

## FoodDrinkEurope's contribution to a circular economy

FoodDrinkEurope represents the interests of Europe's food and drink industry<sup>1</sup>. Our members work to continuously improve resource efficiency throughout their operations and across the entire value chain. The Food and Drink industry's contributions to improving resource efficiency and sustainable growth is therefore fully compatible with the European Commission's desire to move towards a more resource efficient economy. In view of the upcoming Commission proposals to promote the circular economy, FoodDrinkEurope is pleased to contribute its preliminary views including on the Waste Framework and Packaging and Packaging Waste Directives.

### **Key messages:**

- A circular economy for the food and drink industry means making an efficient use of resources (water, energy, raw materials), from the sourcing of agricultural raw materials through to the consumption of our products, including the need to prevent food losses and wastage at each and every stage wherever possible. Through continuous improvement and product innovation many food and drink manufacturers have developed by-product and co-product lines to maximize the use of raw materials and minimize food waste.
- Boosting jobs, growth and infrastructure within the EU should be one of the key benefits of a circular economy.
- FoodDrinkEurope fully supports the continuous improvement of the environmental performance of food and drink products along their life-cycle. The food and drink industry assesses the environmental impact of its products (including the associated packaging) through a science based, life cycle approach, from ingredient sourcing, processing and manufacturing through to the final consumption stage.
- In order to develop scientifically reliable, consistent, non-misleading, and understandable communication along the food chain the Food SCP Round Table (RT)<sup>2</sup> has developed the ENVIFOOD Protocol<sup>3</sup>, the first scientifically reliable, practical and harmonised sectorial environmental assessment methodology for food and drink products covering all relevant stages of the food chain.
- On the upcoming proposal to review the Waste Framework Directive (WFD) and Packaging and Packaging Waste Directives (PPWD), the European Commission should take into account the following considerations:
  - Packaging is an integral part of the packaged product and its value chain. It performs an essential role in helping to prevent and reduce food waste throughout the supply chain and on in the home through its protective function in which ensures the product remains safe to consume and of the optimum quality. Packaging therefore also makes an important contribution to food security.

<sup>1</sup> <http://www.fooddrinkeurope.eu/>

<sup>2</sup> <http://www.food-scp.eu/node/25>

<sup>3</sup> [http://www.food-scp.eu/files/ENVIFOOD\\_Protocol\\_Vers\\_1.0.pdf](http://www.food-scp.eu/files/ENVIFOOD_Protocol_Vers_1.0.pdf)

- The consistent implementation and enforcement of the current WFD and PPWD should be a priority at Member State level.
- The need to define a harmonised EU methodology for waste management target calculation and to assess the impact of this along with any changes to definitions before revising the current targets.
- Maintaining the waste hierarchy as a principle for waste management with exceptions allowed when technically or economically justified.
- A shared responsibility approach for collection, recovery and recycling systems involving all relevant actors, based on the principles of transparency, accountability and fairness needs to be ensured to optimize their effectiveness. Financial contributions to packaging waste management schemes from producers/importers and other private sector companies should be used exclusively to achieve the packaging recycling and recovery targets. Member States (MS) should retain the flexibility to implement packaging waste management systems according to national, regional and local realities, in line with the subsidiarity principle,
- Product packaging design provisions should be established through the implementation of the PPWD essential requirements and related CEN and ISO standards.
- The promotion of litter prevention should focus on consumer education and changing public attitudes.

## The food and drink industry's contributions to a circular economy

Rising and more volatile food prices are making investment decisions tougher and access to resources more difficult. Raw materials, water, air, biodiversity and terrestrial, aquatic and marine ecosystems are all under pressure. This pressure will only continue to increase with the global population expected to reach 8.2 billion by 2030<sup>4</sup>. Against the backdrop of a predicted rise in global demand for food, the Intergovernmental Panel on Climate Change warns that all aspects of food security will potentially be affected by climate change, including food production and price stability<sup>5</sup>. In a world where demand and the competition for scarce resources will continue to increase, and pressure on resources is causing greater environmental degradation, Europe can benefit economically and environmentally from making better use of those resources.

Europe's food and drink industry is firmly committed to continuous environmental improvement in particular through increased resource efficiency and the promotion of a circular economy. Our overall goal is to continuously improve our environmental performances at every stage along the food supply chain, including waste management, without undermining food safety at any stage. To this end, FoodDrinkEurope issued in 2012 its fourth environmental sustainability report setting a Vision and concrete actions for 2030<sup>6</sup>. Also in 2013, the Food SCP RT launched the first harmonised sectorial environmental assessment methodology for food and drink products, the ENVIFOOD Protocol. In addition, many food and drink sectors

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<sup>4</sup> [http://www.un.org/esa/population/publications/WUP2005/2005WUP\\_FS4.pdf](http://www.un.org/esa/population/publications/WUP2005/2005WUP_FS4.pdf)

<sup>5</sup> As reported in the FoodDrinkEurope 2015 report: *A TIME TO ACT, Climate Action and the Food and Drink Industry*

[http://www.fooddrinkeurope.eu/uploads/publications\\_documents/FoodDrink\\_Europe\\_Climate\\_Action\\_Brochure.pdf](http://www.fooddrinkeurope.eu/uploads/publications_documents/FoodDrink_Europe_Climate_Action_Brochure.pdf)

<sup>6</sup> <http://sustainability.fooddrinkeurope.eu/>

are currently participating to the Commission Environmental Footprint pilots<sup>7</sup> which will run until the end of 2016.

Our approach towards a circular economy prioritises hygiene and food safety requirements inherent to our industry practices<sup>8</sup>. The summary below gives concrete examples how we work towards a circular economy:

- Significant steps have been taken to set commitments, actions and targets for the sustainable sourcing of key commodities. Many food and drink companies are integrating sustainable sourcing into their overall business strategy, product design and corporate policy<sup>9</sup> and are collaborating on a pre-competitive basis to support sustainable farming practices<sup>10</sup>. The supply and demand of agricultural raw materials for food production is affected by the demand by other industries. Food, non-food and energy outlets are competing for the same limited resources (water, land). In this regard the 'Food and Feed First Principle' should be taken into account when considering a circular economy.
- FoodDrinkEurope fully supports the continuous improvement of the environmental performance of products along their life-cycle. Environmental assessment tools (such as Life Cycle Analysis) represent a key tool for the food and drink industry towards increasing the efficiency of resources along our value chain. These tools thrive to integrate where possible sustainable and efficiency sourcing of raw materials, product formulations and packaging design amongst others. Industry's resources are invested in finding ways to streamline, harmonize and simplify eco-design and life cycle assessment for food and drink products, such as the ENVIFOOD Protocol<sup>11</sup>, developed, tested and validated by the Food SCP RT. Currently, significant efforts are being devoted to the Commission's Environmental Footprint Pilots, running on twelve different food and drink product groups to test the viability of the environmental footprinting approach.
- Contributing to industrial symbiosis, increasingly by-products and waste are used as a source of renewable energy and investments in low carbon technologies, such as Combined Heat and Power (CHP) which contribute to further emission reductions.
- In light of the anticipated increase in demand for water worldwide, significant efforts have been made to work with food chain partners to improve water management as well as the quality of waste water. Where allowed by food hygiene laws, investments have been made in technology to allow water recovery and re-use, such as capturing water from steam, without compromising on food safety.
- Preventing avoidable waste at all stages of the supply chain is an important priority for the food and drink sector. Not only is it a needless source of greenhouse gas emissions but

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<sup>7</sup> [http://ec.europa.eu/environment/eusdd/smgp/pef\\_pilots.htm](http://ec.europa.eu/environment/eusdd/smgp/pef_pilots.htm)

<sup>8</sup> [http://www.fooddrinkeurope.eu/uploads/publications\\_documents/ONLINE\\_VERSION\\_Safe\\_food\\_farm\\_fork\\_infographic\\_1403-01.png](http://www.fooddrinkeurope.eu/uploads/publications_documents/ONLINE_VERSION_Safe_food_farm_fork_infographic_1403-01.png)

<sup>9</sup> See Sustainable sourcing chapter at FoodDrinkEurope Environmental Sustainability Vision report (page 16) ([http://sustainability.fooddrinkeurope.eu/uploads/section-images/USE\\_SustainabilityReport\\_LDFINAL\\_11.6.2012.pdf](http://sustainability.fooddrinkeurope.eu/uploads/section-images/USE_SustainabilityReport_LDFINAL_11.6.2012.pdf))

<sup>10</sup> For example SAI Platform [www.saiplatform.org](http://www.saiplatform.org)

<sup>11</sup> [http://www.food-scp.eu/files/ENVIFOOD\\_Protocol\\_Vers\\_1.0.pdf](http://www.food-scp.eu/files/ENVIFOOD_Protocol_Vers_1.0.pdf)

when a food is wasted, all the resources that were invested in its production are also wasted. It also represents a missed opportunity to feed the growing world population. Manufacturers are maximising the use of the agricultural resources they use in food production. Through continuous improvement and product innovations many food and drink producers have developed by-product and co-product lines to maximize the use of raw materials, minimize food waste and add value. Manufacturers are increasingly finding uses for by-products and surpluses not only as food for human consumption but also as animal feed and for other industrial uses (waste-to-energy)<sup>12</sup>. In addition, re-use, recycling and recovery by producing bioenergy from waste, helps to achieve optimal raw material utilisation and waste management optimisation.

- Driven by the need to reduce food wastage, in 2013, FoodDrinkEurope along with other food chain partners launched a joint effort to tackle the problem of food wastage via the publication of their 'Every Crumb Counts' Joint Declaration<sup>13</sup>. The Declaration was accompanied by a tool kit<sup>14</sup> for food and drink manufacturers on food wastage prevention<sup>15</sup>. Building on the commitments made in the ECC Declaration, FoodDrinkEurope published in 2014 a progress report 'Preventing food wastage in the food and drink sector' showcasing the concrete actions being taken by manufacturers to tackle food wastage both within their own operations and up and down their supply chains since the Declaration and toolkit were launched.

In view of the above, FoodDrinkEurope would underline the importance of the European Commission establishing a circular economy framework that stimulates growth and jobs across the EU and which also the food and drink industry can further contribute through its actions to improve the environmental performance of food and drink products across their life cycle.. Such framework should also deliver a well-functioning single market for food and drink products and a favourable investment environment for the food and drink sector. In addition, EU research and innovation programmes, such as the Horizon 2020 and the European Technology Platform "Food For Life" could further support industrial innovation.

## Revised proposal on the waste review

In view of the ongoing work for a revised proposal on the waste review, and in particular on the WFD and the PPWD, FoodDrinkEurope recommends the European Commission takes into account the following considerations:

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<sup>12</sup> As described in FoodDrinkEurope Food Wastage Toolkit (<http://www.fooddrinkeurope.eu/industry-in-focus/maximizing-food-resources/>)

<sup>13</sup> <http://everycrumbcounts.eu/>

<sup>14</sup> <http://www.fooddrinkeurope.eu/our-actions/maximizing-resources/>

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[http://www.fooddrinkeurope.eu/uploads/publications\\_documents/Preventing\\_food\\_wastage\\_in\\_the\\_food\\_and\\_drink\\_sector.pdf](http://www.fooddrinkeurope.eu/uploads/publications_documents/Preventing_food_wastage_in_the_food_and_drink_sector.pdf)

## **The role of packaging in the food and drink industry**

Our industry is constantly taking measures to transform fresh raw materials into safe, nutritious and tasty food and drinks suitable for human consumption in a sustainable and efficient manner. Packaging helps to prevent and reduce food waste through the vital protective role it plays in helping to ensure that the safety and quality of food and drink products are maintained from production to consumption including through the storage and use information it carries.

Through its role in helping prevent food wastage packaging also makes an important contribution to food security. Good packaging will keep food fresh and protects it from spoilage until the food is consumed. Packaging must be therefore considered as an integral part of the packaged product and its value chain. Packaging design should also be assessed through the suitable environmental assessment tools (e.g. Life Cycle Assessment) on a case by case basis, depending on the actual market situation. This needs to be done as an integral part of the packaged product and its value chain. Policies should therefore allow for further optimisation of packaging, which in certain product supply chains for instance may mean more or less packaging use, or alternative packaging designs<sup>16</sup>. Industry will continue improving both the performance and functionality of packaging whilst working towards its optimisation so as to minimise the adverse impacts on the environment.

Many foods are packed in packaging that is recyclable, but often the infrastructure/facilities do not exist within a region or MS to perform this. Furthermore, there could be cases when there is no market for the recycled material or no significant return on investment (e.g. where value of recycled packaging is based on weight) that would instigate investment in such facilities. Taking also into consideration that some packaging cannot be recycled under current technological possibilities, energy recovery should be maintained as a waste management option.

## **Member State (MS) implementation and harmonised target calculation methodology**

FoodDrinkEurope supports the need to progressively improve the waste management targets in the WFD and PPWD so that they continue to deliver high levels of waste management across the EU provided such targets are realistic and achievable. Implementation and enforcement of the current EU targets at MS level should however be ensured beforehand.

The impact of setting a common methodology for target calculation and reporting along with any changes to definitions should be assessed prior to revising the current targets. The defined methodology should be applied without differentiation across MSs. The current lack of a harmonised calculation methodology for data monitoring and reporting makes it difficult to understand and compare waste management performance and recycling across MSs which in itself poses a great challenge to setting realistic targets for the future. The methodology for calculating recycling rates should be standardised so as to ensure consistency and comparability, thereby possibly leading to better informed policy measures and targets.

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<sup>16</sup> <http://everycrumbcounts.eu/>

Once a common methodology for targets calculation is defined, the setting of recovery and recycling targets should follow a “step-by-step” approach in line with the process followed for the previous revisions of the WFD and PPWD. Establishing periods for revision of the targets and building on the implementation results of the previous review will help to define more accurate, robust, realistic and achievable targets.

### **Waste hierarchy as a principle with exceptions allowed**

FoodDrinkEurope supports utilisation of the full range of waste management options to maximise the resource value from all materials used for packaging. For example, in the interests of optimising the sustainability of the product it is sometimes necessary to use packaging that is recoverable as opposed to recyclable.

The waste hierarchy approach to waste management should be followed. However, deviations should be permitted where this is justified by life cycle thinking on the overall impacts of the generation and management of such waste including technical feasibility and economic viability in accordance with Article 4.2 of the current WFD. On this basis, we believe that energy recovery must remain available as a waste management option for MSs as, in some circumstances, anaerobic digestion or incineration represent the best overall environmental outcome or the only available waste recovery option for dealing with food waste and used packaging respectively

### **Promotion of shared responsibility approach involving all relevant actors in the value chain**

Overall, the food and drink industry believes that the existing collection, recovery and recycling systems for used packaging waste will continue to make an important contribution to the achievement of the EU recycling and recovery targets for used packaging. Through implementation of the current WFD and PPWD it has been demonstrated that some of the existing systems in MSs are in need of increased transparency, accountability and clarity of roles of the actors involved. This could be achieved for example through the development of EU voluntary guidance for Member States. However it is important though that each MS retains flexibility to implement packaging waste management systems in a way that reflects national, regional and local realities, in line with the subsidiarity principle. However to ensure the continued and increased effectiveness of these systems the following principles should be followed at Member State level:

- Shared responsibility<sup>17</sup> and clear accountability between actors involved in packaging waste management.
- Efficient control and monitoring mechanisms to avoid free riders;
- Transparency of material flows, cost, tendering procedures, geographic scope and collected materials of packaging waste management services;
- Authorisation by MSs of all national collection, recovery and recycling schemes.

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<sup>17</sup> Shared responsibility in the recitals of Directive 94/62/EC: “...the development and implementation of the measures provided for in this Directive should involve and require the close cooperation of all the partners, where appropriate, within a spirit of shared responsibility;...”

The correct implementation of these principles will:

- Improve the performance including financial performance of existing collection, recovery and recycling systems;
- Enhance the quality of recycling;
- Create a level the playing field between producers, importers and existing waste management schemes in a MS and
- Improve the communication and cooperation between consumers, producers, waste management schemes and local authorities.

Financial contributions to packaging waste management schemes from producers/importers and other private sector companies should be used exclusively to achieve the packaging recycling and recovery targets also involving public authorities and their contractors.

### **Protection of the single market**

The food and drink industry believes that the current PPWD legal base and essential requirements have already and will continue to deliver important results in the context of the EU recycling and recovery targets for used packaging.

The Directive's dual objectives — to protect the environment whilst securing the free movement of packaging and packaged goods throughout the EU, as well as avoiding divergences in national policies — remain valid today and must be maintained in any revised proposal. The free movement of packaged goods in the internal market is a fundamental principle of the EU.

The PPWD ensures regulatory security and predictability for companies investing in the packaging recycling and recovery value chains. Moreover, in transposing the Directive, national legal frameworks have been set up, enabling industry to carry out its collection, recovery and recycling responsibilities and so help MSs meet national recycling/recovery targets laid down in the Directive. To this aim, PPWD'S Article 21 Committee serves as a forum for MSs to agree on a harmonised implementation of the PPWD and, in this light, it should be maintained.

The essential requirements along with their associated CEN and ISO standards on packaging optimisation should remain the leading set of legally binding EU design requirements for packaging placed on the EU single market as these provide certainty for companies operating in the EU through harmonised requirements and have a proven track record of delivering important results in the context of the EU recycling and recovery targets for used packaging.

### **Litter prevention: focus on consumer education and changing public attitudes**

FoodDrinkEurope fully recognises that littering is a serious societal issue which needs to be addressed through a comprehensive and holistic approach. Industry is for example, willing to make a contribution to efforts to reduce litter through contributing to various educational activities and communication channels as part of a more holistic approach involving all relevant stakeholders. For example education campaigns for better waste sorting and litter

prevention, such as Tidyman, a Keep Tidy Britain initiative<sup>18</sup> in the UK and An Taisce<sup>19</sup> in Ireland. We believe that a key part of the solution to the problem of littering should be to focus on consumer education and behaviour and changing public attitudes towards littering.

*Europe's food and drink industry is looking forward to pursuing its ongoing dialogue with the European institutions and stakeholders in order to progress towards a more resource efficient economy.*

FoodDrinkEurope is the organisation of Europe's food and drink industry, the largest manufacturing sector and leading employer in the EU and a key contributor to its economy (286 000 companies, 99% SMEs, 4.2 million employees).

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<sup>18</sup> <http://www.keepbritaintidy.org/home/481>

<sup>19</sup> <http://www.antaisce.org/>