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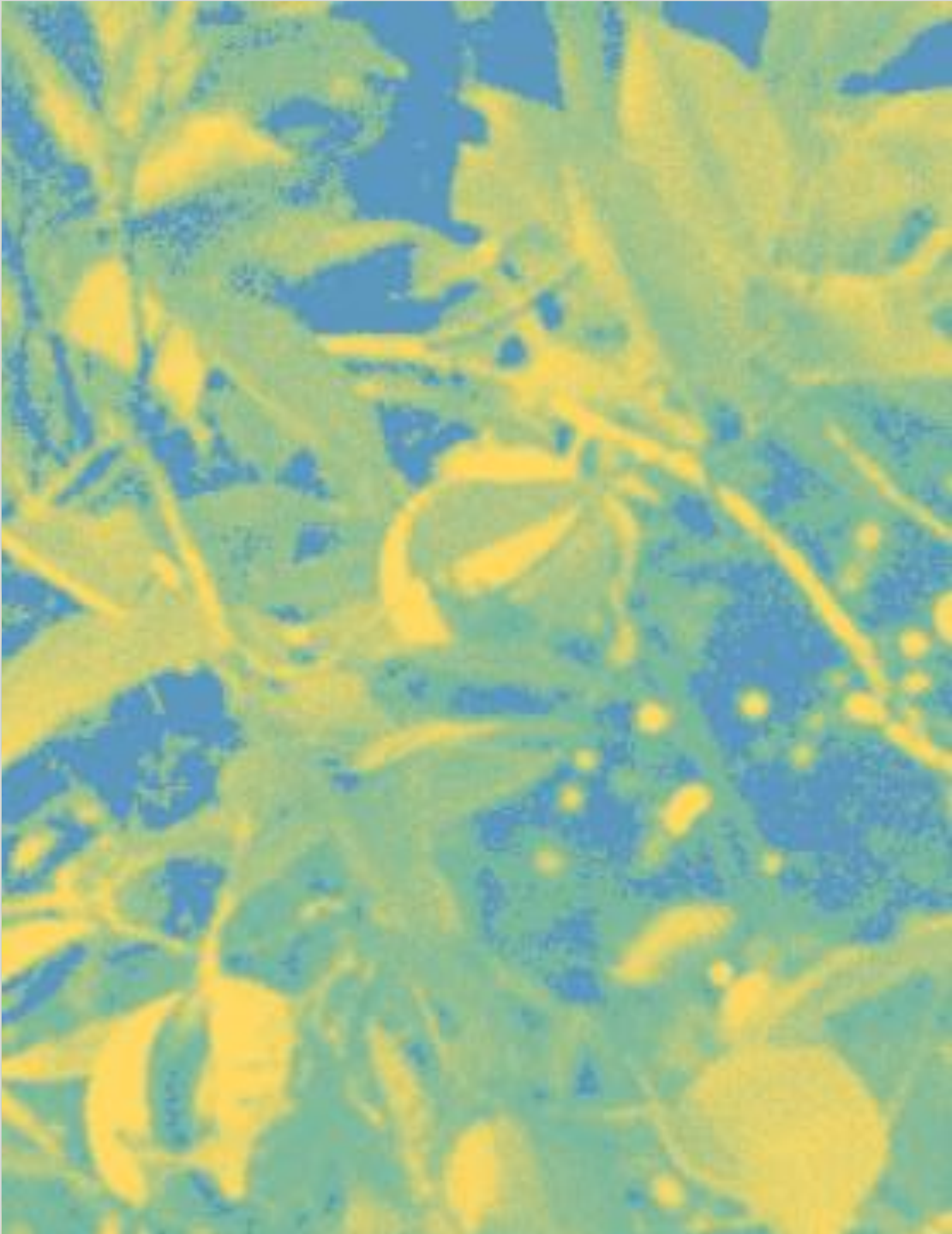


European Bank
for Reconstruction and Development



Environmental Sustainability and European Markets: Opportunities and challenges for the Olive oil Sector in the Southern and Eastern Mediterranean

30 MARCH 2026



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- Introduction
- Overview of Environmental regulations and implications
- Industry responses
- Q&A
- Closing remarks

FAO/EBRD AGENDA

- 09:30 - 09:40 Opening remarks, Lisa Paglietti, Economist, FAO, Investment Centre
- 09:40 - 10:00 Overview of Environmental regulations and implications – Dr Peter Talks, Agricultural Policies and Institutions Expert
- 10:00 - 10:40 Industry players presenting on how are responding to these developments:
Mr Giulio Benevenuti, Quality Manager at Legacoop Agroalimentare, *Practical implications for producers and cooperatives of the growing role of private standards*
Mr Lorenzo Lunetti, QC - R&D manager at Monini SpA, *Sustainability: main innovations adopted in product control, consumables, and packaging,*
Mr Rufo Garcia Quiros, CEO Oleo Quiros *Sustainability as a value-enhancing strategy in integrated olive oil companies.*
- 10.40 -11.50 Q&A session
- 11:50 - 12:00 Closing remarks, Erol Ozenbas, Associate Director, Senior Banker, EBRD.

Why Sustainability Matters Now



Tightening Environmental Regulations

European markets enforce stricter regulations on packaging, residues, traceability, and carbon reporting in olive oil production.

Private Retailer Standards

Retailers and large buyers impose standards that often exceed regulations, raising compliance requirements for producers.

Consumer Demand for Sustainability

Consumers increasingly prefer environmentally responsible products, driving companies to verify sustainability through data.

Sustainability and Market Competitiveness

Sustainability is essential for competitiveness, branding, and market access in the olive oil sector today.

Introduction Challenge and Opportunity

These changes open doors to new market segments, product differentiation, and price premiums.

They though raise very practical questions:

- Which requirements really matter?
- Where should a producer or exporter start?
- What is feasible today, and what is costly or risky?



Overview of Environmental regulations and implications

Dr Peter Talks, Agricultural, Policies and Institutions Expert



Environmental Sustainability and Olive Oil

This presentation will focus on environmental sustainability and developing European markets

We will overview key changes as follows:

- I. Packaging & Waste Reporting (PPWR & EUDR)
- II. Carbon & Sustainability Reporting (CBAM & Green Claims)
- III. Food Safety & Quality (BRCGS Issue 10 & EU Law)
- IV. Digital, Traceability, Social Reporting (CSRD)

Environmental Sustainability and Olive Oil

Two key changes

1. Producers have to demonstrate their compliance with many new rules
2. Olive oil exports will be accompanied with data in the future, collecting and verifying that data will be a critical requirement to exporting to high value-added markets

Adapting to these new rules will be challenging and need sector wide cooperation
It will also create new opportunities to create markets and value for olive oil:

- How and why do consumers buy your oil?
- The way you build your story will change!



I. Packaging and Packaging Waste Rules

Forthcoming Actions needed include

- Work with packaging suppliers
- Exporter must provide data and proof of compliance with packaging rules
- Difficult to recycle materials penalised
- rPET needed for plastic content rules

Market Opportunities

- Eco-design
- 'Certified circular' ranges
- Gains from developing Grade A recyclability (95% recyclable) packaging
- Target 'zero-plastic' premium niches (lightweight glass, 'infinite' metal tins, also plastic free reduces PFA and PCR issues)

2026

- PFA ban
- Extended Producer Responsibility (eco-modulated packaging fees)

2028

- Harmonised labelling

2030

- 30% recycling content for plastic bottles
- Design for Recycling (recyclability grades)
- Empty space minimisation
- Reusability, paper/wood sourcing rules

2035

- Evidence of recyclability

II. Carbon and Sustainability Reporting

Forthcoming Actions needed include

- Survey growers, transition from estimating to measuring inputs at farm and mill
- Developing data systems for fertiliser, energy, water and carbon intensity – increasingly needed by retailers
- Environmental claims must be supported by eco-certifications

Market Opportunities

- Low carbon heritage of SEMED producers
- Traditional, rain-fed production systems are a carbon asset
- CSRD reporting to prove your oil has a lower carbon intensity, you are supplying oil AND a ‘Scope 3 carbon solution’ to EU companies
- Direct to consumer digital storytelling – use the compulsory carbon data on the bottle’s QR code to show consumers positive characteristics of your oil

Now

- CSRD. Scope 3 emissions reporting needed by large retailers
- EU companies must report data on environmental impact of all products

2026

- Carbon Border Adjustment Mechanism
- Does not apply to olive oil exports (even in aluminium tins)
- Green Claims Directive (Sept 2026)

2027

- Environmental Due Diligence CSDDD
- Large EU buyers are liable for severe environmental degradation, developing codes of conduct
- German law already applies

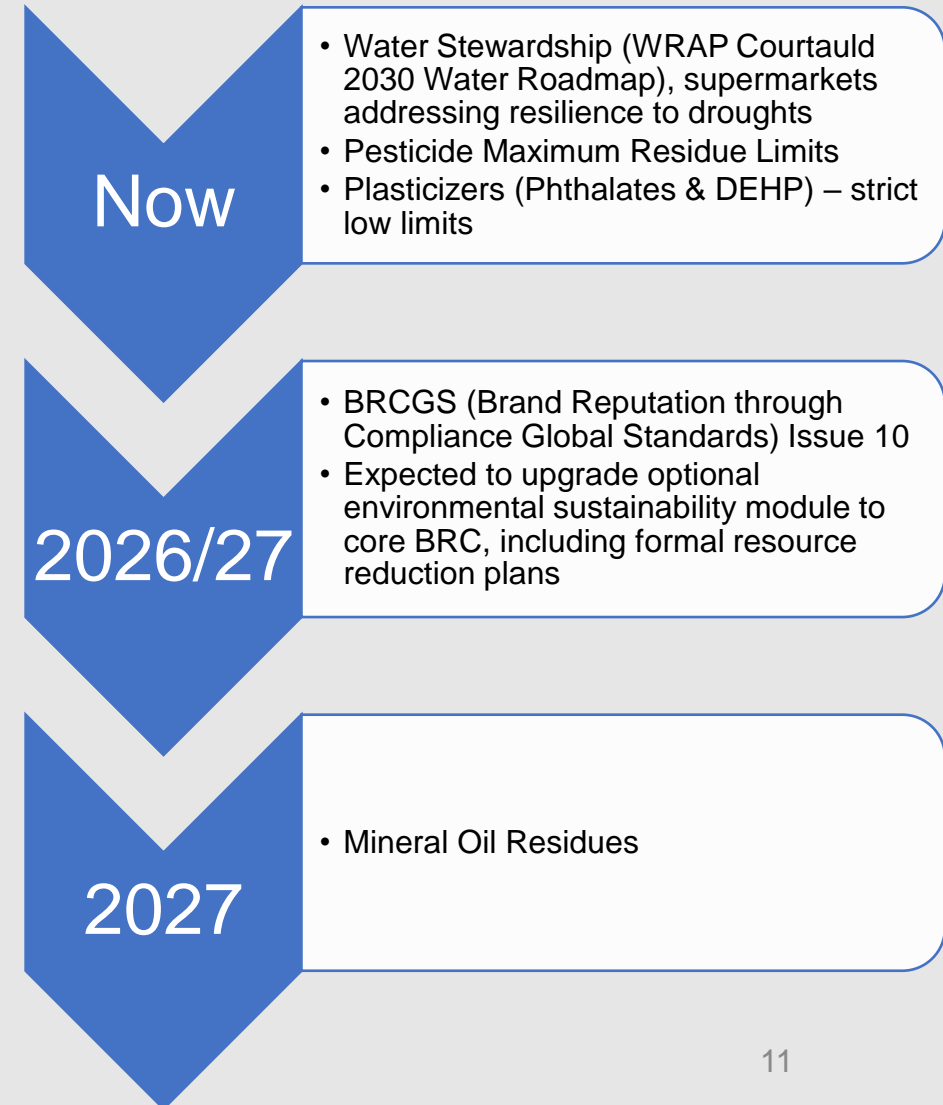
III. Food Safety & Quality

Forthcoming Actions needed include

- Revise and replace potential sources of mineral oil contamination. Whilst compliance not required, buyers likely to request lab test results to reduce risk
- EU pesticide residue limits have tightened, some supermarkets are setting stricter standards requiring multi-residue pesticide screening (GC-MS/LC-MS) from an ISO 17025 accredited lab
- Audit all flexible hosing used at the mill and verify that bulk transport flexitanks are explicitly phthalate-free, request declaration of conformity from suppliers

Market Opportunities

- Zero residues
- Using resilience and 'climate-secure', water balanced production to reduce EU buyers risk from drought/climate
- Develop high end industrial food sales (canned fish, baby food) where purity is valued (such as MOAH/MOSH mitigation measures)



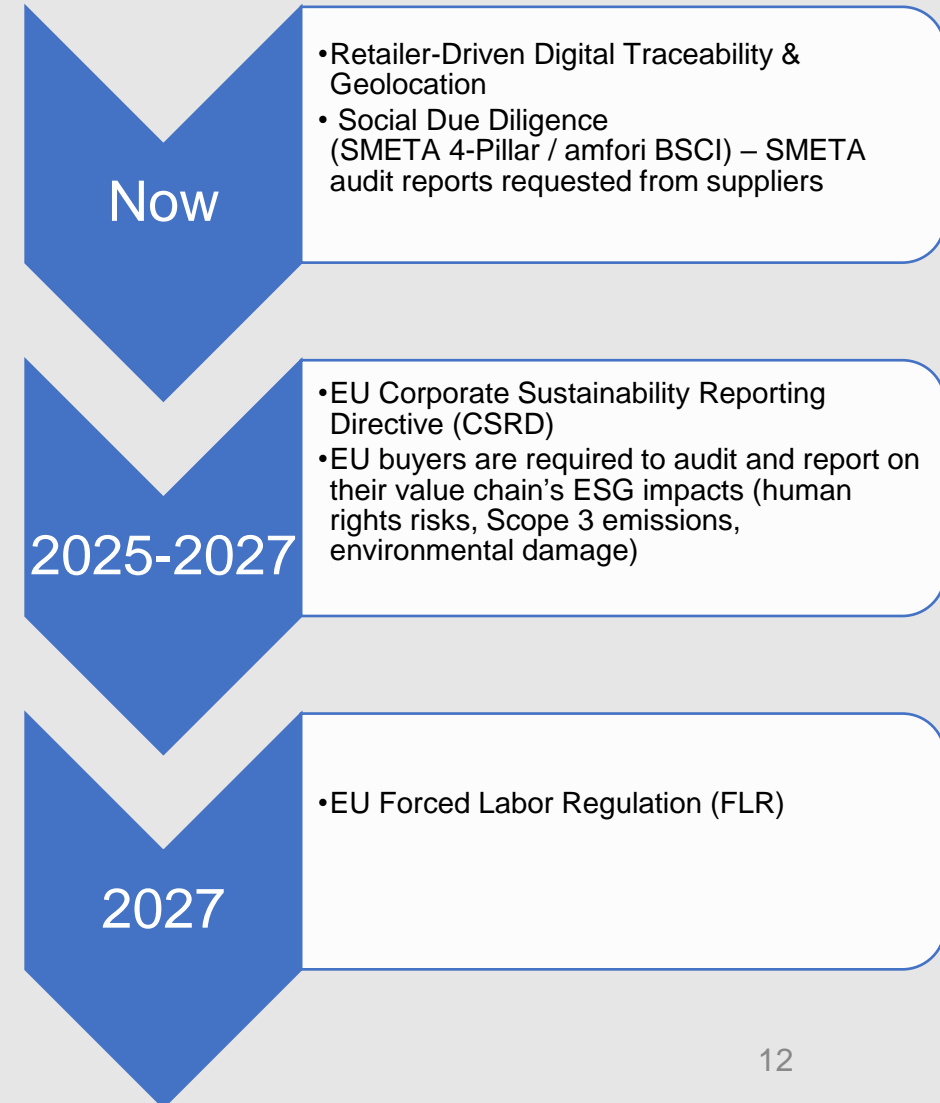
IV. Digital Traceability & Social

Forthcoming Actions needed include

- Demand from some buyers for digital batch records, geolocation data
- Provide primary data regarding farm labour conditions, energy use, and environmental footprint so EU buyers can complete their CSRD reporting
- Increased attention on labour, including contractors and seasonal workers conditions and how to verify these

Market Opportunities

- CSRD is making EU buyers nervous about supply chain risks. Fears are solved by transparency
- Small-scale production has a high social value
- Marketing opportunities for rural empowerment, positive social and environmental impact
- Create a connection with consumers, how will you tell your story?



Conclusions

- Clear trend towards increased digitalisation and compliance reporting
 - new data and compliance systems will need to be developed
- Some legislation could be delayed, however retailers are raising their requirements too, so the direction of travel is clear
- Large agrifood groups and retailers in Europe have been preparing for all these challenges for several years
- There is a need for mobilisation particularly for smaller producers for whom compliance is both costly and technically demanding
- Industry wide cooperation as well as with suppliers, organisations and government will help to accelerate preparation
- This is also an opportunity - new data streams and demonstrating compliance can be used to develop new markets, segments, products and sell to the consumer demand for environmentally sustainable products, we all know olive oil is 'good' for many reasons, tomorrow, you will have to prove it is good

Presentations



Discussants from Italy, and Spain

Moderated by Lisa Paglietti, Economist FAO



SPEAKERS

- **Mr Giulio Benevenuti, Quality Manager at Legacoop Agroalimentare**
Practical implications for producers and cooperatives of the growing role of private standards
- **Mr Lorenzo Lunetti, QC - R&D manager at Monini SpA.**
Sustainability: main innovations adopted in product control, consumables, and packaging
- **Mr Rufo Garcia Quiros, CEO Oleo Quiros.** Sustainability as a value-enhancing strategy in integrated olive oil companies.

Q&A

Annex: Packaging and Packaging Waste Rules

PPWR Element	Dates	What the Rule Covers	Exporter actions needed	EU importer data needs
PFAs Ban Caps, Liners & Bag-in-Box	August 12, 2026	Ban on food-contact packaging with intentionally added PFAS above trace limits	Audit suppliers immediately, especially plastic bladders in bulk bag-in-box, sealing gaskets inside metal caps	A signed PFAS-free declaration and technical datasheet from the packaging manufacturer. Third-party lab test results
Extended Producer Responsibility (EPR, producer registration)	August 12, 2026	Rules for EPR. Fees will be "eco-modulated" (higher taxes for hard-to-recycle materials).	Weigh every component of your packaging. Importers pay taxes per gram based on the material type	Exact weight of the bottle, cap, pourer, label, glue, and transport box for every SKU
Harmonized Labelling	August 12, 2028 Implementing rules: 2026	Standard logos, pictograms on all packaging for consumer sorting, QR codes for substances of concern	Revise labels and add EU sorting pictograms	Pre-approved label artwork integrated with the importer's compliance software
30% minimum recycled content for PET Plastic Bottles	January 1, 2030 Implementing rules: 2026	30% minimum recycled content for PET (bottles), methodology for calculating, verifying Post Consumer Recycling (PCR) plastic.	Secure supply chains for food-grade rPET. Difficulties for local suppliers to certify rPET, requires imported, compliant bottles	% PCR Content per SKU and EFSA-compliant certification of the recycling process
Design for Recycling (DfR), Bottles & Tins	January 1, 2030 Delegated Act by 2027	Technical criteria for Recyclability Grades (A, B, C). Grade C (≥70% recyclable) is the minimum	Evaluate labels, adhesives, and coatings	Material Composition Breakdown
Empty Space Minimization Premium Gift Sets & 6-Packs	January 1, 2030 Implementing Act by Feb 12, 2028	Formula for calculating the maximum 50% empty space ratio for grouped/transport packaging. Bans false bottoms, double walls	Redesign luxury EVOO gift boxes. Heavy, oversized cardboard boxes with excessive voids are banned	Empty Space Calculation (Internal volume of transport/gift box vs. actual physical volume of bottle)
Reusability, EUDR Transport Cartons & Pallets	January 1, 2030 (Reusability) Delegated Act 2027	Sets minimum rotations for reusable packaging. EUDR requires proving paper/wood didn't cause deforestation by Dec 2026/27	Map suppliers. Assess cardboard transport boxes for PPWR recyclability/reuse targets, deforestation checks	Geolocation data (Lat/Long) for the wood pulp used in cardboard boxes, plus material specs
Recycle at scale All Packaging Formats	January 1, 2035 Implementing Act by 2028	Methodology to prove that a specific packaging format is actually collected, sorted,	Monitor EU recycling infrastructure developments to ensure your chosen	Ongoing alignment with EU approved material lists.

Carbon and Sustainability Reporting

Element & Rule	Time	What the Rule Covers	Exporter Actions Needed	EU Importer / Retailer Data Needs
Carbon Border Adjustment Mechanism	January 1, 2026 (Definitive Phase Active)	Carbon border tax on carbon-intensive goods including aluminium and fertiliser, but not packaging or fertiliser use on groves	None, but see scope 3 emissions section below	None
Green Claims, Empowering Consumers for the Green Transition Directive (ECGT), UK Green Claims Code	Sept 27, 2026 (EU ECGT) Active Now (UK)	Bans generic environmental claims ("Eco", "Sustainable", "Green") unless backed by an official Ecolabel. Bans "Carbon Neutral" claims based purely on carbon offsetting (planting trees)	Audit all label artwork and websites. Remove offset-based "Carbon Neutral" logos. Do not print new labels with vague environmental terms	<ol style="list-style-type: none"> 1. Third-party verified Life Cycle Assessment (LCA) 2. Proof of official EU/UK recognised eco-certification to legally defend the label
Scope 3: FLAG Emissions Retailer/Science Based Targets Initiative (SBTi) Driven	Active Now (Commercial Necessity)	Supermarkets must report and reduce their "Forest, Land, and Agriculture" (FLAG) emissions to meet Science Based Targets (SBTi). This covers the carbon footprint of growing the olives	Survey your growers. Transition from "estimating" to "measuring" farm inputs. Map plots to prove no recent deforestation	<ol style="list-style-type: none"> 1. Fertiliser use (kg/ha, synthetic vs. organic) 2. Soil management (tillage/cover crops) 3. Zero Land Use Change (LUC) confirmation since 2020
Scope 3: Processing, Logistics (Retailer / Corporate Sustainability Reporting Directive(CSRD) Driven)	Active Now (Commercial Necessity)	Supermarkets must report the carbon footprint of milling the olives, bottling the oil, and transporting the finished goods to the EU border	Install sub-meters at the mill. Track diesel usage for harvest transport and measure electricity/water usage during pressing	<ol style="list-style-type: none"> 1. Energy use at mill (kWh/Litre of oil) 2. % Renewable energy utilised 3. Transport modality and distance to the port of exit
Environmental Due Diligence CSDDD, German Supply Chain Due Diligence Act (LkSG)	Active Now (LkSG) Phasing 2027+ (CSDDD)	Large EU buyers are liable for severe environmental degradation (e.g., illegal water extraction, severe pollution) in their global supply chains	Implement strict supplier codes of conduct. For irrigated groves, ensure all water extraction is fully permitted and metered	<ol style="list-style-type: none"> 1. Signed Supplier Code of Conduct 2. SMETA 4-Pillar Audit Report (which includes environmental assessment) 3. Proof of legal water rights/usage

Food Safety & Quality

Element & Rule	Time	What the Rule Covers	Exporter Actions Needed	EU Importer / Retailer Data Needs
MOSH/MOAH (Mineral Oil Residues)	Jan 1, 2027 European Commission Standing Committee on Plants, Animals, Food and Feed (SCoPAFF) updates	Strict legal limits for Mineral Oil Aromatic Hydrocarbons (MOAH) in fats and oils (under 2 mg/kg). Scrutiny on MOSH	Eliminate all non-food-grade lubricants on harvesting/milling machinery. Do not use jute/burlap bags for olive transport	High-resolution GC×GC lab test results proving MOAH is below the 2 mg/kg legal limit
Pesticide Maximum Residue Limits (MRLs) & Zero Residue	Active Now	<ol style="list-style-type: none"> Certification schemes for zero residues (<0.01 mg/kg) Supermarkets requiring stricter MRLs than legal requirements 	Enforce strict buffer zones to prevent chemical drift from neighbouring fruit orchards. Implement pre-harvest testing Certifications available	Multi-residue pesticide screening (GC-MS/LC-MS) from an ISO 17025 accredited lab, tailored to the destination market
BRCGS (Brand Reputation through Compliance Global Standards) Issue 10	Expected late 2026 / 2027	Expected to upgrade environmental sustainability from a voluntary module to a mandatory core standard, requiring formal resource reduction plans	Document a formal, senior-management-led Sustainability Culture Plan. Start tracking water and energy intensity per litre of oil produced.	Valid BRCGS Issue 10 Audit Certificate and documented annual reduction targets for energy/water.
Water Stewardship & Physical Risk	Active Now <i>(Commercial)</i>	Some UK retailers are assessing supply chain resilience to droughts, focusing on water-stressed regions like North Africa. Driven by the WRAP Courtauld 2030 Water Roadmap, supermarkets are publicly committed to sourcing 50% of fresh food/drink from areas with sustainable water management by 2030.	For irrigated groves, measure litres of water used per litre of oil. Implement and document drip-irrigation efficiencies	Water footprint calculation (L/kg) and proof of legal/permitted groundwater extraction rights
Plasticizers (Phthalates & DEHP)	Active Now <i>(Mandatory)</i>	EU limits on endocrine-disrupting chemicals leaching from plastics into fats/oils. Critical for bulk oil exports	Audit all flexible hosing used at the mill and verify that bulk transport flexitanks are explicitly phthalate-free, request declaration of conformity from suppliers	Phthalate migration test results specifically for the bulk transport packaging (flexitanks) and mill equipment

Digital Traceability & Social

Element & Rule	Time	What the Rule Covers	Exporter Actions Needed	EU Importer / Retailer Data Needs
Social Due Diligence (SMETA 4-Pillar / amfori BSCI)	Active Now	Comprehensive audits covering labour rights, health & safety, business ethics, and environmental compliance at the mill and farm level	Overhaul seasonal labour contracts. Ensure clean drinking water, safe transport, and legal minimum wage for migrant harvest workers	<ol style="list-style-type: none"> Valid SMETA 4-Pillar or amfori BSCI Audit Report Successful upload/link via the Sedex platform
EU Forced Labor Regulation (FLR)	Applies 2027	A ban on any product entering the EU market that was made using forced labour at any stage of the supply chain.	Ban recruitment fees (workers paying to get a job). Ensure no worker passports or ID cards are held by farm managers or labour contractors	<ol style="list-style-type: none"> Mapping of the lowest supply chain tiers (labour contractors) Proof of anonymous worker grievance mechanisms
EU Corporate Sustainability Reporting Directive (CSRD)	Phasing In Now 2025: Largest corps report 2026: Large corps report 2027+: Listed SMEs report	Supply Chain Transparency: EU buyers are legally required to Audit and publicly report on their value chain's ESG impacts (human rights risks, Scope 3 emissions, environmental damage)	Provide primary data regarding farm labour conditions, energy use, and environmental footprint so the EU buyer can complete their mandatory CSRD filing	Auditable ESG Data: Documented proof of labour compliance (SMETA) and primary carbon data to calculate Scope 3 emissions
Retailer-Driven Digital Traceability & Geolocation	Active Now <i>(Commercial requests)</i>	Voluntary "EUDR-Style" Tracking: Even though olive oil is legally exempt from the EU Deforestation Regulation (EUDR), major supermarkets are voluntarily enforcing EUDR-level GPS tracking on <i>all</i> their products to protect their brand PR	The transition from paper-based "one step back, one step forward" traceability to fully digital, end-to-end batch tracking. Digitise the olive intake process.	<ol style="list-style-type: none"> Digital batch records Geolocation data: (GPS coordinates or polygons) of the farms supplying the specific olives
UK Modern Slavery Act (UK & Retailer Driven)	Active Now	UK supermarkets must legally report the steps they take to eradicate modern slavery, pushing liability down to the exporter	Audit your third-party labour providers. If you hire a contractor who brings 50 people to pick olives, you are liable for how they are treated	<ol style="list-style-type: none"> Signed Supplier Code of Conduct (SCoC) Documented recruitment policies for seasonal labour
Social Due Diligence (SMETA 4-Pillar / amfori BSCI)	Active Now	Comprehensive audits covering labour rights, health & safety, business ethics, and environmental compliance at the mill and farm level	Overhaul seasonal labour contracts. Ensure clean drinking water, safe transport, and legal minimum wage for migrant harvest workers	<ol style="list-style-type: none"> Valid SMETA 4-Pillar or amfori BSCI Audit Report Successful upload/link via the Sedex platform

