

FoodDrinkEurope recommendations on the implementation of the new Circular Economy Action Plan

FoodDrinkEurope welcomes the recent publication of a new Circular Economy Action Plan as part of Green Deal. The food and drink sector strongly supports this holistic approach to strengthen the circularity of our economic models to maximise resource efficiency and achieve carbon neutrality in the EU by 2050.

I. General principles

1) Safeguarding food safety

Ensuring a high level of food safety is a joint responsibility of all partners in the food supply chain and should remain a central objective in the transition towards more sustainable food systems. This should be explicitly underlined in the future measures of the Circular Economy Action Plan, in particular related to packaging.

2) A science based and holistic approach

It is important to take political decisions for circularity and sustainable development based on reliable scientific data and following a life cycle approach to avoid any unnecessary tradeoffs in the medium to long term. For instance, where restrictions of certain packaging materials are being considered, one needs to make sure that the impacts of the alternative material(s) will actually be lower in terms of Life Cycle Assessment and that these materials provide similar packaging functionalities without compromising on food safety.

3) Coherence and consistency

The implementation of the Circular Economy Action Plan (CE AP) should be made in coherence and consistency with other key EU policy initiatives, particularly with the other parts of the European Green Deal, such as the Climate Law and the future Farm to Fork (F2F) and biodiversity strategies. Similarly, the Commission should ensure coherence and consistency between the various measures within the CE AP. Consumption and production policies should be coherent and create the right incentives for a 'pull-and-push' (demand and supply) effect on aspects of food products' circularity, for instance related to packaging.

As food businesses operating in the EU will need to comply with a new and ambitious policy framework, there is a need to align and provide visibility and certainty on objectives, targets and timelines between the various initiatives and to ensure predictability for all.

4) A smooth and effective transition

Legislators should take a pragmatic and realistic approach in the implementation of the CE AP and the European Green Deal, especially in relation with the COVID19 pandemic crisis. Legislative and non-

legislative measures should help food businesses deliver on the Green Deal, in particular the climate and circular economy goals. Policy and regulatory changes should be ambitious and forward looking, yet smooth and flexible to allow every sector and economic operators, including SMEs, to adapt. This could be done, for instance, through introducing reasonable transition periods and offering pragmatic solutions to challenges which industry will encounter along the way, without undue delay of the sustainable/green recovery.

II. A sustainable product policy framework (Action Plan Section 2)

1) Designing sustainable products (section 2.1)

We welcome the Commission's intention to develop sustainability principles for products and consider specific measures to increase the sustainability of food distribution and consumption. We believe that discussions on specific measures to improve the sustainability of food systems should be held primarily in the context of the future F2F strategy for two main reasons. First, the food chain is complex and involves many actors which should all play a role in improving the sustainability aspects of food. Secondly, food products need to meet key safety and quality requirements that can only be safeguarded if sustainability aspects are addressed in a holistic, coherent and consistent manner. The F2F strategy thus seems more appropriate to explore how to improve the environmental performance of food products based on a circular and efficient use of natural resources.

The transformation of some production facilities will entail investments but also costs without always accompanying revenues or cost-saving benefits to make a return on investment. This process thus requires time for a managed transition therefore EU authorities should also provide sound policy measures to support this transition.

2) Empowering consumers (section 2.2)

Consumers can play a key role in the transition towards a more circular economy. The food and drink industry can not only offer more sustainable products to consumers but also help them choose, use and dispose of products in a more sustainable manner. While consumer information is key, environmental labels and claims are blossoming and many environmental claims are unclear or even misleading. This creates confusion and unfair competition.

Building on our recommendations on environmental information¹, we welcome the proposed measures on empowering consumers in the CE AP to support more informed consumer choices and create a level playing field for manufacturers. We particularly welcome the proposal to address misleading green claims and are willing to support the Commission's work on this. We believe that environmental claims should be clear, transparent, reliable and verifiable by third parties. They should be based on PEF and PEF Categories Rules (PEFCR) wherever possible. However, it is important to highlight that performing PEFCR exercises may be more difficult for some companies (specifically SMEs) and may prevent them from using green claims in the future thereby putting them in a difficult competitive position.

¹ [FoodDrinkEurope views on environmental information](#), February 2020

In this context, we reiterate our call for a harmonised framework² to be developed for the voluntary use of the PEF in product environmental claims and to provide adequate support for the use of PEF to ensure a level playing field. We would also welcome clarity as to whether the proposed revision of the consumer law will include a revision of the Unfair Commercial Practices Directive and how the legislative proposal on substantiating green claims will relate to this revised package and the future framework on the use of PEF.

The future F2F strategy will provide a good platform for undertaking discussions on a possible EU harmonised information provision scheme on the environmental or sustainability aspects of food. In particular, it will allow discussing whether comparability between food products would be desirable or even feasible. PEFCRs do not necessarily exist for all food products categories and do not adequately or systematically cover all relevant environmental aspects of food, such as biodiversity, animal welfare or deforestation.

3) Circularity in production processes (section 2.3)

We welcome the proposal to review the Industrial Emissions Directive to align it to the circular economy objectives. Food companies must already ensure that their emissions comply with strict standards. It would be helpful to follow a whole agri-food chain approach, gather quantifiable results and identify further hotspots to help further reducing emissions without tradeoffs.

III. Key product value chains (Action Plan Section 3)

1) Packaging (section 3.3)

- Packaging and Packaging Waste

The review of the essential requirements of the Packaging and Packaging Waste Directive (PPWD) will allow to address the circularity of packaging in a holistic way and to more adequately address prevention of use, reuse and recyclability of packaging. We believe that a key priority in the review process will be to ensure that there is no compromise on food safety. This requires taking into account the functionality of packaging most appropriately, in particular the role of packaging in preserving food from being contaminated or wasted.

The food and drink industry has been making great progress and investments to reduce the use of packaging materials and improve the circularity of packaging, including by increasing the recycled content of products, voluntarily or to meet legal obligations. The increasing eco-modulation of Extended Producer Responsibility (EPR) fees across the EU will also contribute to a more sustainable use of packaging throughout sectors. Eco-modulation incentives may lead to a concentration of the pool of plastic polymers and simplification of material combinations used in packaging by the different sectors (e.g. monolayer vs multilayer) for improved recycling performance.

The PPWD review should therefore build on these efforts and be done in a science based and holistic way taking into account the full life cycle of packaging materials. This will ensure that any restrictions on the use of specific materials will not lead to draw back effects, such as greater environmental

² [FoodDrinkEurope proposal for a harmonised framework for the voluntary use of the PEF in environmental product claims](#), February 2020

impacts from the increased use of alternative materials. In relation to recyclability of materials, the review of the PPWD should provide a clear EU harmonised definition of what is recyclable. This definition should be based on the potential of the material to be recycled considering existing and soon to-be-established technologies and infrastructure across the EU. Therefore, it is crucial that the future EU harmonised design for recycling guidelines are developed taking stock of existing efforts of the material chain and that they are accompanied with a minimum level of existing/to-be-established recycling infrastructure.

- Separation of packaging waste

Empowering consumers for a more circular economy also goes through further engaging them in improved waste management. The proposal to develop an EU labelling scheme on proper sorting of packaging waste will help bring back resources into production cycles and move towards zero landfilling and incineration. The food and drink industry welcomes and is willing to contribute to the development of such scheme and recommends that discussions take place within the revamped Circular Economy Stakeholder Platform as well as the CPA.

This scheme will however only be effective if there is at least some consistency in collection and sorting systems across the EU and harmonised minimum performance. We thus call on Member States to support the EC in the development of an EU framework for minimum requirements for separate collection as well as for deposit return schemes, as done for the rest of EPR schemes in the WFD, without compromising the efficiency of existing well-functioning systems.

1) Plastics (section 3.4)

In addition to reducing packaging and the use of plastics in packaging, the food and drink industry has been making efforts and investments to increase the use of recycled plastic materials, voluntarily or to comply with legislation.³ These efforts are part of our active contribution to tackling climate change, reducing plastic pollution and avoiding food waste.

The achievement of those commitments requires significant business planning and investments which our sector has been undertaking, even though the EU market for secondary raw material is not yet fully operational and prices are still high. The CE AP should not undermine the future of those investments. It should instead ensure that it supports the necessary collection and recycling methodologies and infrastructure that can bring scale to the wider use of recycled content, such as enhanced recycling⁴.

Moreover, the CE AP should ensure that food safety remains paramount. In this context, we strongly welcome the Commission's intention to establish rules for the safe recycling of plastic materials other than PET into food contact materials and plea for their swift and appropriate development. Ensuring food safety also requires to coordinate and align the measures of the CE AP related to food contact materials and articles with DG SANTE's work on Regulation (EU) 10/2011 on plastics food contact materials (FCM) controls and composition, as well as the further amendments of Regulation (EU) No 282/2008 on recycled plastics.

³ See FoodDrinkEurope members' commitments and actions on [FoodDrinkEurope Circular Economy website](#)

⁴ See FoodDrinkEurope position paper "[Beyond mechanical recycling: Exploring new ways to recycle plastic packaging](#)", January 2020

The CE AP foresees to set new or additional mandatory requirements on recycled content and develop plastic reduction measures for specific product categories, such as packaging. While we agree that increasing recycled content of products is key for a circular economy, we believe that new legal requirements for food and drink packaging products beyond those laid down in the existing Single-Use Products Directive should only be considered if the following conditions are met:

- The safety of recycled materials for use in contact with food is ensured including through a timely and necessary modernisation of existing food contact materials legislation;
- Measures are taken to avoid that food-grade material is lost in downcycling and ensure sufficient supply of food grade recycled materials at competitive prices to the food and drink industry, especially to those that are legally obliged to use recycled materials;
- Enhanced recycling technologies (such as chemical recycling) are further developed for materials which are currently difficult or impossible to recycle (e.g. multilayer, flexible packaging) and have received authorisation by the European Food Safety Authority, wherever necessary and in a timely manner;
- Collection, sorting and recycling infrastructure are well developed across the EU and meet common minimum quality requirements;
- Collection, sorting and recycling rates are increased across Member States;

Thanks to the active engagement of the entire plastics value chain, the CPA will help build a stronger circular economy and further tackle plastic pollution. We therefore reiterate our call on the European Commission to play a leading role in the CPA, by encouraging the involvement of all stakeholders throughout the value chain, including Member States and civil society organisations, and ensuring synergies and coherence among the various European and global initiatives (e.g. national and European Plastic Pacts; Ellen McArthur Foundation global commitments).

2) Food and water (section 3.7)

Moving towards a stronger circular economy in the food sector requires to avoid wasting resources and optimise their use, in terms of quantity and quality, beyond packaging.

- Food waste reduction

Preventing and reducing food waste is of utmost importance to achieve a more circular economy. Food waste is not only a major waste of resources but also a missed opportunity to feed the growing world population and a needless source of greenhouse gas emissions.

Our sector has thus committed to support the implementation of the UN Sustainable Development Goal 12.3 to halve food waste by 2030.⁵ In line with the waste hierarchy, our priority is to prevent food waste to happen in the first place and to drive out resource inefficiency within our supply chains. Where surpluses cannot be avoided, we work to redirect food to feed people.

The CE AP refers to a potential future target on food waste reduction in the future Farm-to-Fork Strategy. FoodDrinkEurope has already made great progress and will continue working with the Commission on preventing and reducing food waste and food loss⁶. In our opinion, a legally binding target should be considered based on data reported by Member States on food waste (reporting

⁵ See FoodDrinkEurope and its members' commitments and actions on food waste prevention and reduction here: <https://foodwaste.fooddrinkeurope.eu/>

⁶ See [FoodDrinkEurope website on the food and drink industry efforts to prevent and reduce food waste](#)

exercise to start at the end of this year) and should only be considered provided a set of conditions are met to ensure reliability and comparability of reported data and efforts are shared among all actors of the supply chain⁷.

- Water reuse and efficiency

The European food and drink industry strives to further preserve the value of resources that go into producing food and drink products and ensure the most efficient use (and reuse) of raw materials and resources, including energy and water. With climate change and soil pollution growingly impacting water supplies, food and drink manufacturers are adopting more sustainable water management practices and investing in water-efficient technologies. We are committed to protect water in the extended value chain and step up on existing initiatives and partnerships on water quantity and quality in the agri-food supply chain and throughout manufacturing processes.

Today we welcome the Commission's proposal to stimulate a more efficient and circular use of fresh water, in particular through facilitating water reuse and efficiency in agriculture and industrial processes. In this context, we call for standards for wastewater reuse to be developed, similarly to the EU standards for water reuse developed for irrigation.

We also support the proper implementation and enforcement of the Water Framework Directive (WFD) to protect and enhance water quality and aquatic ecosystems and promote sustainable water use and management across Europe. For policy coherence, the future Farm to Fork strategy should help encourage increased water reuse and harmonised practices in the agri-food sector, while continuing to ensure safety and quality of food products.

An efficient management of water as well as protective measures of water resources in rural environment would also contribute to maintain and improve biodiversity, in line with the upcoming Biodiversity Strategy. Water policy objectives should be integrated with other global facing objectives, such as food and energy security as highlighted in UN SDG Target 6.

⁷ See FoodDrinkEurope statement here: <https://www.fooddrinkeurope.eu/publication/food-waste-and-setting-eu-mandatory-targets/>