FoodDrinkEurope follow up to the European Commission's proposal for a European climate law

The food and drink industry welcomes the Commission's proposal for a European climate law which was published on 4 March. The enshrinement of the 2050 climate neutrality goal in legislation and the holistic view taken by the Commission in the context of the European Green Deal will help engage all economic actors collectively in a common trajectory and encourage the swifter development of enabling conditions. It is also essential to provide long term guidance and predictability to businesses to invest in the transition.

The European food and drink industry strongly supports the ambition to reach climate neutrality in the EU at the latest by 2050, to achieve the Paris Agreement objective[1]. The transition towards a climate neutral economy is a business opportunity that will bring economic benefits and job creation and increase the EU's competitiveness. The food and drink industry is committed to be faster and more far-reaching and ambitious in their actions to cut their GHG emissions in line with science-based targets and to adapt to already happening consequences of climate change.

Our policy asks

<u>A clear pathway to 2050</u>

We call on policy-makers to develop clear and ambitious plans to achieve net-zero emissions by 2050 engaging all public and private actors. It should be accompanied by the establishment of necessary support conditions, including clear milestones to maximise transparency, accountability and predictability. The Climate Law should provide certainty for business, investors, and society as a whole and ensure a smooth, irreversible transition.

The Climate Law should be developed and implemented in an open and transparent way, with government working in partnership with all stakeholders including businesses, civil society, employers, investors, trade unions, and sub-national, regional and local authorities.

The level of ambition for 2030 should be reviewed based on technological knowledge and science. It should be ambitious, but also realistic and achievable and it should help put the economy on the right track to achieve climate neutrality by 2050. Mechanisms should also be reinforced for an effective implementation of the EU 2030 Climate and Energy Framework and the Energy Union Strategy. These mechanisms should support an increase in low-carbon energy sources in both ETS and non-ETS sectors to be able to meet the future revised 2030 target and follow up targets to 2050.

Regular review of the path towards the 2050 objective should be undertaken, in line with the Paris Agreement cycle. This will ensure that the law remains up to date, reflects the latest economic, scientific and technological developments, and remains on track to achieve the agreed goals.

Coherence and coordination

All existing and future EU policy actions[2] should help successfully deliver a transition towards a climate neutral, prosperous and socially just European economy. We however urge policy-makers to work with us to avoid trade-offs on food safety but also on nutrition and health.

EU investment and support for innovation should be developed to provide the necessary technological support for the changes towards climate neutrality to be made.

Enabling conditions and support

The EU must put in place a policy environment that supports new business approaches, growth and jobs – leaving no one behind. This requires ensuring that mid term targets on GHG, renewables and energy efficiency for 2030 and beyond are based on Impact Assessments which take into account the long term competitiveness of the European industry, the needs of SMEs and small holders, and the role of innovation.

Policy-makers should also work with stakeholders to evaluate how to meet the needs of the agri-food chain actors for a smooth and fair transition towards climate neutrality in the context of the upcoming Farm to Fork strategy[3].

Finally, the food and drink industry can offer solutions to mitigate and adapt to climate change[4]. These solutions and projects should be better reflected in and supported by European policies.

Supporting innovation

EU policy-makers should help unlock and stimulate investment and innovation in low-carbon and resource efficient technologies, including introduction of soft and hard legislation. They should support the food industry efforts and investment into innovations that will further reduce carbon emissions of food and drink products, improve packaging and develop low carbon operations, upstream, downstream, at factory, transport, logistics and offices levels. The EU should create supportive political and societal environment that will enable all stakeholders to effectively build a low carbon society in the EU.

Fostering industrial symbiosis and a Circular Economy can also help ensure a smooth transition towards climate neutrality by 2050. In this context, the new Circular Economy Action Plan should help food and drink manufacturers divert waste from landfill and maximise value from by-products and co-products, in order to offer a multitude of opportunities for moving waste up the value chain.

FoodDrinkEurope welcomes the extension of the European Fund for Strategic Investment until 31 December 2020 which will continue to stimulate investment in projects promoting renewable energy and energy efficiency. Other EU policy and funding structures should help deliver on sustainability, including through further phasing out environmentally harmful subsidies.

Engaging consumers

Helping consumers make more sustainable lifestyle choices is key in the fight against climate change. There is a need for strengthening educational public campaigns and communicating information through a multi-pronged approach, including via digital technologies.

Moreover, we call on EU policy makers to develop an EU harmonised political framework for the voluntary provision of environmental information to consumers based on mandatory conditions[5].

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[2] For instance, on funding, industry, agriculture, innovation, energy, packaging, waste and trade
[3] More information in FoodDrinkEurope preliminary contribution to EU 'Farm to Fork' Strategy on Sustainable Food, March 2020
[4] For instance, carbon farming, afforestation, biodiversity projects, water management projects linked to efficient water use or drip irrigation. Many companies continue to invest in product (re)formulation and innovation; to increase fibre, wholegrain, fruits and vegetable content in their products; and to develop new nutritious products that fit in healthy, climate friendly and sustainable diets
[5] See FoodDrinkEurope proposal for a harmonised framework for the voluntary use of the PEF in environmental product claims

Such conditions include the use of harmonised and scientifically reliable methodologies. Political measures should also help prevent misleading claims under the new Circular Economy Action Plan.

<u>Preventing and reducing food waste</u>

Approximately 20% of food produced for human consumption in the EU is lost or wasted which contributes to global warming. Our industry has thus committed to contribute to achieving the Sustainable Development Goal Target 12.3 of halving food waste by 2030[6].

To achieve this target, there is however a need to accelerate food waste prevention and reduction measures throughout the agri-food chain. We need a globally recognised definition and a scientifically-reliable methodology for assessing food wastage. All stakeholders should continue raising awareness across sectors and encourage sector-specific initiatives to reduce food waste and use natural resources more efficiently.

<u>Creating a global playing field</u>

The EU should play a global leadership on climate. It should send a strong signal to the United Nations COP26 that we should work collectively and coherently to limit global temperatures. It should help raise Nationally Determined Contributions (NDCs) and advocate for enhanced global support for actions towards fighting and adapting to climate change.

The EU should advocate for a global level playing field and support the setting of a global carbon price and market to accelerate progress away from reliance on fossil fuels. It should also support the development of international harmonised standards on accounting, measurement and reporting of GHG emissions.

Background – The food and drink contribution to achieving climate neutrality

Food and drink manufacturers are integrating climate change in their business strategies and continuously working to minimise the environmental impacts of their products based on a life-cycle approach. Our sector will continue to build on existing measures to make food processing operations more energy efficient and increase the use of renewable energy sources in our factories, logistics, and even warehouses and offices. We will multiply our efforts to reduce emissions from food growing, processing, packaging, transport and logistics. We will also continue with our goal to help halve food waste by 2030 and develop solutions for enhanced water efficiency and water quality.

Cooperation and partnerships are key to achieve carbon neutrality. We will thus work together with public and private actors across the EU. In particular, we will scale up initiatives in agriculture to increase the amount of carbon stored in soils and help build resilient farmers' communities, in line with the new Circular Economy Action Plan (art 6.1). For instance, many members are strengthening programmes with farmers to restore land, afforest and limit greenhouse gas emissions.

Food and drink manufacturers will work to further engage consumers in the fight against climate change, including through providing a portfolio of products that fit a healthy and sustainable diet and greater transparency about their environmental impacts. The food and drink industry will also deploy their contribution to forest and biodiversity protection and building deforestation free supply chains.

Please refer to our climate change position paper <u>here</u>.

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[6] See the actions undertaken by the food and drink industry to tackle food waste here: <u>https://foodwaste.fooddrinkeurope.eu/</u>