

FoodDrinkEurope position on the future EU legislative Framework on Sustainable Food Systems

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IN BRIEF

FoodDrinkEurope supports the objectives set out in the Farm to Fork strategy and the Commission's ambition to establish a new EU framework to accelerate the transition to more sustainable food systems (FSFS).

The European food and drink industry is determined to be at the forefront of the sustainability transition, which is essential for the wellbeing, prosperity and longevity of our economies, our societies and our planet. However, many food and drink companies are confronted with challenges resulting from an amalgamation of external shocks, such as the Covid pandemic, war in Ukraine and increasing weather challenges. The development of an EU Framework on Sustainable Food Systems (FSFS) is an opportunity for the EU to take a bold step into investing and creating the appropriate market and regulatory conditions for agri-food businesses to become more sustainable and more competitive.

In this paper, FoodDrinkEurope provides its key recommendations on an effective, feasible and coherent transition to more sustainable food systems.

KEY MESSAGES

- The FSFS should act as an enabling regulatory framework to provide the necessary incentives, financial, and technological support, to allow food chain actors to support the transition towards more sustainable food systems.
- The FSFS should provide the legal certainty, clarity, and level playing field for business operators, ensuring harmonisation at EU level and future-proof legislation.
- The FSFS should focus on operations rather than products. Minimum sustainability criteria should be clear, realistic, and science-based.
- The FSFS should recognise Europe's strength of diversity of food systems and ensure the long-term economic viability and competitiveness of all players in the food chain.

Introduction

The European food and drink industry supports the EU ambition to strengthen EU global leadership in sustainability. Sustainable food production and consumption are indispensable conditions to make Europe the first climate-neutral continent. The future legislative framework on sustainable food systems (FSFS) presents an opportunity to align objectives and ensure coherence between EU food-related legislation and policies, and also with international standards such as the UN Sustainable Development Goals (SDGs) and the UN Food and Agriculture Organisation (FAO) definitions.

FoodDrinkEurope and its members are eager to play a constructive and pro-active role in driving the transition towards more sustainable food systems. This can only be achieved through supportive policy, which is holistic, harmonised, co-owned, inclusive, and science based. Any such policy must be continuously evaluated against its objectives and should include incentives for both consumers and businesses. For it to be successful, it must facilitate collaboration, partnership, and open, forward-looking dialogue about opportunities, challenges, and trade-offs. At the same time, it should recognise Europe's strength of diversity, ensure predictability, and enable the long-term economic viability and competitiveness of all players in the food chain.

Work is not starting from scratch. With a central role between 'Farm' and 'Fork', FoodDrinkEurope members are investing in improving the environmental and nutritional footprint of their products, enhancing the circularity of products and packaging, promoting more sustainable consumption behaviours, minimising food losses, and ensuring safe, affordable, and enjoyable food.

In order to scale up these efforts, the food and drink industry will need increased support for SMEs, a stronger Single Market for food and drinks, and a reduction of the administrative burden on enterprises, through better regulation, research and innovation (R&I), and sustainable finance. The FSFS represents an opportunity to support these efforts and minimise any barriers that food chain actors may face in contributing to the overall objective of more sustainable food systems.

Due to the breadth and scale of the industry, it is inevitable that operators will move at different paces. The European Commission should therefore ensure that nobody is left behind and that every actor is able to participate in a just transition towards more sustainable food systems. Specific attention (e.g., in the form of financial support, training, R&I, etc.) should be given to the needs of certain sectors and companies – particularly SMEs – in the food manufacturing sector, that may struggle with some of the measures/policies that will stem from the FSFS. Equally, farmers need to be supported in the transition towards more sustainable food systems to drive climate resilience, improve soil health, water quality and efficiency.

Objectives

Overall, the FSFS should mainstream sustainability in all present and future EU policies and legislation impacting the food system. This will ensure alignment with the EU Green Deal objectives and the SDGs. Moreover, the FSFS should be consistent with the provisions and objective of the General Food Law.

The overall objective of the FSFS should be to incentivise and support all food chain actors to make their operations increasingly sustainable over time. By doing so, the framework can enable consumers to make more sustainable food choices.

Finally, the FSFS should build upon voluntary initiatives, such as the [EU Code of Conduct on Responsible Food Business and Marketing Practices](#) and recognise and support specific industry efforts, such as the [FoodDrinkEurope Action Plan for Sustainable Food Systems](#).

Definitions

The scope of application, definitions, and the principles of the FSFS should be clear, comprehensive, and future-proof because sustainability is a concept that evolves over time. The definitions should be aligned with existing international definitions and standards, such as the below definitions adopted by the FAO.

- **Sustainable food systems:** *“A sustainable food system (SFS) 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: – It is profitable throughout (economic sustainability); – It has broad-based benefits for society (social sustainability); and – It has a positive or neutral impact on the natural environment (environmental sustainability).”*¹
- **Sustainable diets:** *“Sustainable diets are those diets with low environmental impacts which contribute to food and nutrition security and to healthy life for present and future generations. Sustainable diets are protective and respectful of biodiversity and ecosystems, culturally acceptable, accessible, economically fair and affordable; nutritionally adequate, safe and healthy, while optimising natural and human resources.”*²
- **Food environment:** *“The food environment refers to the physical, economic, political and socio-cultural context in which consumers engage with the food system to acquire, prepare and consume food.”*³

¹ FAO (2018) [Sustainable Food Systems, Concept and Framework](#)

² *Ibid.*

³ HLPE. 2017. Nutrition and food systems. A report by the High-Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security, Rome.

General principles

The development of sustainable food systems needs to be underpinned by overarching principles applied throughout all pillars of sustainability, these should be:

- **Systemic approach:** the FSFS should address the whole supply chain and all actors, establishing clear roles and responsibilities. The FSFS should focus on operations, rather than products and recognise the diversity of food systems within the EU.
- **Holistic approach to sustainability:** the FSFS should provide guiding principles to ensure balance and proportionality among the three pillars of sustainability as well as, for example, food safety and food security.
- **Science-based:** the FSFS and any tertiary legislation have to be based on clear, robust, and up-to-date scientific evidence and data, including on consumer behaviour. In parallel, the FSFS needs to ensure that the necessary structures are put in place at EU level to guarantee a timely and robust development and implementation of the FSFS and any tertiary legislation.
- **Enabling the transition:** the FSFS should act as an enabling regulatory framework, and thus entail the necessary incentives, financial and technological support to allow food chain actors to support the transition towards more sustainable food systems. In this regard, the FSFS should be accompanied by a comprehensive EU strategy on investments in R&I, which should foster public-private partnerships in R&I and include an integrated systemic perspective to address sustainable food systems.
- **Stakeholder engagement and transparency:** transparency and participation in the regulatory process ensures that regulation serves the public interest and is informed by the legitimate needs of those affected by regulation. It enables economic operators to foresee with a certain degree of security how to respond to policy and regulatory changes and help them reduce uncertainty costs. Stakeholders should therefore be consulted throughout the whole decision-making process, including in the development of tertiary legislation. With regard to the delegation of powers to the European Commission, defining minimum requirements in delegated acts goes far beyond the right for the Commission to supplement or amend non-essential elements of the basic legislative act because it would either create the whole additional body of rules *ex novo*, or change the scope of sector-specific legislation. Hence, the operationalisation of the elements of the FSFS should be undertaken first and foremost through the ordinary legislative procedure or implementing acts.
- **Preserving the Single Market:** the FSFS should provide legal certainty, clarity, and a level playing field for business operators, ensuring harmonisation at EU level and future-proof legislation leveraging on digital solutions. The EU should also safeguard the free movement of food and drink products in the EU Single Market, which is crucial for food business operators, as well as consider the needs of SMEs, which make up 99% of the food and drink sector. National rules and diverging approaches across the EU (e.g. through the development of national plans on sustainable food systems) should be avoided.

- **Flexibility:** the food system has proven to be resilient if flexibility is offered in times of crisis. Also the FSFS should allow for flexibility in adverse situations and provide for crisis management mechanisms.
- **Meeting consumers' needs:** the FSFS should consider consumers' needs in terms of information, taste, convenience, accessibility, and affordability of food products. In this respect, the FSFS should continue to preserve and promote the diversity of dietary preferences, cultures, practices, and production that characterises the EU market.
- **Global dimension:** the FSFS should enable the EU to take a leading role in raising global standards on food systems' sustainability and maintain constructive relationships with trading partners. To this end, all principles and requirements set by the FSFS should apply to both EU and imported products to ensure WTO compatibility. It will be important for the European Commission to intensify its engagement with third countries in order to raise awareness of the FSFS and promote the EU sustainability standards across global markets. This can be done, *inter alia*, through international organisations and multilateral fora.
- **Monitoring and implementation:** the FSFS should clarify which EU public bodies will be tasked with overseeing the proper and harmonised implementation of the framework and with monitoring progress. Any sustainability reporting requirements included in the FSFS or tertiary legislation should not duplicate ongoing EU initiatives on non-financial reporting (e.g. the EU Directive on Corporate Sustainability Reporting) and should take into account international developments (e.g. ongoing work by the International Sustainability Standards Board).

“Push measures”: minimum sustainability criteria

The aim of minimum requirements should be to provide food chain actors with the necessary information, tools, and incentives to produce more sustainably and to make sustainable consumption easier. They should help steer the market towards more sustainable products and processes overall, and over time, encourage a continuous improvement approach, whilst avoiding unintended negative impacts on other sustainability goals.

Minimum sustainability criteria should apply to processes, rather than products. They should be clear, realistic, consistent, science-based, and provide legal certainty to ensure a level playing field for business operators in the EU Single Market. They should be applied horizontally across all sectors and equally to all processes. The criteria should not lead to discriminating or banning certain food products specifically. The minimum sustainability requirements should allow flexibility for food business operators to focus on key impact areas in ways that are best suited for their business and to undertake sustainability management measures in a way that takes into account the diversity of processes and products, and the confidentiality of their recipes.

Better regulation and good governance are paramount to ensure sound and effective decisions. Given the importance of the minimum sustainability criteria for the functioning of

the FSFS, their operationalisation should be undertaken first and foremost through the ordinary legislative procedure or implementing acts, ensuring appropriate and timely consultation with relevant stakeholders.

The introduction of the “do no significant harm” principle in the FSFS is premature at the current stage of development of the Framework. The principle applies to environmental sustainability related policies, therefore, its extension to food-related policies needs to be thoroughly assessed and discussed with stakeholders to ensure a clear definition and scope for the purposes of its implementation.

Finally, the sustainability requirements for commodities and products traded and placed on the EU market should be legitimate and proportionate to ensure long-term security of supply and trade opportunities. These requirements should be compliant with international standards, commitments, and trade obligations.

“Pull measures”: sustainability labelling & sustainable public procurement

- **Sustainability labelling**

Different EU initiatives pertaining to food labelling are ongoing or pending, such as front-of-pack nutrition labelling, animal welfare labelling, and green claims. The FSFS should therefore first aim to increase consumer awareness and understanding of (existing and future) vertical labels. The creation of a dedicated sustainability label, integrating or complementing vertical labels, should be considered only as a second step. Digital solutions should be recognised as complementary means to provide information, and their use should be further explored. The FSFS should allow for future-proof legislation in all of its components, including labelling.

FoodDrinkEurope’s views on the future EU sustainable food labelling framework are outlined [here](#).

- **Sustainable Public Procurement**

FoodDrinkEurope supports the introduction of general provisions and requirements designed to raise awareness of sustainable public procurement (SPP), capacity building, and supporting local authorities in using public procurement strategically. Requirements for SPP should recognise the role of all foods in our diets when consumed responsibly.

Operationalisation of the FSFS elements

The “push” and “pull” measures will govern the way our food is produced and made available to consumers and will therefore constitute the core of the FSFS. Therefore, given their importance in the overall architecture of the Framework, their operationalisation should be undertaken through the ordinary legislative procedure or implementing acts, rather than delegated acts, to ensure the utmost involvement of all institutional stakeholders throughout the entire decision-making process, in line with the EU Better Regulation agenda.

Governance

The transition towards more sustainable food systems would benefit from the creation of processes and arrangements to enhance and frame multi-level cooperation, engagement, and public participation both at EU, Member States and regional or local levels. However, the development of food sustainability strategies by Member States risks fragmentation of the Single Market.

[The EU Code of Conduct on Responsible Food Business and Marketing Practices](#), of which FoodDrinkEurope was a founding signatory, should be leveraged as an existing multi-stakeholder platform that brings together actors from across the agri-food chain, along with civil society, public authorities, academia, international organisations, and the EU.

- **Marketing & advertising**

FoodDrinkEurope members have developed marketing initiatives that support parents in their efforts to promote healthy lifestyles to their children and reduce the exposure of minors to advertising of food, and non-alcoholic and alcoholic beverages, and which are responsible in terms of content and the products advertised. Companies are working through national self-regulatory pledges as well as strict adherence to national, regional, and European regulatory frameworks, such as the European Commission’s [Audiovisual Media Services Directive](#). Member States should be encouraged to support self- and co-regulatory advertising standards to reduce the exposure of children to commercial communications of food, non-alcoholic and alcoholic beverages.

- **Food composition targets**

Improving nutrition and health remains a major challenge for society. For many years, FoodDrinkEurope’s members have undertaken product reformulation and innovation at company, national, and sectoral level to improve the composition of food and drink products, in line with consumer taste, acceptance, and dietary preferences across the EU. In many EU Member States, public authorities and the industry are already working together and have signed plans or agreements on product reformulation (e.g., [Norway](#), [Germany](#), [the Netherlands](#), [Spain](#), [France](#), [Greece](#), [Czech Republic](#)).

Solid science and a strong evidence-base should always be the foundation of such a common agenda and discussions, at national, EU, and global level alike. The food and drink industry supports measures that will help consumers enjoy a balanced diet as part of a healthy lifestyle. However, food composition targets (or maximum levels) are a blunt tool, based on insufficient evidence, that would hamper innovation and product development of the entire European food and drink industry, to the detriment of consumers and enterprises alike. All categories of foods and drinks together contribute a variety of nutrients to satisfy total dietary intake. Focusing on a single nutrient or very limited number of nutrients does not create a true representation of foods and their overall contribution to our diets and could lead to diets being thrown out of balance.

Any recommendations for healthy and sustainable diets should take into account historical, social, cultural, and economic contexts, as well as other consumer needs and preferences, including affordability, accessibility, and convenience. They should recognise the role of all foods in our diets when consumed responsibly, and the particular dietary needs of specific population groups, such as children, the elderly, and those with intolerances and allergies.

- **Fiscal measures and pricing policies**

Governments need tax revenue to function and provide services for citizens. The food and drink industry supports those efforts and contributes to the success of the EU economy through investment in local jobs and through tax payments.

For fiscal systems to be efficient and allow businesses to grow, innovate, and prosper in the economy, taxes must be predictable and transparent. This is why the industry opposes discriminatory food taxes as they can have unintended effects and are not proven to have positive health outcomes for the population as a whole. However, if fiscal policies were to be introduced, these should be fair, predictable, and non-discriminatory as regards to the products to which they apply and the consumer segments they will impact.

About us

The EU food and drink manufacturing industry is made up of 290,000 businesses employing 4.6 million people. It generates €230 billion in value added every year and is the largest manufacturing industry in terms of jobs created. As an industry comprised of 99% SMEs our enterprises are intimately linked with their local communities. FoodDrinkEurope is the organisation of the European food and drink manufacturing sector, committed to achieving more sustainable food systems.
