



EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

A common aspirational path towards sustainable food systems

Abstract

The Code of Conduct for Responsible Food Business and Marketing Practices is one of the first deliverables of the [EU Farm to Fork Strategy](#) and an integral part of its action plan. It sets out common aspirations and indicative actions which actors ‘between the farm and the fork’, such as food manufacturers, food service operators and retailers, can voluntarily align, commit and contribute to in support of the transition towards sustainable food systems.

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I. PREAMBLE

1.1 Introduction

In light of the [European Green Deal](#), including the [European Commission Communication on a Farm to Fork Strategy](#), and various other important policy initiatives at EU and international level to address the challenges posed by climate change, environmental degradation, biodiversity loss, the burden of malnutrition and noncommunicable diseases and more, the associations and companies listed in Annex 1 ("Signatories") of this Code of Conduct for responsible food business and marketing practices (the "Code") are ready to play their part in contributing to transforming the food systems they are operating in within their sphere of influence.

Whereas many European food business operators are actively engaged in the sustainability transition and have already made tangible progress to date in their individual capacity as well as in partnership with other economic and societal actors, it is thought that a shift to sustainable food systems could bring further environmental, health and social benefits, offer economic gains and ensure that the recovery from the COVID-19 crisis puts citizens and operators onto a sustainable path. This shift cannot take place without all major actors in the food system, including – but not limited to – the middle part of the European food supply chain, assuming a key responsibility and engaging in meaningful action in this process.

It is in this spirit that the Signatories have drafted – with active involvement and input from other stakeholders, including international organisations, NGOs, trade unions and trade associations, and in concertation with the European Commission services – the present voluntary Code and hereby support the relevant aspirations set out therein towards sustainable food systems.

1.2 Purpose and structure

The purpose of this Code is to unite behind a common aspirational path towards sustainable food systems¹ by inviting businesses of all sizes active in production, trade, processing, promotion, distribution and serving of food, as well as any other food system stakeholders, to align with this common agenda and to contribute with tangible actions to help achieve the objectives set out therein.

For this Code to be a success, it should demonstrate a contribution to environmental, health and social sustainability of food systems, while ensuring economic sustainability of the European food value chain. As such, this Code is not only a contribution to the objectives of the EU Farm to Fork Strategy, but also to other initiatives of the European Green Deal (including the Biodiversity Strategy, the EU Industrial Strategy), Europe's Beating Cancer Plan, as well as international sustainability objectives, such as the United Nations Sustainable Development Goals (SDGs) and those of the Paris Climate Agreement.

Based on Guiding Principles (**Chapter II**), this Code consists of two main components for engagement (**Chapter III**):

1. A **general framework of aspirational objectives and targets**, setting out a common vision for the EU food chain and other actors to help achieve sustainable foods systems. These aspirations are supported by a range of **indicative actions**², which serve as an inspiration for any food business, small or large alike, wishing to engage in the transition towards sustainable food systems. The common aspirations and indicative actions can be found in **section 3.1**.
2. A **framework for ambitious commitments for companies** with frontrunner ambition. Individual companies that are able to show leadership are invited to make tangible, relevant and measurable commitments, which will be monitored in terms of progress

¹ The following definition is applicable for the purposes of this Code: *"A sustainable food system is a food system that delivers food security and nutrition for all in such a way that the economic, social and environmental bases to generate food security and nutrition for future generations are not compromised. This means that: i) It is profitable throughout (economic sustainability); ii) It has broad-based benefits for society (social sustainability); and iii) It has a positive or neutral impact on the natural environment (environmental sustainability)."* (Food and Agriculture Organisation, FAO)

² Beyond legal obligations in force at the time of the application of the Code.

made, in contribution to the common aspirations set out in this Code. See **section 3.2** for more information, including specific provisions for Small and Medium-sized Enterprises (SMEs).

It is recognised that actions taken solely by operators in the middle part of the food chain cannot be sufficient for a transformation of food systems by themselves. Besides actions from other actors in – or related to – the food system (public authorities, civil society, other food chain operators and related suppliers, consumers), increased collaboration along the value chain and between private and public actors is essential to attain the aspirational objectives set out in the Code. Equally, the Farm to Fork Strategy acknowledges the importance of enabling conditions to support, implement, facilitate and accelerate actions by all actors in food systems to become sustainable. More on this can be found in **section 3.3**.

1.3 Scope

This Code applies to its Signatories, which may be European associations, food business operators and other actors in – or related to – food systems which can meaningfully support and/or contribute to the aspirational objectives set out in the Code. The Code is applicable to all activities relating to the production, trade, processing, promotion, distribution and serving of food.

Adherence to this Code is voluntary and is complementary to compliance with existing legal obligations.

1.4 Roles and responsibilities

With their signature:

a) **European Associations** pledge to:

- *endorse the aspirational objectives set out in this Code (where applicable);*
- *promote and disseminate this Code with(in) their constituency/ies;*
- *encourage their members to align their sustainability actions and/or business practices to the aspirational objectives and targets of the Code and invite them, on a voluntary basis, to adhere to this Code, as appropriate;*

- *explore the possibility of developing sector-specific tools and resources in support of this Code;*
- *provide, on an annual basis, a report of their activities in support of this Code, which will be published on an open dedicated website;*
- *continue to engage in dialogue with other food chain/systems actors and EU and international policy-makers to forge (new) relationships, exchange good practices and discuss challenges encountered, learn from each other (studies, projects) and create better mutual understanding, and identify opportunities for collaboration and potential partnership.*

A European Association signing this Code does not imply that it is entering into any obligations on behalf of its members, unless explicitly specified through a commitment submitted on behalf of its members.

Within their capacities and mandates, **associations**³ are welcome to, on a voluntary basis, support the Code by putting forward:

- **Concrete contributions** (e.g. sector guidelines, roadmaps, studies); or
- **Ambitious commitments on behalf of their members.**

Associations wishing to make ambitious commitments on behalf of their members should follow the specifications for commitments set out in section 3.2.2. They should report on the implementation of their commitments on an annual basis, except if a reasonable justification is provided as to why a different timing is required. Reporting on commitments of associations on behalf of their members shall in any case not exceed a period of two years. Companies that are participating in the association's commitment(s) should not submit the same commitment under this Code in their individual capacity.

Concrete contributions and ambitious commitments (as well as monitoring reports related to the latter) by associations will be recognised and made public on a dedicated website of the Code.

³ Including at sector/national/local level.

b) **Individual companies** pledge to:

- *put forward at least one (1) ambitious, tangible and measurable commitment in line with the criteria set out in section 3.2*
- *provide an annual report of progress made, which will be published on an open dedicated website.*

The following general principles apply to all Signatories:

- Given the breadth of the commitments outlined in this voluntary Code and the heterogeneous range of stakeholders involved, Signatories will sign up only to areas where they can meaningfully contribute within their mandates, capacities, business operations or strategies.
- Companies commit to undertake actions, such as those indicatively provided for by this Code, in a manner that ensures full compliance with EU and national competition law. By way of example, Signatories must not discuss, communicate or exchange any commercially sensitive information. This includes non-public information on: prices; marketing and advertising strategy; costs and revenues; trading terms and conditions with third parties (including purchasing strategy); terms of supply; trade programmes or distribution strategy.

II. GUIDING PRINCIPLES

This Code and the Signatories thereof abide by the following guiding principles:

1. **Legal compliance**

All signatories to – and persons involved in – the execution of initiatives under this Code shall fully respect and enact all applicable laws and regulations, in particular EU and national competition rules.

This Code and its subsequent commitments act to confirm the voluntary intention of the Signatories in supporting the aspirations set out therein, contributing to the overall objectives of the Farm to Fork Strategy and the European Green Deal. This voluntary Code and its subsequent commitments are not legally binding and does not now nor in the future create any contractual or precontractual obligations under any law or legal system. Nothing in this voluntary Code and its subsequent commitments shall be construed as creating any liability, rights, waiver of any rights or obligations for any parties or as releasing any parties from their legal obligations. This voluntary Code and its subsequent commitments shall not be construed in any way as replacing, extending or interpreting the existing or future legal framework governing EU food systems. This voluntary Code and its subsequent commitments are not to be used as, or form part of, evidence in any legal proceedings.

2. **Positive collaboration**

This Code and its signatories work with positive values, including open-mindedness, tolerance and respect. The Code supports a holistic approach by ensuring multi-stakeholder dialogue, bringing together different actors. This will help to identify, share and contribute to the broad variety of (inter)national, regional or local initiatives that support food sustainability, including multi-stakeholder community projects. It is in the common interest of the Signatories to work together in order to deliver the collective commitment of this Code and identify the common challenges and opportunities.

3. **Good faith and collegiality**

Signatories shall act in good faith and shall engage with each other in a mutually respectful and fair manner in the implementation of this Code.

4. **Inclusiveness**

All Signatories have the possibility to contribute actively to the work and express their views. Given that co-operation among food systems actors is key for a successful transition towards sustainable food systems, this Code is open to any new signatories with a view to having all the relevant actors in food systems involved in the work.

The Signatories recognise that because the various Signatories operate differently, with different sizes and nature of business models, portfolios and customer audiences, the Code allows for different approaches to contribute to the aspirations therein.

As over 99% of actors in the food supply chain are SMEs, in line with the Think Small First Principle, their specific needs need to be identified in the successful participation and contribution to the Code.

5. **Science -and evidence-base**

Signatories shall aim to base their contributions towards the objectives of this Code on robust scientific evidence, where available.

6. **Food safety**

The EU food and feed law system ensures a high level of safety of food and feed products placed on the EU market, which requires continuous efforts by all players across the value chain to maintain. Actions undertaken in the framework of this Code shall not compromise food and feed safety; on the contrary, they should uphold the high food safety standards maintained by European operators and underpinned by the EU regulatory framework.

7. **Transparency and accountability**

Signatories shall report, within the limits of their mandates, remits and capacities, on their activities towards the objectives of this Code in a transparent way, contributing to periodic assessment of the Code's progress and effectiveness. The Signatories seek to share knowledge, expertise and good practices along the value chain.

All Signatories have access to all the information related to the work of this Code (including agendas, working documents and minutes).

8. **Active participation**

All signatories provide inputs and contribute to the Code within their remit and area of expertise. Signatories try to ensure continuous participation in – and contribution to – reaching the objectives of the Code.

III. FRAMEWORK FOR ENGAGEMENT ON FOOD SUSTAINABILITY

3.1 Common aspirations and indicative actions

This Code seeks to improve sustainability on three levels:

- 1) In relation to food consumption patterns for healthy and sustainable diets
- 2) Within internal processes, operations and organisation at the level of the actors in the middle part of the food chain
- 3) Throughout the supply chain, in liaison with primary producers and other actors

For each level, common aspirations (expressed in objectives and targets) and indicative actions have been set, which altogether cover the three pillars of sustainability (environmental, social and economic). All actors wishing to contribute to this Code are invited to align to the common aspirations set out hereafter. In addition, food business operators (companies) may take inspiration from the list of indicative actions in pursuance of the objectives and targets.

In doing so, it is suggested that companies, if able, apply risk-based due diligence processes to identify, map and prioritise measures to address adverse environmental, social and economic impacts. Various established guidelines, principles, standards and frameworks on due diligence and responsible business conduct/corporate social responsibility exist. The [*“OECD-FAO Guidance for Responsible Agricultural Supply Chains”*](#) is one internationally recognised example thereof, providing guidance for European companies and producer countries on social and environmental risk reduction in agri-food supply chains. Furthermore, existing pre-competitive collaboration initiatives on due diligence, e.g. sectoral sourcing guidelines and joint risk identification, also merit to be consulted. A non-exhaustive list of guidelines and initiatives will be made available on the Code’s website.

3.1.1 Promoting food consumption patterns (for healthy and sustainable diets)

Aspirational objective 1:

**Healthy⁴, balanced and sustainable diets for all European consumers,
thereby contributing to:**

- 1) Reversing malnutrition and diet-related noncommunicable diseases (NCDs) in the EU**
- 2) Reducing the environmental footprint of food consumption by 2030**

The above aspirational objective is inspired by and – directly and indirectly – linked to international goals as formulated by the United Nations (UN) Sustainable Development Goals (SDGs) number 2 (hunger), 3 (good health and wellbeing), 4 (quality education), 12 (sustainable production and consumption), 13 (climate action), 14 (marine protection), 15 (biodiversity), and the Paris Climate Agreement, amongst others. At the EU level, the aspiration links to various policy initiatives, such as the European Green Deal (including the EU Farm to Fork Strategy, the EU Climate Law, the Circular Economy Action Plan) as well as Europe’s Beating Cancer Plan, the EU Action Plan on Childhood Obesity 2014-2020, the EU Framework on National Initiatives on Selected Nutrients, the Joint Action “Best Re-Map”, the EU Strategy on the Rights of the Child and others.

⁴ For the purposes of this Code, the following definition of “healthy diets” (taken from the CFS Voluntary Guidelines on Food Systems and Nutrition) applies: *“Healthy diets are those diets that are of adequate quantity and quality to achieve optimal growth and development of all individuals and support functioning and physical, mental and social wellbeing at all life stages and physiological needs. Healthy diets are safe, diverse, balanced, and based on nutritious foods. They help to protect against malnutrition in all its forms, including undernutrition, micronutrient deficiencies, overweight and obesity and lower the risk of diet-related non-communicable diseases. The exact make-up of healthy diets varies depending on an individual’s characteristics (e.g. age, gender, lifestyle and degree of physical activity), geographical, demographical, cultural patterns and contexts, food preferences, availability of foods from local, regional and international sources, and dietary customs. [...]”*

The following **aspirational targets** have been set:

- a) **Improved food consumption patterns in the EU**
- b) **A food environment that makes it easier to choose healthy and sustainable diets**

To this end, the following **indicative actions**⁵ have been identified:

a) Improved food consumption patterns in the EU

- *Encourage increased consumption of fruits and vegetables, wholegrain cereals, fibre, nuts and pulses, including locally-produced varieties (e.g. by increasing the availability thereof and/or access thereto)*
- *Provide/promote more sustainably-produced food products/meals (e.g. sustainably-produced organic food; higher animal welfare standards; sustainable fisheries, aquaculture and algae products)*
- *Improve, where feasible, the nutritional composition and environmental footprint of food products/meals, e.g. through product reformulation and new product development/innovation*
- *Review and/or offer a range of appropriate portion and serving sizes aimed at sustainable food consumption*
- *Promote consumer awareness of healthy, balanced and sustainable diets, including sustainable food consumption, as part of healthy & sustainable lifestyles*

b) A food environment that makes it easier to choose healthy and sustainable diets

- *Provide transparent, voluntary product information to consumers, e.g. through digital means*
- *Apply responsible food marketing and advertising practices, e.g. by adhering to self- and co-regulatory initiatives and standards*
- *Promote healthy and sustainable food service practices*
- *Integrate sustainable practices and health in the workplace*
- *Support local actions to enhance the availability of/access to healthy and sustainable diets for all*

⁵ Taking into account, where appropriate, food-based dietary guidelines and (other) relevant policies

CROSS-CUTTING Aspirational objective 2:

Prevention and reduction of food loss and waste

(at consumer level, within internal operations, and across value chains)

The above (cross-cutting) **aspirational objective** is inspired by and – directly and indirectly – linked to international goals as formulated by the United Nations (UN) Sustainable Development Goals (SDGs) number 2 (zero hunger), 6 (clean water and sanitation), 7 (affordable and clean energy), 9 (industry, innovation and infrastructure), 12 (sustainable production and consumption), 13 (climate action), 14 (marine protection), 15 (biodiversity), 17 (partnerships), and the Paris Climate Agreement, amongst others. At the EU level, the aspiration links to various policy initiatives, such as the European Green Deal (including the EU Climate Law, the EU Biodiversity Strategy, the Farm to Fork Strategy, the Circular Economy Action Plan), as well as the EU Platform on Food Losses and Food Waste.

The following **aspirational target** has been set in line with [Sustainable Development Goal \(SDG\) 12.3](#):

A 50% reduction of per capita food waste at the retail and consumer level by 2030 and reduced food losses along the food production and supply chains in the EU

To this end, the following **indicative actions** have been identified:

a) **Supporting improved food management at household level**

- *Take actions to empower consumers to reduce/prevent food waste, such as:*
 - *promoting more mindful buying*
 - *providing a range of portion, serving and packaging sizes to cater to different lifestyles and household needs*
- *Support, promote or undertake initiatives to inform or raise awareness of consumers in order to help them to prevent and reduce food waste (e.g. storage instructions, meal planning, date marking, recipes for leftovers)*
- *Optimise and develop innovative solutions (e.g. in relation to packaging, ingredients) to prevent food waste during transportation, distribution, home storage and use*

- *Develop and/or implement digital solutions and (other) innovative communication means to improve consumer information on food waste*

b) Minimising waste and reducing losses in operations and across value chains⁶

- *Identify and implement measures to improve the material efficiency of processes, e.g. explore the causes and potential for preventing and reducing (food) waste and losses*
- *Implement guidelines on food waste prevention and reduction (incl. measurement), e.g. recommendations of the EU Platform on Food Losses and Food Waste*
- *Prioritise redistribution of food surpluses to people in need, when relevant*
- *Optimise the use of raw materials through valorisation*
- *Avoid or reduce the generation of hazardous and non-hazardous waste, substituting or reducing use of toxic substances and ensure productive use and safe disposal of waste*
- *Raise awareness and mobilising resources, including on circular- and bio-economy, and investing in skills and staff training*
- *Improve collaboration along the food supply chain to minimise food losses and waste by strengthening capacity for innovation, e.g. new product development from co-products or discarded products*

⁶ In line with the food waste hierarchy (see [Brief on food waste in the European Union](#), European Commission, 2020).

3.1.2 Improving the sustainability of food processing, retail, food service and hospitality sector's internal processes

Aspirational objective 3:

A climate neutral food chain in Europe by 2050

The above **aspirational objective** is inspired by and – directly and indirectly – linked to international goals as formulated by the Paris Climate Agreement and United Nations (UN) Sustainable Development Goals (SDGs) number 6 (clean water and sanitation), 7 (affordable and clean energy), 12 (sustainable production and consumption), 13 (climate action), 14 (marine protection), 15 (biodiversity), 17 (partnerships), amongst others. At the EU level, the aspiration is consistent with the Climate Law objectives of -55% net greenhouse gas emissions in 2030 and climate neutrality in 2050 and links to various other policy initiatives under the European Green Deal (including the EU Biodiversity Strategy, the Farm to Fork Strategy, the Circular Economy Action Plan) and the Commission Recommendation on the use of Environmental Footprint Methods, amongst others.

The following **aspirational target** has been set:

Reducing net emissions from own operations, contributing to a 55% GHG emission reduction target in the EU food chain by 2030⁷ (following a science-based approach)

To this end, the following **indicative actions** have been identified:

a) **Reducing net emissions from own operations**

- *Analyse current emissions, identify hotspots, and implement actions/pathways to reduce emissions in own operations, e.g.:*
 - *Reduce energy use and improve energy efficiency for production through the use of less energy-intensive and low-carbon technologies (e.g. electrification, use of renewable energy, heating and cooling)*

⁷ Compared to 1990 levels.

- *Increase the use of renewable energy sources (e.g. solar, wind, sustainable biomass, co-products)*
- *Improve the efficiency of logistics (e.g. promoting smart logistics, local supply chains/sourcing)*
- *Apply sustainable bio(-economy)-based solutions while contributing to a circular economy*

Aspirational objective 4:

An optimised circular and resource-efficient food chain in Europe

The above **aspirational objective** is inspired by and – directly and indirectly – linked to international goals as formulated by the United Nations (UN) Sustainable Development Goals (SDGs) number 6 (clean water and sanitation), 7 (affordable and clean energy), 9 (industry, innovation and infrastructure), 12 (sustainable production and consumption), 13 (climate action), 14 (marine protection), 15 (biodiversity), 17 (partnerships), amongst others. At the EU level, the aspiration links to various policy initiatives, such as the European Green Deal (including the Circular Economy Action Plan, the EU Climate Law, the EU Biodiversity Strategy, the Farm to Fork Strategy) and the Commission Recommendation on the use of Environmental Footprint Methods, amongst others.

The following **aspirational targets** have been set:

- a) Improved resource-efficiency within own operations, contributing to sustainable, efficient use and management of energy and natural resources in operations by 2030**
- b) Improved sustainability of food and drink packaging, striving for all packaging towards circularity by 2030**

To this end, the following **indicative actions** have been identified:

- a) **Improving resource-efficiency within own operations**
 - *Consider the use of environmental footprint or other Life Cycle Assessment (LCA) methodologies for products and/or companies to measure impacts*

- *Identify and implement measures to:*
 - *Improve energy performance* **SEE ASPIRATION 3**
 - *Improve water efficiency (e.g. water management practices, waste water quality, water recovery and re-use)*
 - *Reduce food losses and waste* **SEE ASPIRATION 2**

b) Improving the sustainability of food and drink packaging

- *Identify, develop and/or foster the uptake of more sustainable packaging solutions⁸, e.g. those aimed at:*
 - *increased efficiency of packaging/packaging materials use (e.g. through (the development of) re-use and re-fill solutions)*
 - *greater recyclability of food packaging*
 - *increased content of recycled and/or renewable materials in food packaging*
 - *increased collection of food packaging waste*
- *Support innovation in packaging systems that have a better overall environmental performance*
- *Support, promote or undertake initiatives to inform or raise awareness of consumers in order to help them to avoid littering and ensure that food packaging waste is properly disposed*

of

Aspirational objective 5:

**Sustained, inclusive and sustainable economic growth,
employment and decent work for all**

The above **aspirational objective** is inspired by and – directly and indirectly – linked to international goals as formulated by the United Nations (UN) Sustainable Development Goals (SDGs) number 1 (no poverty), 3 (health and wellbeing), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 12 (sustainable production and consumption), 13 (climate action), 14 (marine protection), 15 (biodiversity), 17

⁸ Taking into account the functionality of packaging (food safety, quality, transportability), technological feasibility and economic viability.

(partnerships), and the Paris Climate Agreement, amongst others. At the EU level, the aspiration links to various policy initiatives, such as the European Green Deal (including the Farm to Fork Strategy, the EU Industrial Strategy), the European Pillar on Social Rights, the European Skills Agenda (EU Pact for Skills), amongst others, as well as the European Circular Economy Stakeholder Platform and established social dialogue between social partners.

The following **aspirational targets** have been set:

- a) Improved resilience and competitiveness of companies operating at any point along the food value chain by 2030**
- b) Quality jobs, skilled workforce and safe and inclusive workplaces for all**

To this end, the following **indicative actions** have been identified:

- a) Improving business resilience and competitiveness
 - *Gear new business development/models towards food sustainability*
 - *Engage in research and innovation programmes on food sustainability*
 - *Invest in long-term sustainable value creation*

- b) Supporting a skilled workforce and providing safe and inclusive workplaces for all
 - *Support training, upskilling and/or reskilling of workers*
 - *Strengthen diversity, equity and inclusion in the workplace*
 - *Strive to continuously improve working conditions, e.g. by investing in health and safety /ergonomics to make safer workplaces for all*

3.1.3 Improving the sustainability of the food value chain – in relation to primary producers and other actors

Aspirational objective 6:

Sustainable value creation in the European food supply chain through partnership

The above **aspirational objective** is inspired by and – directly and indirectly – linked to international goals as formulated by the United Nations (UN) Sustainable Development Goals (SDGs) number 1 (no poverty), number 2 (ending hunger), number 3 (health and wellbeing), number 4 (quality education), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 12 (sustainable production and consumption), 13 (climate action), 14 (marine protection), 15 (biodiversity), 17 (partnerships), and the Paris Climate Agreement, amongst others. At the EU level, the aspiration links to various policy initiatives, such as the European Green Deal (including the Farm to Fork Strategy, the EU Industrial Strategy), the European Skills Agenda (EU Pact for Skills), amongst others, as well as the European Circular Economy Stakeholder Platform.

The following **aspirational targets** have been set:

- a) Improved resilience and competitiveness of companies operating at any point along the food value chain by 2030**
- b) Continued progress towards sustainable production, contributing to sustainable management and efficient use of natural resources by 2030 and improved animal welfare**

To this end, the following **indicative actions** have been identified:

- a) Supporting improved resilience and competitiveness of the supply chain
 - *Strengthen supply chain relations and create shared value with partners/suppliers across the chain by identifying synergies and opportunities for collaboration, e.g. in relation to:
 - *Promoting technology and knowledge transfer (e.g. integrated farming techniques)**

- *Engaging in joint pre-competitive research and innovation (e.g. co-innovation product/process/technology)*
- *Engaging in capacity-building, training, advice and skills development*
- *Boosting the uptake of digital solutions and modern technologies*
- *Developing common methodologies and data sharing practices to measure supply chain impacts*

b) Stimulating sustainable production

- *Promote and support innovation and/or increased use of sustainable agricultural, aquaculture and fisheries practices⁹ in partnership with farmers/fishers, in particular aimed at:*
 - *climate change mitigation (e.g. reducing emissions and nutrient losses)*
 - *improving biodiversity*
 - *enhancing circularity and resource-efficiency*
 - *climate adaptation while contributing to improvement of farmers' livelihoods (e.g. crop diversification)*
 - *improving animal welfare and human/animal health (e.g. promoting responsible use of medicines in animals; One Health)*
 - *sustainable management of natural resources (such as land, soils and fish stocks)*
- *Support sustainable use of pesticides and fertilizers whilst contributing to maintaining food security and resilience*

⁹ E.g. in relation to regenerative agriculture, organic farming, agro-forestry, agro-ecology, carbon farming, sustainable fisheries, agro-environmental measures, etc.

Aspirational objective 7:

Sustainable sourcing in food supply chains

The above **aspirational objective** is inspired by and – directly and indirectly – linked to international goals as formulated by the United Nations (UN) Sustainable Development Goals (SDGs) number 1 (no poverty), 2 (zero hunger), 4 (quality education), 7 (affordable and clean energy), 8 (decent work and economic growth), 10 (reduced inequalities), 12 (sustainable production and consumption), 13 (climate action), 14 (marine protection), 15 (biodiversity), 17 (partnerships), and the Paris Climate Agreement, amongst others. At the EU level, the aspiration links to various policy initiatives, such as the European Green Deal (including the Farm to Fork Strategy, the Biodiversity Strategy, the EU Industrial Strategy), amongst others.

The following **aspirational targets** have been set:

- a) Transformed commodity supply chains which do not contribute to deforestation, forest degradation and destruction of natural habitat and which preserve and protect high value ecosystems and biodiversity**
- b) Improved social performance in (global) food supply chains**

To this end, the following **indicative actions** have been identified:

- a) Transforming commodity supply chains
 - *Promote sustainable sourcing of materials in relation with (direct) suppliers, inside or outside of the EU*
 - *Encourage the uptake of scientifically-robust sustainability certification schemes for food (incl. fish and fishery products)*
 - *Identify and contribute to appropriate solutions and strategies towards:*
 - *supporting, conserving or protecting natural habitats and biodiversity*
 - *preventing, reducing or remedying negative impacts of operations on air, land, soil, water, forests*
 - *deforestation-/conversion-free food supply chains*

- *afforestation*
- *sustainable land use*

b) Improving social performance in (global) food supply chains

- *Identify and address the most significant shortcomings in social sustainability across the food value chain affecting the most vulnerable groups*
- *Promote decent working conditions, occupational health and safety with suppliers*
- *Encourage the uptake of scientifically-robust sustainability certification/audit schemes for food (incl. fish and fishery products) in relation to social performance*

3.2 Framework for ambitious commitments by companies

Individual companies that want to show leadership and demonstrate front-runner ambitions to contribute to the aspirational objectives and targets as identified in the general part of this Code can make ambitious commitments on sustainability topics that are relevant for them. These commitments will be complementary to the general provisions as included in this Code. This section sets the framework for these commitments.

3.2.1 Eligible companies

All businesses, large and small, active in food systems are welcome and encouraged to submit commitments in relation to their own activities and impacts. Also businesses for which food is only part of their activities can submit commitments in the context of this Code, but the commitments would preferably only apply to the food part of their business.

For businesses that are active both within the EU as well as beyond, the commitments would in principle apply to the sales/activities within the EU, including impacts related to their supply chains outside the EU (associated to these sales/activities). If companies prefer, they can put forward commitments which apply to their total global sales/activities (and related supply chains).

3.2.2 Specification of commitments

Commitments submitted under this Code should:

- a. be **ambitious, tangible, quantitative where possible and measurable**.
- b. **consider the environmental, social and health dimensions of sustainability**, although certain topics may take priority provided that the principle of 'do no harm' is respected with regard to the other dimensions;
- c. **focus on the topics on which the company has the largest societal and environmental impact¹⁰**;
- d. **contribute to the goals and targets of the EU Green Deal** (notably the Farm to Fork Strategy, Biodiversity Strategy and the Circular Economy Action Plan) and **global agreements** such as the Paris climate agreement (UNFCCC) and the UN Sustainable

¹⁰ For example, as identified through a materiality analysis. SMEs can use a less advanced approach to determine priority areas.

Development Goals¹¹, **and be consistent with the aspirational objectives** outlined in this Code;

- e. **at least relate to the period up to 2025 and preferably up to 2030**, while for some aspects (notably environmental aspects) it is recommended to (also) have a longer-term vision for 2040/2050.

In **submitting their commitment(s)**, companies should provide a **brief document**¹² with:

- a rationale outlining why certain topics have been selected;
- a motivation for the quantitative targets for the commitment(s);
- the indicators/KPIs which will be used to measure progress on the commitment(s), based on generally accepted methodologies where possible and available¹³;
- the baseline against which they will monitor progress, which should not be earlier than 2015 (in line with the UN SDGs framework), except for some aspects (notably climate aspects) for which a baseline of at least 1990 may be applied;
- a clarification whether this submission concerns (a) commitment(s) undertaken prior to the launch of the Code of Conduct or whether it concerns (a) new commitment(s).¹⁴

Small and Medium-sized Enterprises (SMEs) can, if needed, use simpler indicators, which are more appropriate for their type of business and commitment(s).

3.2.3 Monitoring and reporting of commitments

Large companies¹⁵ shall provide an annual report on the progress of their commitment(s). The annual report shall be submitted before the end of April each year.

¹¹ When the upcoming global Biodiversity framework is adopted at the forthcoming CBD COP15, consistency herewith should also be sought for commitments submitted after that date.

¹² In case commitments are submitted before 15 July 2021, the document containing the rationale and motivation can be submitted later, but before 31 December 2021.

¹³ (Non-exhaustive) examples of these indicators and methodologies are: OEF, EMAS or equivalent (Carbon Disclosure Project; Science Based Target) for GHG emissions and environmental footprint, UN Global Compact, Global reporting initiative indicators, EU methodology for measurement of food waste and Ellen MacArthur Foundation indicators for plastics and recycling. For greenhouse gas emissions and/or the environmental footprint, the total environmental impact over the full life-cycle of the company's impacts and/or aggregated sold products is measured¹³.

¹⁴ Companies can submit existing commitments, provided that these commitments comply with the specifications as indicated above.

¹⁵ Large companies are defined as companies which are not SMEs (insert link to definition of SMEs)

This report should preferably be a summary with relevant extracts of the company's latest available Environmental, Social and Governance (ESG) report or Non-Financial or Corporate Sustainability Report (NFRD / CSRD)¹⁶ and/or any other relevant information that would allow an evaluation of the progress made by companies with respect to their commitments made under this Code.

When commitments relate to global sales/activities, companies may provide global reports. When commitments relate to EU sales/activities, the reports should as much as possible reflect EU activities.

Small or Medium-sized Enterprises (SMEs) which are not able to report annually could provide simplified reports once every two or three years on their commitments and data corresponding to their activities.

3.2.4 Disclosure of commitments and progress reports

The commitments as made by companies (including the document containing the rationale on the selection of topics and quantitative motivation), as well as the reports on progress of their commitment(s), will be made public on an open website dedicated to this Code.

3.2.5 Evaluation and review process of commitments

Besides reporting as outlined above, companies that have submitted (a) commitment(s) will be invited to present progress thereof to the wider stakeholder community in the Collaborative Platform (see section 4.1), which meets at least once per year. The evaluation and review process of commitments is further outlined in section 4.2.

¹⁶ If the European Union establishes new legally-binding standards or methodologies for reporting, companies will have to comply with these.

3.3 Enabling conditions

The Farm to Fork Strategy recognises that an enabling environment can help to facilitate, more effectively implement and accelerate sustainability actions undertaken by food business operators. Amongst others, research and innovation, technology and knowledge transfer as well as education (e.g. to improve food literacy in the population), play an important role in the pathway towards sustainable food systems.

For that reason, an initial set of “enablers” will be identified and made available on the Code’s website. It is intended that these enablers may support all categories of actors on the pathway towards achieving the aspirational objectives and targets set out in the Code. Whereas operators consider these enablers to be essential to attain the aspirations set out in this Code, commitments made under the Code cannot be conditional to the identified enablers.

In the process of implementation of this Code, further consideration may be given to additional, more targeted supporting initiatives for achieving the aspirational objectives, targets and actions set out in the Code.

IV. TERMS OF IMPLEMENTATION

4.1 Governance

This Code is built on three governance levels:

1. Collaborative Platform

- a. The Collaborative Platform has an advisory/consultative role
- b. It shall be open to any interested stakeholders (Signatories and non-Signatories) and public authorities
- c. It shall meet at least once per year (alongside the annual EU Farm to Fork Conference)
- d. It shall be facilitated by the European Commission, supported by the Liaison Group (see below)
- e. It shall receive regular updates from deliberations of the Signatories Group (see below) and shall have the opportunity to provide feedback and suggestions with regard to the ongoing implementation of the Code
- f. Main objectives:
 - Getting to know each other better – enhance mutual understanding
 - Actively promote interaction and partnerships in the Platform among stakeholders towards the objectives of this Code
 - Promote and facilitate the presentation and recognition of, and exchange on, good practices
 - Learn about new studies, projects, ...
 - Openly exchange on progress on the implementation of the Code (in terms of its commitments)
 - Stimulate collaboration between actors where possible, in particular how larger companies can coach SMEs on their sustainability pathway
 - Foster European debate among all relevant stakeholders and public authorities and stimulate partnerships between public authorities, private entities and civil society organizations

2. Signatories Group

- a. The Signatories Group has a decision-making role with regard to the Code (notably about any review/updating of the Code, at the (a) proposal(s) of the Liaison Group (see below)).
- b. It shall consist of the Signatories to this Code.
- c. It shall organise (a) meeting(s), e.g. joint events or dedicated workshops, to which the European Commission and other stakeholders may be invited, to promote and advance the work under the Code.
- d. It may put forward suggestions and ideas for initiatives/topics for the Collaborative Platform meeting(s), through the Liaison Group

(Further modalities to be agreed by the Signatories Group in its first meeting)

3. Liaison Group (collaboration between Commission and elected Signatories)

- The Liaison Group has a preparatory/co-ordination role
- It shall consist of individuals from the Signatories Group *(modalities to be agreed by the Signatories Group in its first meeting)* and from the European Commission
- It shall:
 - a) Prepare proposals to the Signatories Group to review/update the Code, as/when appropriate
 - b) Help prepare the organisation of Collaborative Platform meeting(s)
 - c) Act as an interlocutor between the European Commission and the Signatories Group

4.2 Overall monitoring and evaluation of the Code

The annual reports submitted by companies/associations as well as feedback from stakeholders in the Collaborative Platform will provide a basis for the evaluation of the progress/impact of submitted commitments. The first evaluation will take place by the end of 2022 with the active involvement of the Collaborative Platform and of the Commission.

The annual evaluations of the submitted commitments, as well as the outcome of deliberations in the Collaborative Platform, meetings of the Signatories and of the Liaison group will serve as a

basis for the overall evaluation of the progress and effectiveness of the Code. Based on this, a decision will be taken on the (dis)continuation of the Code.

4.3 Opt-out clause

- Individual Signatories may at any time decide to opt-out of this Code.
- They shall notify the Signatories Group thereof in writing.
- The resignation becomes effective immediately upon receipt of the notification.

4.4 Entry into force

This Code becomes effective at the moment of signature by at least one (1) European association of the middle part of the food value chain and at least one (1) company/association in the middle part of the food value chain signing up to the framework for ambitious commitments.

Signed in Brussels, on 5 July 2021