compost heap. Please dispose of the bag in the appropriate bin.

Tea bags are changing for the better.

Your tea will always taste great and you can join us in helping to protect the environment by disposing of teabags responsibly.

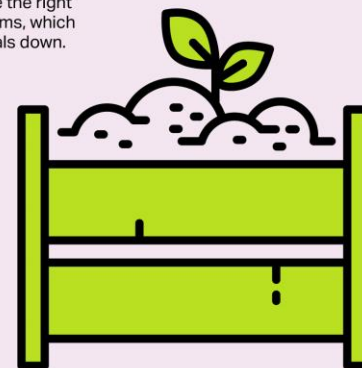
Can I put tea bags on my garden compost heap?



In cooler countries like the UK, home composters do not always reach the temperature needed to breakdown a whole tea bag.

Effective home composting, e.g. on a heap in your garden or a specially designed composting bin, can only be achieved in climatic conditions that promote the right balance of microorganisms, which are able to break materials down.

Bags should be disposed of separately.



You can rip your tea bag open and empty the tea onto your compost heap. Please dispose of the tea bag tissue appropriately.



Work done so far

- Focus on plastic in tea bags.
- Industry definitions document seeking industry alignment on terms such a biodegradable, compostable, plastic-free. A living document.
- Guidance on recycling labelling - Eco/Green labelling racing up the agenda in the UK and EU.
- 2020, our European Association (THIE) started a Plastics and Packaging Working Group. Through this group we are reviewing our UKTIA definitions document and labelling guidance from a European perspective. Working together to seek wider alignment.
- Focus within our Sustainability Committee now widening to discussions on renewable energy, Net Zero targets, life cycle analysis.

THIE Steering Group on the EU Green Deal

- We have reviewed each policy area (CEAP, Sustainable Industry, Biodiversity, Farm to Fork, Sustainable Agriculture, Climate Neutrality) and identified objectives relevant to the tea & HFI sector.
- Plotted where we should lead or where we should contribute to the work of others (e.g. FDE).
- Example objectives where we have sector-specific deliverables
 - Requirements to Reduce Packaging Waste
 - Reduce chemical pesticides use by 50%
 - EU uses 66% Renewable Energy
 - Product Life-Cycle-Assessments / Carbon Footprints
 - Green labelling of consumer products, CO₂, biodegradable, compostable etc.,
 - All of the world's ecosystems are restored, resilient, and adequately protected

Equivalent policy drivers in the UK

UKTIA Renewable Energy benchmark

- As a platform to engage on Renewable Energy/Net Zero objectives (UK and EU) we agreed to survey members on current use and plans to adopt Renewable Energy.
- This also to support consumer engagement project on reducing energy consumption.
- Media drivers – increased tea consumption during lockdown linked to increased energy use in the home.
- To be in a position to communicate with our consumers on energy use and the positives of switching to renewable energy, we first want to understand the industry position.

EPR & DRS Updates

- EPR

- Defra aiming for single UK approach
- Industry push to see EPR timing coordination with PP tax
- Need for EPR ringfencing to fund scheme development & promote recycled plastics availability
- Defra – possibility of green financing??

- DRS

- Scotland live from 1 July 2022
- Certain exemptions permitted, applications can be made
- Defra watching – aiming to standardise across UK where possible

Trade Agreement Update

- **US**
 - 5 negotiating rounds completed prior to US election
 - Still waiting on finalisation of new USTR team
 - UK taking differing position on retaliatory tariffs
- **AUS/NZ**
 - 3rd round completed in late 2020
 - UK looking for information on business opportunities
- **CPTTP**
 - £110bn export market with CPTTP countries
 - Looking to begin negotiations in second half of 2021
 - Mexico, Peru and Vietnam amongst members
- Need understanding of where sustainability sits within the UK negotiating mandate *cf* EU position

WCR & OxCART

- Follow on from recent BCA Webinar
- OxCART existing draft proposal
- WCR view on coffee industry involvement and steerage
- Very much forward looking
- Drivers to future coffee production & climate implications
- Who grows and where – origin diversity
- Is this something BCA should be offering its support to?

ECF – Single Serve Units

- Further development in EPR due in 2021 in both UK and EU
- Current industry view that EPR schemes most effective means of dealing with packaging, including capsules
- Dealing with capsules in this way potentially means seeking to have them reclassified as ‘packaging’ as opposed to ‘product’
- Approach should be to have capsules are part of mandatory EPR schemes rather than proprietary industry approach (ie. German yellow bin)
- Investment in infrastructure therefore directed through mandatory schemes
- Based on industry freedom to chose material type

BCA Sustainability Mission



AIMS

- Improving Environmental Sustainability of Coffee Industry
- Enhancing Social Responsibility across the Supply Chain
- Driving Measures that improve Economic Viability of Coffee Production

PRIORITY FOCUS AREAS

1. Working towards a circular economy for UK coffee industry
2. Driving responsible sourcing practices that enhance existing standards
3. Improving the long-term resilience of coffee farmers at origin

1st question

Do you agree that the main aims and priority focus areas of the BCA Sustainability Mission remain valid?

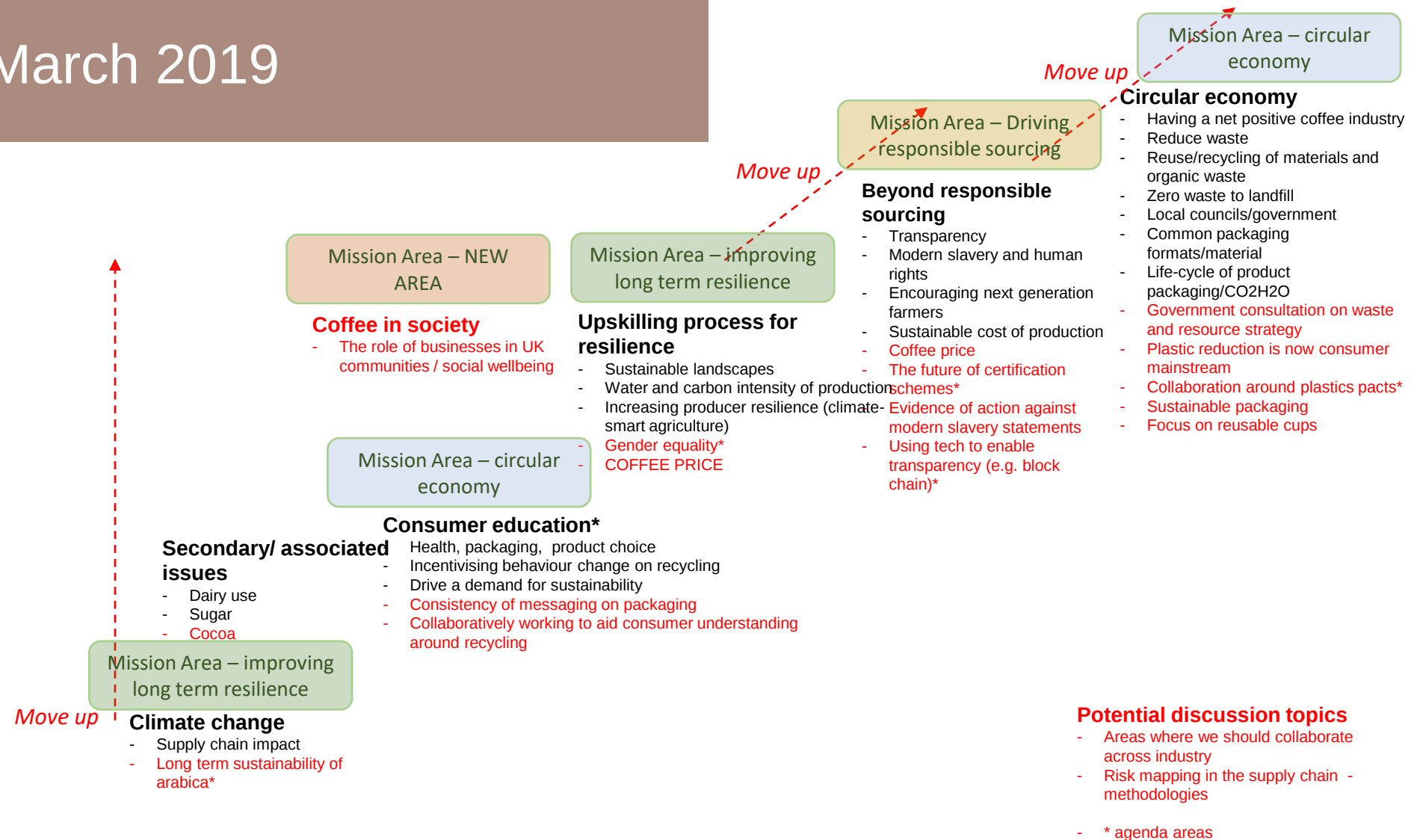
Outputs from March 2019

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)

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

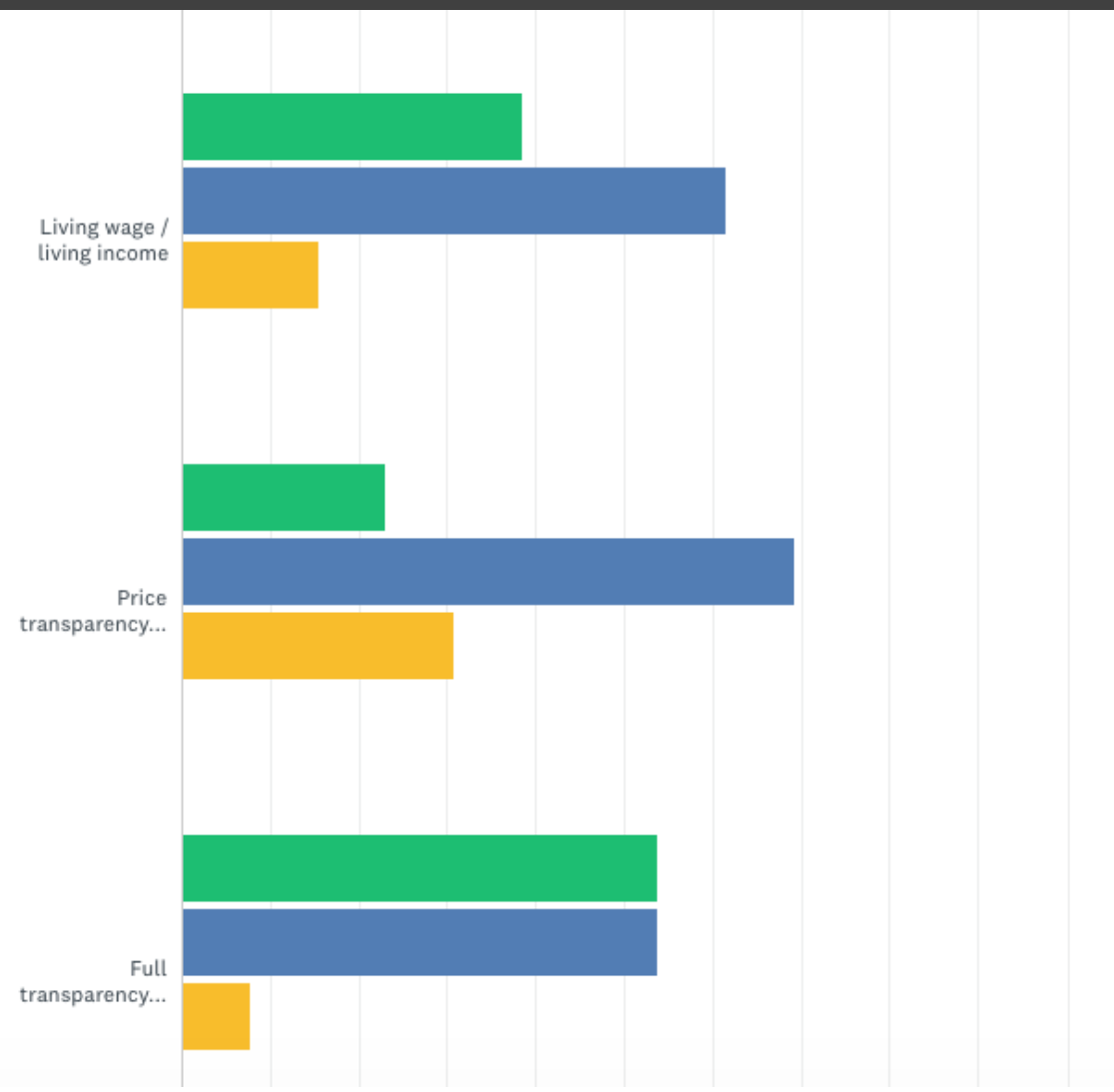
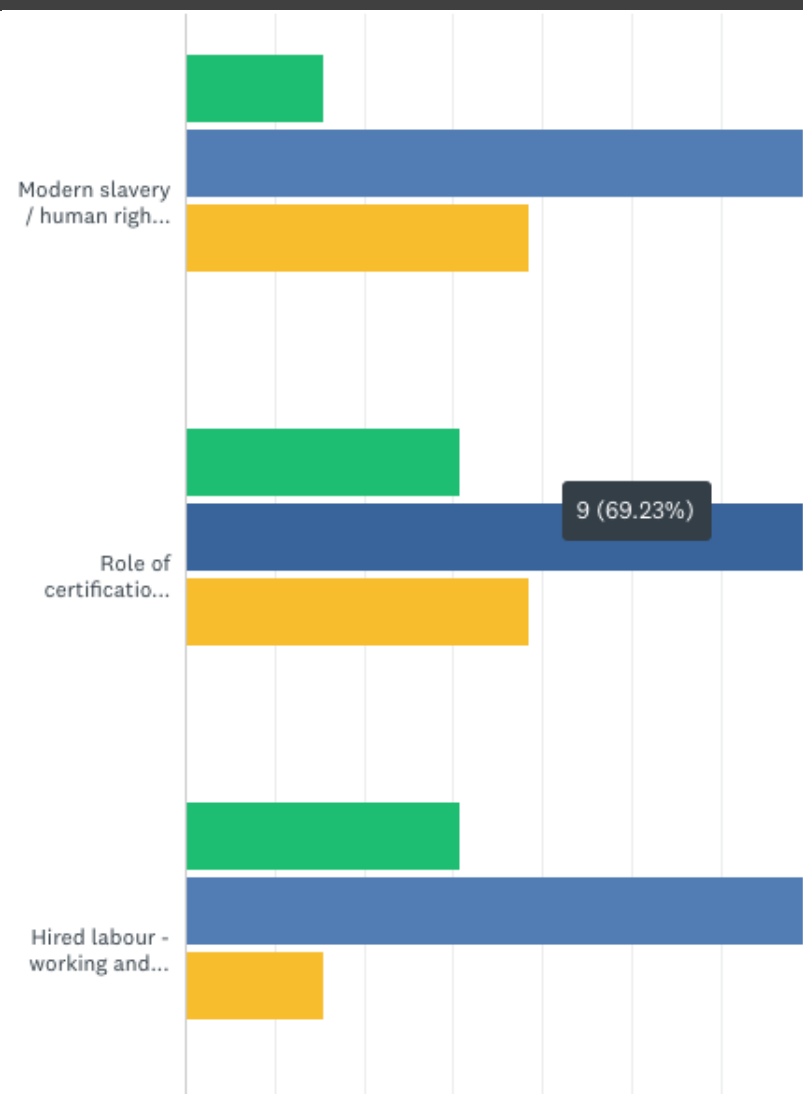
- Energy efficiency
- Water management
- Waste management Zero waste to landfill
- Reuse and recycling

Sustainable Product Design

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

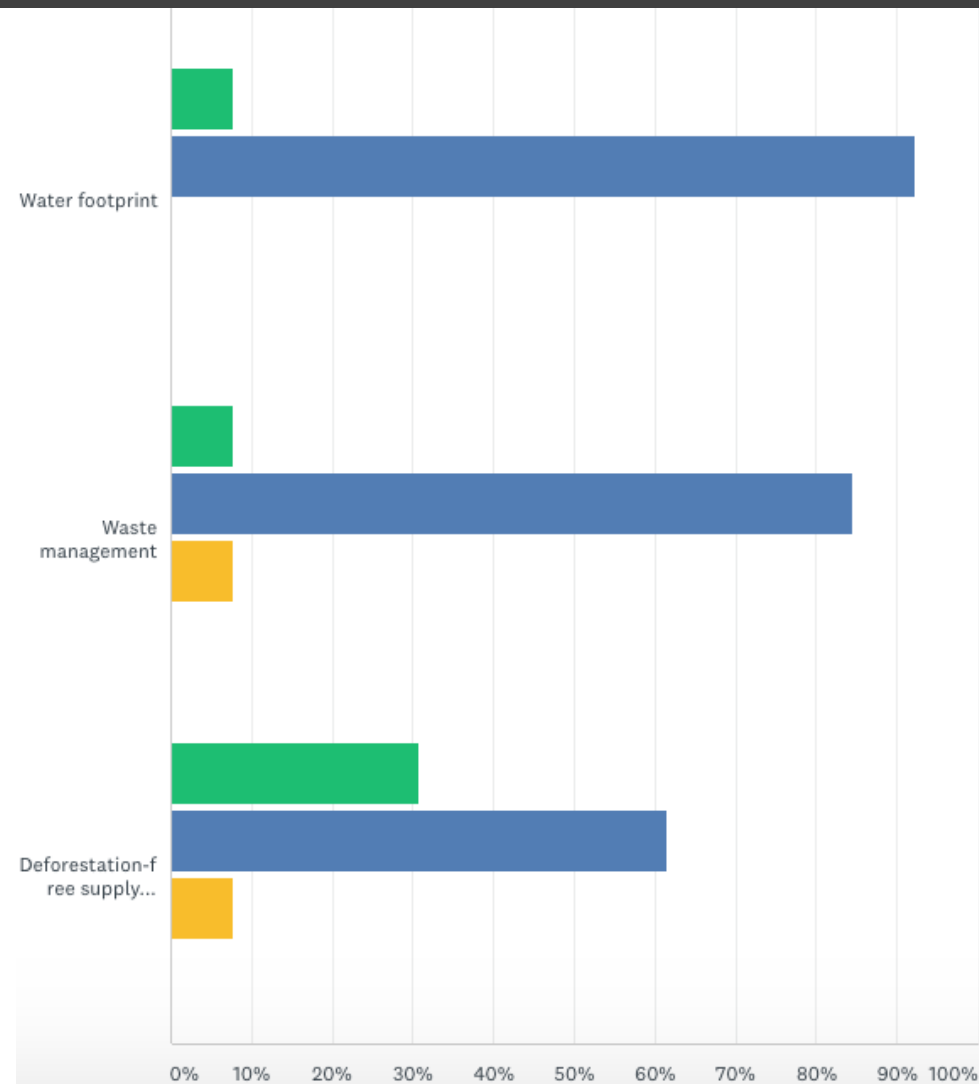
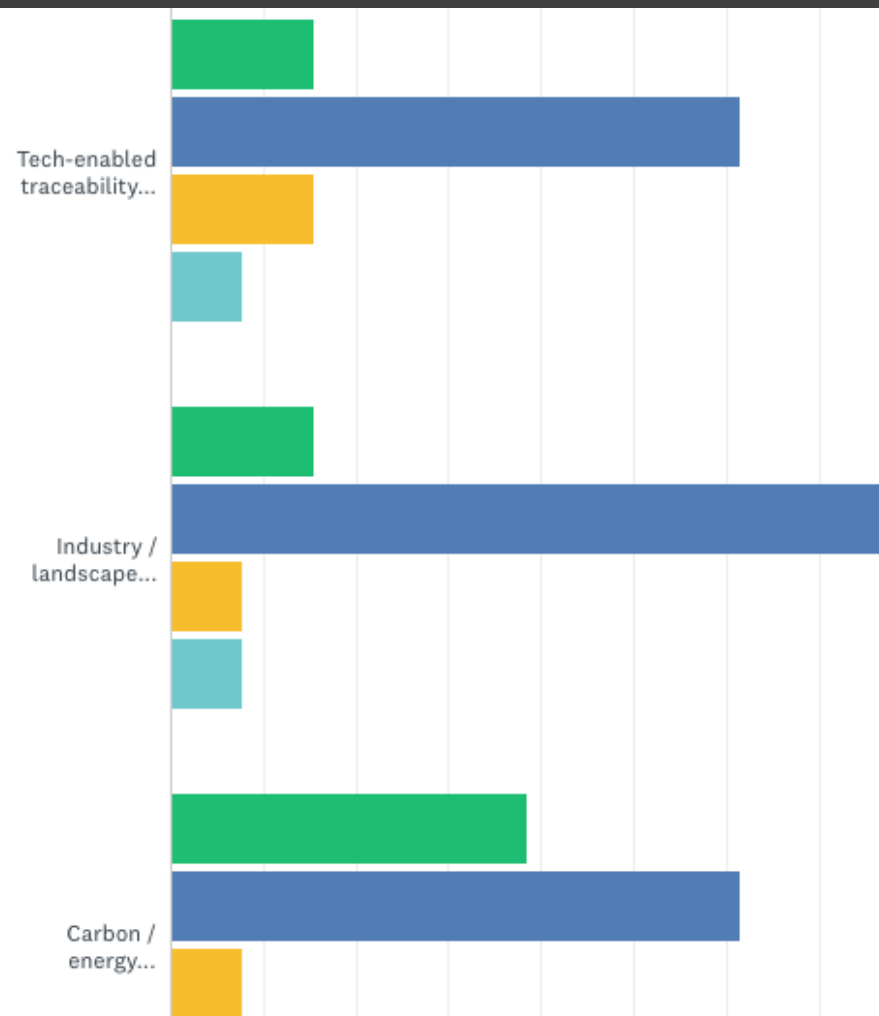
BCA level of engagement

Explore collaboration opportunities Information sharing and learning
Position statement for external communication N/A



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Explore collaboration opportunities Information sharing and learning
Position statement for external communication N/A



2021 Priorities?

- **Modern Slavery & Human Rights Due Diligence**
 - Promote positive actions being taken (plus extra during Covid?)
- **Waste & Recycling**
 - Responses to EPR & DRS consultations
 - Opportunities for wider industry partnerships?
 - Liaison with local authorities regarding UK recycling infrastructure
- **Carbon/Climate Action and Resilience**
 - Carbon Intensity reduction, UK & origins – actions
- **Post-Brexit Supply Chains**
 - Tariffs etc vs Carbon balance (ie. has Brexit benefited or damaged sustainability aims)

2nd question

Please rank the below priorities in order of importance for your company:

- Modern Slavery;
- Waste & Recycling;
- Carbon/Climate Action & Resilience (incl. NetZero, SBTs, carbon neutrality, supply chain climate resilience);
- Post-Brexit Value Chains.

3rd question

Is there any sustainability related topic that is a high priority for your business but was NOT included / doesn't fit within either of the above highlighted priority areas?

4th question

Would you be interested in joining/developing a sustainability sub-working group, to share ideas and to contribute to thematic work on any of the priority areas beyond quarterly committee meetings?

5th question

How important is committing to Net Zero targets by a specified date important to your company?

1. Very important, we've set a target a date
2. Important but we haven't yet set a date
3. Somewhat important, not sure when we might set a date
4. Have some relevance but we are unlikely to make it a priority anytime soon
5. Not important at all / can't see it becoming a priority.

Dates for 2020 meetings

Next BCA Sustainability Committee Meeting

Tuesday 8th June 2021 – 1:30pm – 3:30pm – Either at the FDF or Via Teams

