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Minutes of the Sustainability Committee Meeting
Tuesday 15th November 2022
FDF, 10 Bloomsbury Way, London, WC1A 2SL & Via Teams

Present at Meeting:
Paul Rooke (Executive Director)
Tracy Brown (Secretariat)
Jenny Breadmore – Cafea UK
Oliver Ellis – JDE
Emma Dita – Lavazza **(Via Teams)**
Cavin O'Driscoll – RicCoffee(UK) Ltd (**Via Teams)**
Katrine Biret – Trade in Space **(Via Teams)**

1. Apologies for Absence
Roxy Rocks-Engelman – Cafédirect Plc (Sustainability Chair)
Andrew Kerr – OCR (BCA Chair)
Nick Martell-Bundock – Cafédirect Plc
Simon Fox - JDE
Tasmina Hoque – JDE
Francesco Varvaro – Lavazza
Mary Child – Nespresso
Sadie Walton - Ringtons
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.

Presentations Attached Separately

5. Trade in Space – Remote Sensing & Data Capture Presentation and Q&A – Katrine Biret
PR made introductions to Trade in Space are our newest Associate Member, and noted discussions held with them at Caffe Culture back in September. Discussing forest risk commodities and some of the challenges around that, both from an EU and UK perspective.

KB noted that she is the Business Development Manager at Trade in Space.

Trade in Space use satellite imagery to access agriculture supply chain for their performance sustainability standards.

Remote sensing is basically obtaining information about the earth from the above, and different sensors can detect different data types such as RGB, CO2 and Soil Moisture.

If you can see it from space, you can image it and monitor for changes.

This data helps understand crop yields amongst other things.

KB noted that to be able to comply with deforestation legislation with any skill is by using this type of imagery.

Deforestation leads to land degradation and over cultivation which can impact biodiversity.

KB stated that the irrigation of water for the coffee trees can deplete those resources needed for other things. By using this remote sensing technology, it can help the farmer plan accordingly.

Carbon sequestration and emissions, remote sensing can manage the changes in land use and measure Carbon Flux.

Remote sensing can be used to help with the prediction of factors such as severe weather impacts.

With the changing weather it is possible use remote sensing to detect any increased pest activity that could be tackled earlier.

KB noted that most producer areas now have some form of connectivity, even if it is just a mobile phone, and work is ongoing to get further internet access to remote farmers.

Looking to the future, deforestation legislation is likely to be consumer driven. A current coffee growing region with the impacts of climate change will mean their suitability for growing coffee will decrease.

KB noted that she would be happy to discuss about remote sensing further with any member should they wish to contact Trade in Space.

PR asked with other proposals coming forward from the EU, such as child labour, forced labour etc, would it be possible to capture all of this within a digital passport.

KB noted that they are trying to provide full traceability throughout the supply chain, through digital technology. Having the sustainability passport means that all the boxes have been checked.

PR asked with nutrient run-off, is this information being passed back to the producer and in what format is that in. KB noted that she would need to perhaps pass back to her Technical Team but added what they are trying to do is record everything into a blockchain that could be easily interpreted by anyone. PR noted that speaking with producers they see information as a 2-way street, and how they get that information in a form that they can make sense of and act on. KB noted that they are currently working on an easy to use and understand full traceability application.

6. **Deforestation**

- **Current Position – EU & UK**

PR noted that from an EU position we have not seen significant movement on the proposed legislation since our last meeting in July. The European Parliament have taken their position, fundamentally in favour of what the Commission had proposed with some additions looking at wider due diligence etc. Some challenges have been put back to the Commission, but from an ECF perspective the focus remains on getting access to the necessary data and clarity that the data is correct before passing down the chain. As part of that the ECF has discussed with several bodies working with the EU using satellite technology, and out of that hopefully will be a project with the European Space Agency. It is whether technology can deliver the answer within the timescales required with the proposed legislation. Potentially legislation will be coming in during the 2nd Qtr 2023 and full effect by end of 2023.

Looking at the UK, PR noted that following the EPR consultation earlier this year, that the BCA submitted its response too. We have now seen the first response from the Defra, which was not particularly helpful and did not tell us anything new, but we do start to see different approaches from that of the EU.

PR added that all these steps could potentially put a lower burden on the industry, but for those of you operating within the EU, you would need to be aware of what is happening there as well.

The next steps from a UK perspective, we hope that we can meet with some officials and get more of an understanding at an event to be held at the Brazilian Embassy next week.

For Food and Drink the sunset of EU legislation could mean hundreds of pieces of legislation, which could prove problematic for government/ civil service resource and potentially push back other legislative proposals.

7. Environmental Labelling

- **Update o IGD Project & FDF Discussions**

PR noted that there was the plan to have environmental labelling on products in some shape or form. The concern was if the scoring is done on a per kilo basis that would be applicable for a number of products, but not of much use for coffee. This project has been run through the IGD, and the BCA are part of the wider IGD group, but there are also several large multi-faceted companies and retailers involved.

Currently there are 4 main indicators:-

- Climate Change
- Water Use
- Water Quality
- Land Use

PR noted that timescales have been put back several months, although they have been running a number of virtual trials, getting consumers to look at products and scoring in a virtual reality environment.

The aim is to finally get to very specific product information, but this is throwing up some challenges within the chain.

They are working on several projects looking at data, to provide a full data picture, but some concerns from manufacturers on a competitive issue.

IGD have had some engagement sessions with the FDF, there are some big questions on the approach of harmonised data, and the implications for competitive reasons.

One issue is the level of information on the product itself vs the online approach, via a QR code have been discussed.

To be able to avoid trade barriers / discrimination of supply chains, for some product sectors there is some serious concerns but not as much for coffee. At the last meeting we discussed how this might be displayed on the label, there are concerns as to how this might be seen when doing the consumer trials.

PR stated that this is still an ongoing project that we are keeping across.

IGD have realised that for some products, coffee being one of them, this needs to be on a per serving basis rather than a per kilo basis.

PR noted that he will update the Committee once he has attended the next IGD meeting.

Action: BCA

OE asked if there was any indication from government about this as it is industry led, PR noted that IGD do involve Defra. Possibly fair to say that Defra's thinking is less advanced than industries currently.

- **EU Update**

Corporate Sustainability & Due Diligence
PR referenced the session held prior to the BCA Dinner in June.

The EU Directive on Corporate Sustainably Due Diligence published earlier this year is looking at fostering sustainability and responsible corporate behaviour, they are looking to push this out further than the EU, into third countries.

Companies with more than 500 employees would be Group 1.
Companies with more than 250 employees would be Group 2.

SMEs are not directly in the scope of the directive, potentially for some depending on where they might be in supply chain, could have indirect effects.

The Commission will offer support to companies to develop relevant websites, platforms, and portals.

Regulation for Prohibiting Products made with Forced Labour
PR noted what was key is that the EU does not believe existing Due Diligence initiatives address the products themselves.

Any product going into the EU at any point, could be caught. It looks at products itself not just the company and therefore goes further than existing legislation, such as the UK's modern slavery act.

8. **Packaging Waste**

- **PRN & PERN Legislative Update**

PR noted the government's response to the consultation. A win that the FDF has highlighted, if you have materials coming into the scheme from the DRS, you continue with the PRN only until the DRS comes operational into the specific country with no double obligation.

EPR, one of the things flagged at a recent FDF meeting with the governmental upheaval, there has been a lack of engagement from government and progress on bringing this to a conclusion. The FDF has issued an industry letter from around 70 companies to the Secretary of State for Defra, stating that they cannot continue without guidance or commitment from them. The focus has been on conservative MPs so that they can put pressure on the government. Further feedback has received that a meeting with one of the junior ministers will be taking place.

There was an EFRA committee report on EPR and that they want this implemented to all size companies by 2040. Charges from EPR to be put back into infrastructure, recycling, and research.

OE stated that for PRN monthly reporting, mandatory reporting will not be until 2024.

OE noted that companies will get an understanding of costs in December.

OE added that a few people have speculated that even though onerous on businesses, this will generate some £2bn in revenue for the government!

9. **ECF**

- **Single Serve Unites & Packaging Waste Directive**

ECF has had sight of a leaked document proposing an update to the current Directive, including making it a Regulation. A few elements in the leaked documents have been under discussion at ECF, specifically around proposals for single serve units, whether they fall under the definition of packaging and, in some instances, potentially mandating what material the packaging should be made from.

Currently both the UK and EU treat single serve units, where the coffee remains in the unit after use (e.g. capsule) as not falling under the definition of packaging. This is being challenged at EU level by consultants working on revisions to the legislation who wish to move all single serve units within the definition.

The ECF has maintained that material choice should remain with the manufacturer and not the legislator, but there is a difference of view on how to proceed and, particularly what the definition of packaging should include. In part this is driven by the lack of processing and sorting infrastructure in a number of member states. By contrast the UK places more emphasis on sorting at consumer level. Notwithstanding this, both the UK and EU are moving towards the introduction of EPR and this has raised concerns that industry could be caught by double counting/charging under EPR and waste legislation.

The ECF is having several discussions with its Members, as they seem to be unable to reach a solution. We as the BCA do not feel that it would be right to vote that might swing the vote one way or another, unless there was a clear direction they were looking to take.

This could well be where we are heading limiting industries choice of packaging to be used, and that perhaps something that we might need to come back to in 2023.

PR noted that at the last meeting we discussed about packaging materials and availability of recycling materials to meet the 30% recycling target. We have asked Sabina Woloszyn the technical person at the FDF to come and present at our next meeting, which she is happy to do.

OE noted that it would be good to get someone along to discuss this and perhaps someone from the packaging industry to discuss the needs and wants of industry, as there are significant shortfalls vs industry need.

OE added for many organisations who are a global business, the EU legislation could have a significant impact.

PR noted that he will look to perhaps have a double header at the next meeting, with FDF and he will contact the packaging association to try and get someone along.

Action: PR

JB suggested it would be helpful also to cover practical issues which companies were experiencing in finding product to meet the 30% recycling requirement. It was felt to be unfair that UK companies are being taxed when currently there is often insufficient recycled product in the marketplace.

10. Dates of 2023 Meeting – TBC

PR noted the dates for 2023.

Date	**Meeting**	**Location**
Wednesday 1st March 2023	Sustainability Committee 1.30p.m. – 3.30p.m. **Teams Meeting**	**Teams**
Wednesday 5th July 2023	Sustainability Committee 1.30p.m. – 3.30p.m. **Teams Meeting**	**Teams**
Wednesday 15th November 2023	Sustainability Committee 1.30p.m. – 3.30p.m. **Hybrid Meeting**	FDF, 10 Bloomsbury Way, London, WC1A 2SL – Room Machin

PR asked Members if they have any specific topics/presenters that they would like to have present at future meeting, please contact the BCA.

Action: ALL

OE suggested the topic of refill and reuse, how big is this, how do companies become involved?