



PRIVATE & CONFIDENTIAL
NOT FOR PUBLICATION

Minutes of the Sustainability Committee Meeting
Wednesday 6th July 2022

Via Teams

Present at Meeting:

Paul Rooke (Executive Director)
Tracy Brown (Secretariat)
Victoria Moorhouse – Costa Coffee
Oliver Ellis - JDE
David Short – JDE
Mary Child – Nespresso
Cavin O'Driscoll – RicCoffee
Sadie Walton - Ringtons

1. Apologies for Absence

Roxy Rocks-Engelman – Cafédirect Plc (Sustainability Chair)
Andrew Kerr – OCR (BCA Chair)
David Llewellyn – AVA
Melanie Edghill – Bewleys
Arran Stein - Bewleys
Tom Fiennes – Britvic
Sonja Bentley – Cafea UK
Jenny Breadmore – Cafea UK
Louise Lloyd-Rossi – Cafea UK
Nick Martell-Bundock - Cafédirect Plc
Katrina Pantelli – Cafédirect Plc
Laurence Webb – Costa Coffee
Priscilla Daniel – DRWakefield
Aggie Krasuska – Falcon Coffees
Thomas Blackwall - Finlays
Tasmina Hoque – JDE
Alan Beattie – Matthew Algie
Andy Watson – Nestlé
Hannah Eatough – Taylors of Harrogate

2. Competition Law Rules

It was proposed that the meeting would run under the revised FDF competition law compliance rules previously distributed.



3. Notes from the Last Meeting

The minutes from the last meeting were approved.

4. Matters Arising

No matters arising.

Presentation Attached Separately

5. Enviroscore Labelling Update

PR referenced previous discussions on this topic and the range of approaches which were being trialled.

The IGD project is a harmonised UK scheme with a small steering group, and a wider group who they keep updated as to progression. The next wider group meeting involving the BCA will be in a couple of months.

The IGD perspective is to put the consumer at the heart of what they want to achieve. It was hoped that they would have instore trials by the 2nd quarter 2022 but are now looking a bit further down the road now.

They are currently focussing on the 4 main indicators, which are Climate Change, Water Use, Water Quality and Land Use.

The structure was to have a 100-point daily allowance per person, to then have a score potentially around the 4 main indicators. They have been doing some consumer testing around different approaches to this, whether it is using the current traffic light system, some colour coordination around the 4 main indicators, or a single points allowance or a points allowance across the 4 main indicators. The aim is to have a virtual label trial late this summer with instore trials in late 2023. Initially coffee was seen as 1 of the 10 product areas to be taken forward on product trials, but at this time we are not clear if this is still the case for the virtual label trial, or if coffee would be later for possible for the instore trial.

PR noted that one of the areas some had wanted to add was the category of animal welfare, but consumer trialling had ruled this out at this stage. When some of these ideas were tested with consumers, feedback has not been clear. The aim is to have as little information as possible, although the traffic light approach is a good idea and has worked well for sugars, fat, salt etc. it was not sure if it would for the environmental sphere.

IDG have gone back to the core steering group to determine how this is to be taken forward.

PR noted that regarding other approaches, he has not heard anything further.



OE asked if the UK government was looking to act in this area as it seems to be industry led rather than government led at present. PR felt the UK Government was looking at industry to develop approaches but would double check status.

Action: PR

VM asked in terms of the background to this, was it IGD who approached the BCA. PR confirmed that the BCA approached the IGD as environmental label had been on the agenda for several meetings. The discussion had originally looked at the French ecoscore scheme, and concerns on how the information was determined, looking at a per kg basis not a per serving basis which, it was determined would have been meaningless, and it was felt to look at a per serving basis was a better way to go, hence the approach to the IDG and being put into this wider group discussions. DS reiterated the point around the French scheme and measuring by the kilo rather than by the serving which for coffee made no sense.

MC asked if the online and instore trials, are they happening on supermarket websites or instore? PR noted in terms of the virtual trial, a bespoke IT system was going to be developed to be run and trialled by IDG, instore plans had not been discussed further at this time.

- **EU Sustainable Food Systems**

It was noted there was also activity at the EU level with potential legislation and an initial consultation around a sustainable food system for late 2023.

This aims to define a 'sustainable food system' to set some of the criteria for food manufacturers, but not a standardised label.

This would cover nutrition, climate, environmental, animal welfare and social (including producer income).

This is another piece of work that would fit within the framework of the 'green deal'.

This would be a different approach to the current traffic light system the UK has and which the EU was not keen on regarding nutrition.

PR noted that we should probably go back to check where other potential approaches such as the Sustainable Food Trust and Foundation Earth.

Action: PR

6. Deforestation

- **Current Position – EU & UK**

PR noted from a UK perspective, we are in this position waiting for the government to come back on its response to the consultation that it put out a few months ago, that the BCA contributed to. PR added that we have had a couple of conversations with Defra officials after the consultation ended on 1 or 2 specific issues. We are awaiting further feedback.



Where the action has been in the last few months has been at the EU level, the proposals have been going forward and gaining support in the European Parliament, although some challenges have been raised. From an industry perspective the issues are around the use of geolocation. The concern is around establishing that information and then how this information is transferred through the coffee chain. Especially as to how coffee might be marketed with options systems and placing on the market. The ECF is working with Copernicus and Galileo who use mapping systems for land use via satellite, these systems are currently in use and fully operational and accepted by the Commission.

The feedback is that there is so much can be done by these systems, but the concern is if they cannot provide the information that the EU requires. There are some crop types that the systems are unable to differentiate between. The ECF has proposed an alternative approach, as the UK is looking to with a Risk Assessment approach. The concern around this information is starting to filter through, some Member States are a bit nervous as to the role they are being asked to play in regard to verification, if they can't confirm the level of detail, they will not be able to meet this legislation.

VM asked about the applicability of the EU deforestation system, is this applicable to subsidiaries but if you are based in the UK, is there a revenue threshold the EU are applying, is there an expectation that businesses need to follow the EU legislation. PR noted that the requirement is on the person first placing the coffee within the EU, it does not matter if that coffee comes from a producing country or an intermediary or different state, the expectation is that you will need to provide the necessary information to meet the EU requirements. If it goes into the EU in a processed state potentially it becomes more challenging.

PR added that Member States are expressing their concerns, as are producing countries who feel they might be able to provide coffee that meets this level of detail. It could also be difficult to police the coffee moving from one area to another in origin, which is why a Risk Assessment approach gives a lot more flexibility to manage things.

Several producing countries are also expressing concern, but it appears this has not been communicated to the Commission and likewise the Commission has not been liaising with those countries. Part of what the ECF, BCA, SCTA and NCA are doing is try and lift this issue up the agenda within Europe and part of this is to try and get the ICO more involved.

We still have an expectation that this legislation could be in place by the end of this year and implemented as we move into 2023. The Commission does need to undertake additional work, which they do not seem close to being able to complete this. We will know more about this in the Autumn.

The upshot is that all these things are achievable, but perhaps not within the shape and timescales currently being stated, and many things need to be finalised.



PR noted that he is more than happy to provide Members further information as to what the ECF are doing.

OE noted that we need to see more specific details from a UK perspective and how it will impact us.

PR noted that the UK has a preferred list of 7 commodities, to bring in on a rolling basis, our understating was coffee was at the back of the queue. This would mean coffee would come some 4 years away (2026), but with the war in Ukraine may have changed any of the order in which these commodities may come in.

7. Priorities List

- **Review of Member Survey & Determine Next Steps**

PR noted after the last meeting we put out a request to Sustainability Committee Members as to their views on future work for the Association.

As you can see the packaging (including labelling and recycling), webinars and forest risk commodities came near to the top. We have talked about previously as a coffee industry how do we get involved with COP'27 and the possibility of a COP'27 for coffee etc.

PR asked those on the call what are Members looking for and what should we be doing as a Committee moving forward, is that getting speakers in for talks, is it coordinating activities such as webinars etc; what are your expectations on this issues over the next 6-12 months.

OE noted for him it would be regarding the packaging piece, issues being faced such as PPT and recycled content, how do we find recycled content, how are others treating this, packaging innovation, speakers who can introduce best practice. For labelling, how labelling schemes work and best practice. PR asked are we talking about the availability of suitable recycled content as there been shortages of certain types. OE noted are there ways or schemes in other categories of pooling waste, utilising materials that we have not thought of previously.

SW added packaging is high on the agenda, but there is scope for an education piece on this area. There is a lot of uncertainty around packaging claims and to understand what the best options are available, and what are accurate. There seems to be a lot of work done by various companies, but nothing seemingly joined up, and as we all need to package coffee is there a way to have an education piece, knowledge sharing or even a separate focus group on this. PR noted that this was a very good point. VM noted that having a cross industry collaboration seems a good focus for a sustainability group session.

VM added that having a piece around climate-based targets for coffee, having a collaborative cross industry approach especially how to get your carbon footprint down at the farm level. PR noted that perhaps we can glean learnings from other commodities who have already done work at farm level.

Action: PR



PR noted that he felt some of the points could be conducted through specific sustainability webinars, especially on the carbon one.

MC noted that preparing for the packaging tax and mandatory labelling is a key priority.

8. ECF (*Update Attached Separately*)

- **Activities & Determine UK Approaches**

PR noted that hopefully you would have seen the summary sent out ahead of the meeting.

The one area that has been grabbing the most attention is around Corporate Sustainability Due Diligence. As a Directive it does give Members States ways to interpret how it is brought in but makes it quite difficult to have a common approach. At this stage it does not apply to SMEs although this may come into scope in the future. Human Rights and Due Diligence need to be incorporated into Company Policy. The Directive is due to be finalised either the end of the year or into early 2023, with middle of 2023 to be implemented and companies to have policies in place.

We have a revision of the Corporate Sustainability Reporting Directive, this now extends the requirements to all companies, the exception being listed at EU level as micro companies. This applies from the 1st January 2023, for some of the larger companies this applies already, but SMEs with have 3 years to produce and develop their first report.

PR noted that something that has come up recently that could have a big impact, is on the Forced Labour Product Ban proposal. There is not a definition of Forced Labour currently. Member States would be the enforcers of this, we expect to see further information a bit later in the year. The potential implications, the level of due diligence that companies would need to undertake would be an area of concern. PR noted that he is not aware of any further changes to the Modern Slavery Act that has been in place for several years.

OE asked if there was any update on the TCFDs -Task Force on Climate Related Financial Disclosures, which will be for certain businesses registered within the UK and is mandatory reporting from 2023. PR noted that he will try and ascertain further information on this and who it applies too.

Action: PR

CO noted for him, finance in sustainability is going to be front and centre for his role and will be a huge part for sustainability going forward. TCFDs will be something that will be a global initiative and in collaboration in the UK with the FSB. We should be aware of some of the sustainability KPIs that will be attached to industries such as coffee. As a body and perhaps with other coffee bodies such as the ICO, if we start to look at some of the standards and principles around some of the KPIs related to coffee, it will go from the roaster down to the farmer and will be rolled out worldwide. PR noted that this was extremely interesting and would fit in with the role of the ICO and what they might be able to do regarding channelling information. CO noted that this is linked to a number of other issues, including the EU Green Deal. PR noted that this is perhaps something that we run as a specific seminar if people are wanting to understand the implications, as well as looking at the standards themselves and correlation and the role the ICO might be able to play.



PR summarised that we will look at putting together some ideas as the ways forward on the packaging and finance pieces.

Action: PR

9. Date of 2022 Meeting

- **Tuesday 15th November**
1.30p.m. – 3.30p.m. - FDF, 10 Bloomsbury Way, London - Rooms George & Machin

PR noted that we would like to quite run this as a hybrid meeting, in person for those that can make and online for those that can't.