

Meeting notes

Date 5th September 2018

Attendees **Chairs: Victoria Moorhouse - Costa, Krisztina Szalai - Taylors of Harrogate**

BCA: Chris Stemman – BCA
Richard Hardwick – Halo
Marie-Anne Rogers – Masteroast
Amy Oroko- Matthew Algie
Julie Gallacher – Nespresso

SHED: Sebastian Stokes

SCTA: Michael von Luehrte

Apologies Tracy Brown – BCA
Louise Whitaker – Bewley's
Emma Wallace – Equatorial Traders
Jenny Breadmore – FFI
Sheaia Lee – Finlays
Rebecca Allan-Jones – JDE
Lindsay Wright –JDE
Andrea Bello – Lavazza
David Rogers – Lavazza
David Smart – Lavazza,
Francesco Varvaro – Lavazza
Richard Price – Menshen UK
Andrew Griffiths – Nestlé
Franck Porchet – Nestlé
Howard Crosskey – Nestlé
Hannah Eatough – Taylors of Harrogate
Richard Williams – Falcon Coffees
Hannah Ward – TWIN Trading

Subject **BCA Sustainability Committee Meeting**

1. Competition Law Rules

Overview of the FDF competition rules for meetings.

2. Notes of the Last Meeting

No comments received.

3. Intro and News Update

- SS provided an update on the following recent sustainability news pieces of interest:
 - Washington D.C.-based think tank the Center for Global Development published a review of the efficacy of voluntary certification schemes over the past decade. One of the conclusions was that many of the world's most vulnerable smallholder farmers do not have reasonable access to certification schemes but that participation in certification has been growing upward overall. The authors found that by 2014, more than 40 percent of all coffee was produced under one of the big four certification initiatives, yet only 25 percent of that coffee is sold as certified. The full report is entitled "What Are We Getting from Voluntary Sustainability Standards for Coffee?" by Kimberly Ann Elliot.
 - The Government last week pledged greater action on modern slavery - while Theresa May was on a state visit to Nigeria. She described modern slavery as "one of the greatest human rights abuses of our time".
 - Upcoming Autumn Budget – it is looking more and more likely that there may be a latte levy imposed, DRS also being considered. We don't yet know if coffee pods or other single use plastics will be included and UK Government hasn't issued any information. The BCA is preparing for quite a lot of media work in November building up to the Budget.
 - Waitrose recently launched its own brand of home compostable capsules for consumers. The BCA Press Office had contact with the Grocer over it and successfully balanced the resulting coverage to soften the perceived innovation in 'home compostable' and highlight the wider work of the industry.

4. 4C Certification Approach and the CGap Initiative

Full presentation will also be shared with members.

- Michael von Luehrte provided an overview of the Swiss Coffee Trade Association (SCTA) and its current priorities
- The work of the SCTA is primarily on green coffee trading related topics and issues. Its members represent 50% of global green coffee
- They host the C-GAP taskforce – which is the Coffee - Global Adoption Plan:
 - This recognises that future coffee demand for coffee could require a doubling in production by 2050, potentially with less land, or less productive land, to grow coffee on
 - Meeting this demand will require renewed focus on productivity of coffee farms
 - If current farms cannot double production we could see farming expand into new areas – potentially natural forests
- C-GAP exists to support the transfer of knowledge and expertise and funds to producing countries to drive positive impact on coffee production,
 - Ensure transfer of funds to coffee producers via best in class implementers
 - Create the sense of urgency to address the supply challenge
- C-GAP as "honest and neutral broker" with the objective to, "Significantly scale industry investments and additional pool resources through 'blended

finance', including institutional funds for public projects, impact investment for large scale projects, and philanthropy for small scale projects."

- It was noted that the scope of C-GAP is to focus on adaption, not mitigation
- Following a question on which types of farms C-GAP focusses on, MvL noted that focus has to include the large-scale farmers as this is where scale exists, cannot just focus on the small farmers.
- Work will provide industry benefit through:
 - Using big data - Developing and promoting a systematic approach to data gathering and analysis that overcomes siloed decision-making with incomplete information. C-GAP will map climate change risk and engagement by geography to identify hot spots.
 - Unlocking finance – C-GAP will be an 'honest broker' between the industry and financial institutions that unlocks and pools public funding and private finance. Particularly, it will create a pipeline of bankable projects that will be leveraged with additional public/private funding
 - Connect and Scale interventions – C-GAP will provide grants & investments to connect and scale existing large-scale efforts for maximum efficiency and impact.
- SCTA is currently working on a CEO 'commitment' or pledge letter. This is aimed at ensuring from the top down that companies recognize what it means to be a 'participant' of C-GAP – this is a pre-requisite to success and recognizing the issue. This will help facilitate contributing data, sharing learnings, and common monitoring indicators. Also to co-fund the C-GAP secretariat
- The 4C verification and certification of supply chain was covered separately
 - Originally established because of criticism around supply chains and therefore needed to prove responsible sourcing and ensure industry operates to a code of conduct
 - 4C, needing to be importantly neutral, was separated from other activities outside of verification and codes of conduct. Wider activities became the Global Coffee Platform
- 4C supports continuous improvement in the coffee sector
 - 4C coffee produced in 28 countries around the world
 - 500,000 farmers producing 4C coffee
 - Importantly, they are using remote sensing techniques to determine land use change.
- The adoption of technology is integral to 4C, currently a mobile app is being developed to support smallholder integration – additionally the app can collect farmer coordinates so that it can field map longitude and latitude for each farm and detail risk assessment at the farm level
- KS asked what is the vision for 4C and where it will be in the future. MvL noted that the continued innovation and application of technology platforms is a great place to move towards and continue to adopt. Also the SCTA and C-GAP will likely become much more project orientated - clients have been asking for project-level support e.g. in specific countries, which can then be scaled and rolled-out.
- MvL noted that there is 8 years worth of data contained in 4C platforms,

5. Bean to Bin & Beyond Update

- SS updated the group that the Bean to Bin project is almost complete and thanked all those participants who had spent time inputting and reviewing.
- The copy deadline has now passed so design work has begun on the copy and it is aimed to be published by the end of September as the current aim.
- A press release will go out when published and the full copy will be circulated to the Sustainability Committee members and the full BCA membership
- SS reviewed the Sustainable Coffee Goals that were included as a summary within the Bean to Bin document, these will be BCA owned goals that it encourages the industry to get behind and support
- It was noted that the BCA has no current means of auditing or measuring the Sustainable Coffee Goals so they will remain 'aspirational' goals. The goals presented from the Bean to Bin research, which are aligned with wider stakeholders include:
 1. **Support and encourage the UK Government** to expand investment in recycling and waste management infrastructure, including investment in composting facilities and the improvement of waste collection infrastructure across Local Authorities and individual household.
 2. **Zero-waste packaging by 2025** – aim to switch to 100% recyclable or re-usable packaging across all products within the next seven years with 0% of waste going to landfill.
 3. **Responsible sourcing of all packaging materials** - including plastic, paper, and aluminium through enhanced supply chain transparency, traceability and investment in technologies that reduce waste to landfill.
 4. **UK coffee companies to conduct LCA lifecycle assessments by 2020 (according to ISO14040)** across their supply chains to identify opportunities to create efficiencies, minimise waste and potential to improve circularity.
 5. **Evidenced industry commitment to creating initiatives that help consumers understand how and where to recycle used coffee products and materials** and inspire them to follow best practice examples and recommendations.
 6. **Optimal transportation routes available to be viewed and reviewed by all UK coffee companies and sharing of best practice** across supply chains both within the UK and globally, harnessing railway networks where appropriate and identifying opportunities for combined transportation.
 7. **Encouraging the adoption of the circular economy principles in the production and processing stages at origin** as a way of supporting coffee producers efforts to adapt to and mitigate the negative impacts of climate change while helping to reduce the environmental impact of coffee farming.
 8. **To consider the potentials within the futures market - UK business engaged in futures trading to look at opportunities to support producers** – Companies engaged with the futures market could provide additional revenues that could in turn be re-invested in circular practices at farm level and improve the quality of life and livelihood potential of coffee growing communities and individuals.

- In the group discussion around the goals, which were positively received by the group, it was noted that:
 - We should delete goal 8 as 'futures' are not relevant to most people in the industry – however the information about coffee futures should be kept in the main body and detail of the report
 - In goal 6 – take out "railway" and encourage minimising carbon usage through transportation and drive adoption of green technology through transportation networks
 - In goal 1 – Deprioritise so it appears lower down and specify the support for "the BCA", specifically.
- It was also agreed that certification programmes in the detail of the Bean to Bin white paper should be kept to a minimum and acknowledged in brief without going into too many details at this stage – this should be saved for a future white paper instead

Next steps

- SS to amend copy in goals and send back round to TaskForce one last time, before then sharing with the wider Sustainability Committee

6. NAO Reports on Plastics

- CS presented an overview of the National Audit Office's work in review of the Government's oversight of the Packaging Recovery Note scheme
- It should be noted that the NAO's work has been mandated by the Environment Audit Committee earlier this year and is a very welcome sense check as to what is working and, more importantly, what isn't.
- Current stats indicate that 64% of UK waste packaging was recycled, CS noted that this is very likely to be considerably higher than the real amount, especially as the report cited an 'unknown' range of uncertainty in these values
- Despite all recent pledges and work towards waste, waste volume is going up in the UK. The current estimate is 11 million tonnes of packaging used by UK businesses and households in 2017
- Only 7,002 companies are registered in the UK as having packing obligations. This number is grossly small, and it is likely that many companies that legally should have registered have probably not yet done so
- Current recycling rates across the board are low:
 - Glass – 68% - despite being recyclable for many years
 - Metal – 63%
 - Plastic – 32%
 - Paper / card – 73%
- The UK is one of the worst offenders in recycling rates – in Belgium and Germany 81% and 71% of packaging is recycled. UK is only 59%
- IN 2017, the vast majority of plastic packaging waste went to China – more than 500,000 tonnes
- The NAO conclude that "the system appears to have evolved into a comfortable way for government to meet targets without facing up to the underlying recycling issues."
- It remains to be seen from UK Government what will be included in the Waste and Resources Strategy – due to be published this year

- Government support of the UK 'Plastics Pact', a collaborative initiative that brings together businesses, government and NGOs to address plastic waste. This has set a target to eliminate unnecessary single-use plastic packaging, for all plastic packaging to be re-usable, recyclable or compostable and for 70% to be recycled or composted by 2025.
- The full NAO report can be accessed at <https://www.nao.org.uk/wp-content/uploads/2018/07/The-packaging-recycling-obligations.pdf>

The WEF narrative on ocean plastic is at <https://www.weforum.org/agenda/2018/06/90-of-plastic-polluting-our-oceans-comes-from-just-10-rivers/>

The Japanese recycling arrangements are explained here <https://www.bbc.co.uk/news/av/world-asia-45400514/what-really-happens-to-recycling-plastic>

7. Survey Results and Committee Feedback

- These will be reviewed at the next meeting in December instead so that the group can consider how the future sessions are shaped and mapped out appropriately

8. Dates of Next Meeting

- **Wednesday 5th December 2018 – Sustainability Committee Meeting – 1:00pm – 4:00pm** - FDF, 6th Floor, 10 Bloomsbury Way, London, WC1A 2SL – Room Cleminson

Draft agenda items

- How the futures market operates and how it could provide additional revenues that could in turn be re-invested in circular practices at farm level - Marie-Anne mentioned that she might be able to ask a member of Masteroast to provide an update
- WRAP Plastics Pact – if a speaker is available
- Survey Results and Committee Feedback