

THE EUROPEAN COFFEE FEDERATION'S SUSTAINABILITY EFFORTS IN THE LIGHT OF THE EU GREEN DEAL AND EU DUE DILIGENCE REQUIREMENTS

4C online seminar "Upcoming Due Diligence Requirements and Their Implications for Coffee Supply Chains", 26 November 2020



WHO WE ARE

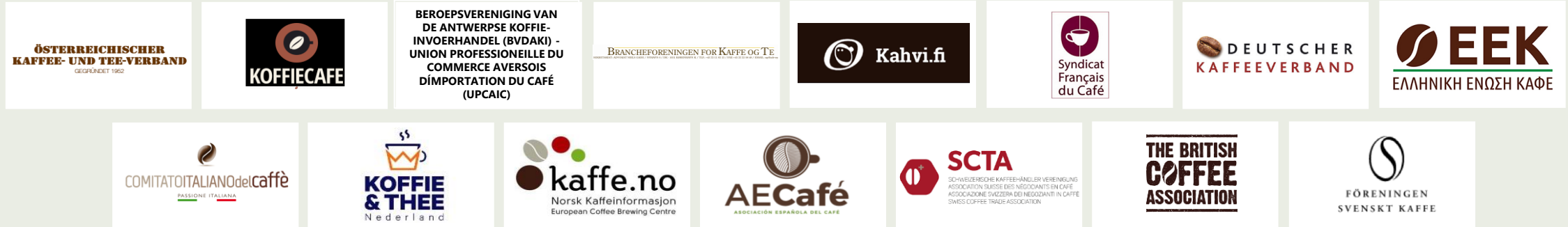
Since 1981, we are the single voice of the **European coffee trade and industry**, facilitating the development of an environment in which our industry can meet the needs of consumers and society, while competing effectively for to ensure the resilience and long-term sustainability of the coffee supply chain.

We embody **15 National Associations and 31 corporate members** and speak for **over 700 companies**. We represent a total import volume of 40 million coffee bags (35% of the world trade volume).



2020/2021 MEMBERS

NATIONAL ASSOCIATIONS (IN 14 COUNTRIES)



COMPANIES



| EUROPEAN GREEN DEAL

EU growth strategy that aims to transform the EU into a fair and prosperous society.

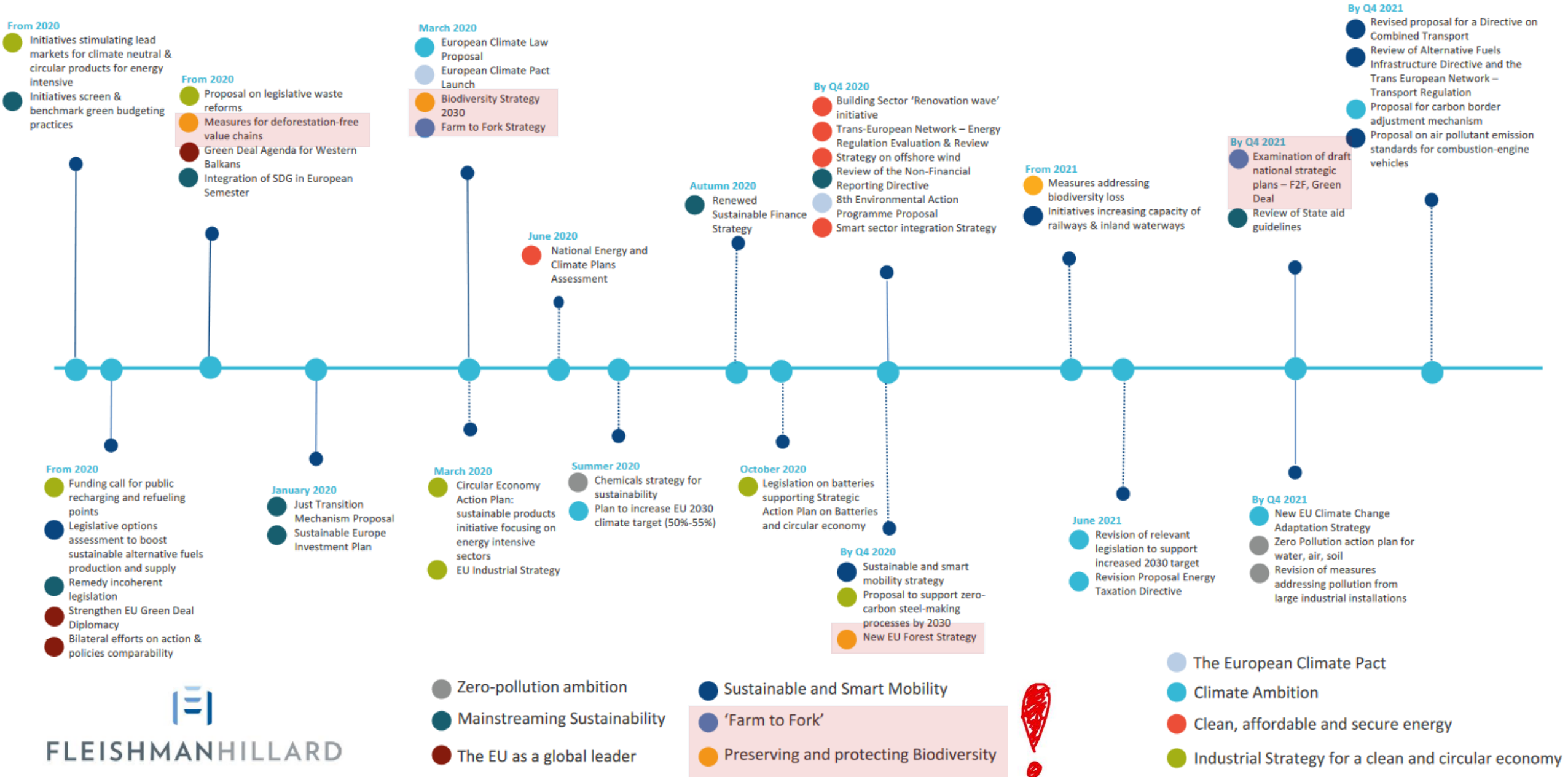
HOW? By putting Europe on a pathway to a sustainable future.

Overarching goal: The EU is to become the first climate-neutral “block” by 2050

Over 20 different transformative policies



GREEN DEAL TIMELINE



All dates are indicative –specific initiatives, sequencing and dates to be confirmed throughout 2020

IMPACT ON PRODUCING COUNTRIES

BIODIVERSITY STRATEGY

Introduces measures to tackle the global biodiversity challenge.



Reducing the
use and risk of
pesticides by
50% by 2030



Mandatory due
diligence to
guarantee
sustainable value
chains

PREVENT GLOBAL DEFORESTATION

FARM TO FORK STRATEGY

Attempts to accelerate the transition to Sustainable Food Systems.



Reducing the
use and risk of
pesticides by
50% by 2030



Reducing by
20% the use of
fertilizers by
2030
+
Improving the
corporate
governance
framework

| EU REGULATORY FRAMEWORK

MANDATORY DUE DILIGENCE

The EU has adopted **mandatory due diligence requirements** in three major sectors over the past years:

- **Forestry sector** (*FLEGT Regulation and the EU Timber Regulation*)
- **Mineral sector** (*Conflict Minerals EU Regulation*)
- **Fisheries sector** (*Illegal, Unreported and Unregulated fishing Regulation*)

Besides, EU rules require large companies to publish regular **reports on the social, environmental and climate-related impacts of their activities** (*Non-Financial Reporting Directive*).

TWO PARALLEL PROCESSES

SPECIFIC REGULATION ON FOREST COMMODITIES

Additional demand-side regulatory and non-regulatory measures to increase supply chain transparency and minimise the risk of deforestation and forest degradation associated with commodity imports in the EU

Coffee is one of the targeted commodities!



*Legislative proposal and other measures **in 2021***

SUSTAINABLE CORPORATE GOVERNANCE

Introduction of new rules to prevent, mitigate and account for actual and potential adverse impacts in global supply chains

Mandatory environmental and human rights due diligence



*Legislative proposal on corporate due diligence and accountability **in 2021***

IECF SUSTAINABILITY-RELATED ACTIVITIES



SPECIFIC REGULATION ON FOREST COMMODITIES

- ① Position papers on deforestation
- ① Participation in public consultations



- ① White paper on coffee and deforestation
- ① Conference on deforestation

SUSTAINABLE CORPORATE GOVERNANCE

- ① Position paper on mandatory due diligence
- ① Project on the implementation of the OECD-FAO Guidance for Responsible Agricultural Supply Chains



- ① Projects on due diligence



- ① Mapping of the sustainability landscape in the coffee sector

- ① Observer of the Coffee Public-Private Task Force on coffee price levels, volatility and sustainability

| TOGETHER TOWARDS TOMORROW

The European Coffee Federation and its members advocate for sustainable and resilient food systems. We believe that sustainability is a **shared responsibility** and are therefore active in the sector-wide dialogue launched to build consensus and find actionable solutions to drive long-term sustainability in the coffee sector.

Looking into the future, collaboration on a European level alone will not suffice to ensure coffee exports into the EU. We will continue to **strengthen our network and ties with the global coffee community to work together** towards tomorrow.



THANK YOU FOR YOUR ATTENTION