FoodDrinkEurope preliminary contribution to EU 'Farm to Fork' Strategy on Sustainable Food

Executive Summary

The European food and drink industry strongly supports the green ambition pledged by the European Commission. Indeed, sustainable food production and consumption are indispensable conditions of making Europe the first climate-neutral continent.

Food is essential for life, society, citizens and the economy; it should therefore be prioritised as a strategic sector for the European Union. Building on the high reputation and excellence of Europe's food as safe, nutritious, culturally-diverse and of high quality, FoodDrinkEurope recognises the need – and fully supports the EU's commitment – to strengthen our global leadership in sustainability.

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 truly holistic, co-ordinated, harmonised, co-owned, inclusive and science-based. The 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, 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, amongst others, heavily investing in improving the environmental and nutritional footprint of their products, improving the circularity of products and packaging, promoting more sustainable consumption behaviours, minimizing food losses, while ensuring safe, affordable, convenient and enjoyable food.

Increased support for SMEs, a stronger Single Market for food and drinks, decreasing red tape and administrative burden through better regulation, research and innovation, and sustainable finance will be critical enablers for our sector to scale up, accelerate and deliver on tangible actions. The Farm to Fork Strategy presents a unique opportunity to support these efforts and minimize any barriers that food chain actors may face in contributing to the overall objective of more sustainable food systems.

Introduction

FoodDrinkEurope, the European food and drink industry's organisation, is pleased to contribute to the EU 'Farm to Fork' (F2F) Strategy on Sustainable Food, in full support of the European Commission's ambition to become the first climate neutral region in the world by 2050.

The European food and drink manufacturing sector comprises approximately 294,000 companies, 99% of which are Small and-Medium Sized Enterprises (SMEs); together these companies cater for some 1.5 billion meals per day. Part of Europe's socio-economic and cultural heritage, the sector directly employs 4.72 million people, particularly in rural areas. Diversity is a key asset of this multi-faceted sector, combining tradition and innovation in food production to answer to consumers' varying needs and preferences throughout the EU.

The food and drink industry is uniquely placed at the centre of the food supply chain, between the farming community upstream and retailers and consumers downstream. As 70% of all EU agricultural raw material is used in processing added-value food and drink products, the industry has an important role to play in the transition towards more sustainable food systems. **Today, we are determined more than ever to contribute to global food security and to support the implementation of the United Nations Sustainable Development Goals (SDGs).**

In this context, FoodDrinkEurope recently published an orientation paper entitled *"The path of the food and drink industry towards Sustainable Food Systems"*, outlining priority actions and recommendations of the European food and drink industry to support a greener planet, healthier living and thriving businesses. The following chapters build on these recommendations as a first input of the sector into the upcoming EU 'Farm to Fork' Strategy on Sustainable Food.

Common principles

1. **Coherence and consistency (aligning objectives, targets and timelines)**

The F2F Strategy provides a unique opportunity for a **truly holistic and systematic approach to EU food policy** – a 'one-stop-shop' bringing together the most relevant issues relating to food production and consumption in one single place. It also offers momentum to repurpose current, and/or minimise the potential risk of future contradicting policies around the common goal of sustainable food systems.

The F2F Strategy must ensure tight **coherence and consistency with other key EU policy initiatives**, particularly with the other parts of the **European Green Deal**, which relate to food in many aspects. As food businesses operating in the EU will have to comply with a new and ambitious policy framework, there is a need to **align objectives, targets and timelines** between the various initiatives, so that predictability for companies (and authorities) is enhanced.

Coherence and consistency should also be the rule between the various pillars **within the F2F Strategy** itself. Food consumption and food production policies should be coherent and create the right incentives for a 'pull-and-push' (demand and supply) effect for a healthy and sustainable diet. Also here, given the multitude of actions and initiatives expected to be part of the Strategy, it is important to have clear visibility on objectives, targets, timelines and realistic sequence of policy and legislative change.

In doing so, it is important that legislators take **a pragmatic and realistic approach**. Legislative and non-legislative policies should support food businesses to deliver on the Green Deal without undue delay. This requires minimum disruptions to regulatory change, e.g. through the introduction of sufficiently long transition periods, and policymakers' help in finding pragmatic solutions to challenges the industry will inevitably encounter along the process.

2. **Co-ordination and harmonisation**

While diversity and heterogeneity of dietary preferences, cultures, practices and production must be preserved and promoted, **the sustainability of food systems does not stop at EU internal borders and can only be achieved in the context of a strong Single Market with the support from all Member States**. In this regard, the Commission should assess and consider the impact of the current fragmentation of national initiatives on sustainability, which is contributing to additional costs, burdens, inefficiencies and waste in the EU Single Market. The legislative and non-legislative initiatives deriving from the F2F strategy must ensure the free movement of food and drink products within the EU.

Beyond harmonisation, the European Commission also has a pivotal role in ensuring the proper **co-ordination (and consistency/coherence) of policies which are (mainly) the competence of EU Member States**, such as public health and nutrition (e.g. national food-base dietary guidelines), and ensuring that these are duly connected with other F2F Strategy policy areas.

In order to manage coherence and consistency of policies related to sustainable food systems, an effective F2F Strategy with 'food systems thinking' requires **co-ordination across all (governance) levels**, including local communities/cities, Member States, EU Institutions and with international organisations and trading partners, but equally with stakeholders, particularly those in the food supply chain.

It is proposed to consider setting up a **high-level dialogue platform for horizontal co-ordination involving a select group of authorities and key stakeholders** where challenges, trade-offs and any other issues in relation to EU policies affecting sustainable food systems can be discussed. This group should not replace existing dedicated fora where discussions are taking place (e.g. EU Platform on Food Loss and Food Waste) but monitor and advise on the co-ordination between the various different initiatives and platforms. Taking stock of past experience with voluntary cooperation, it will only be successful if built on the basis of a strong political mandate and with long-term commitment from the European Commission to drive such a dialogue with involvement at the most senior level.

3. Co-ownership, inclusiveness and collaboration

The success and effectiveness of the F2F Strategy in delivering on more sustainable food systems in Europe will largely depend on the extent to which all actors – in- and outside the supply chain – will **'co-own', and identify co-benefits** of, the common purpose/vision of strengthening Europe's food systems so that the latter become a global benchmark for sustainability. Such a **positive narrative** will support European stakeholders' buy-in and encourage (pro-)active contributions to the common purpose.

Equally, a food systems approach requires closer, more consistent and frequent **collaboration between authorities and food chain stakeholders**, at EU and Member State level, in order for impacts of each action to be addressed at early stages. This is particularly true given that the transition to sustainable food systems cannot be solved by legislation only. FoodDrinkEurope is ready and fully committed to working with the Commission, national authorities and other stakeholders on projects (e.g. on research & innovation or on food waste prevention and reduction) to support the F2F Strategy.

As it is inevitable that there will be operators who will be able to move at a slower or faster pace, the European Commission should ensure that **nobody is left behind and every actor is able to participate in a just transition** towards more sustainable food systems. Specific attention (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 follow on from the F2F Strategy and the European Green Deal in general. Equally, farmers need to be helped in the transition towards more sustainable food systems to drive climate resilience, improve soil health and water quality.

Ensuring that the food supply chain works for everyone and combatting any unfair trading practices are key for sustainable food systems. Food and drink manufacturers of all sizes, SMEs and large companies, are regularly exposed to unfair trading practices and are threatened with product delisting, unilateral and retroactive changes to certain contract provisions, and no respect of confidentiality of contracts and trade secrets. This stifles their ability to contribute to more sustainable food systems. With the aim of bringing more certainty and clarity along the food supply chain, policies in the F2F Strategy should be aligned with a proper transposition and implementation of the Directive

on Unfair Trading Practices at national level, while discussions on widening the scope of the Directive should continue at EU level. What is more, **competition authorities should assess the impact of retail alliances on food systems transformation and innovation capacities** as the lowest possible price – often at the core of those alliances – does not allow much needed investment to make health and wellbeing and product sustainability the ultimate consumer benefits. Hence, methodologies to better **calculate the true value of food in food pricing** should be developed to better integrate environmental, societal and health costs.

4. Convincing science- and evidence base

The F2F Strategy should be guided by the latest available reliable scientific evidence. The F2F should consider the complexity and diversity of food systems and should avoid simplistic assumptions; food policy must be evidence-based and not be primarily politically or emotionally driven.

Gaps in the science- and evidence-base should be identified at an early stage and additional research may be necessary, for instance by the European Food Safety Authority (EFSA) or the Joint Research Centre (JRC), particularly in view of setting baselines for potential targets. In order to underpin a more holistic policy approach, scientific advice should also be cross-cutting and holistic in nature. This requires close co-ordination of research projects and other scientific initiatives across agencies and policy areas.

As transition towards sustainable food systems is a global challenge, new standards or methodologies contributing to the transition may be developed outside the EU. **The F2F Strategy should be reviewed periodically to take into account latest scientific developments, including those generated by international bodies** such as Codex Alimentarius and ISO. It should ultimately contribute to (re-) building consumer trust in science-driven innovation and food processing.

5. Continuous evaluation and (holistic) impact assessment

The F2F Strategy should not be a static strategy but rather a **dynamic exercise with a long-term ambition and regular evaluation/feedback loops**. The European Commission's Better Regulation tools should not only ensure that individual measures are evaluated against their own objectives, but also that the measures/policies of the F2F Strategy are evaluated holistically in view of their overall contribution to social, environmental and economic sustainability and to the objectives set out in the wider Green Deal.

Work is not starting from scratch: FoodDrinkEurope and its members have made considerable investments in terms of sustainability over the past years. A general stock-take of the achievements, non-achievements and impacts of already ongoing – legislative and non-legislative – initiatives under the F2F Strategy should be made, applying end-to-end transparency. This would allow policymakers to frame the "updated" F2F measures in a pragmatic manner and render them efficient.

6. Clarifying, discussing and aligning trade-offs and conundrums

Trade-offs and conflicts are inevitable in the transition to sustainable food systems in the EU; this is especially true for companies in the food manufacturing sector, who are catering for a wide variety of

different needs of a diverse set of consumers, keeping food safe, affordable and enjoyable. For example, salt or sugar reduction for reformulation (nutrition) purposes may alter the stability of the product, compromising on hygiene (safety) and shelf-life (environmental sustainability). Consumers may also dislike the new product and switch to competitors' non-reformulated products (competition).

Balancing conflicting goals may be challenging and appropriate governance mechanisms have to be found to address this in an adequate manner. As any decisions on trade-offs may have different consequences up and down the value chain, it is important to **take a broad view and involve key stakeholders which are directly affected**. The horizontal co-ordination group mentioned above could identify such challenges/trade-offs and discuss approaches to handle these across policies and actors.

7.   No (!) Compromise on food safety

Today's food in the EU is safer, of higher-quality, and has a longer shelf-life than ever before. **The F2F Strategy should by no means give the impression that food safety is taken for granted** – in fact, food companies are committed to a constant, day-in-day-out effort to keep Europe's food safe.

Food safety is a joint responsibility for all the partners in the food supply chain and potential food safety risks should not be overlooked when working towards more sustainable food production and consumption and packaging. This should be explicitly underlined in the F2F Strategy. FoodDrinkEurope notes in this regard that the legal basis for the F2F Strategy includes Article 168(4) of the Treaty on the Functioning of the EU (TFEU), which concerns food safety.

In some cases, **technical assessment of benefits versus risks** may be required regarding the consumption of certain foods or the use of certain technologies allowing for higher yields while limiting land use, food waste and plant contamination. In situations where there is doubt on the balance of benefits and risks, a benefit-risk assessment should be (re-)undertaken.

To maintain consumer confidence, it is critical that the relevant EU authorities include in their priorities proactive consumer communication on safety of food and ingredients in the EU.

8.   Concrete incentives for innovation

Whether industrial or social, research and innovation plays a key role in the transition towards more sustainable food systems. Whereas the industry is actively engaged in R&I, it is acknowledged that, at the moment, we collectively do not have all the answers at hand for the step-changes that are required. For this reason, the transition needs to be supported by concrete actions on **R&I funding for sustainable food systems**, including **public-private partnerships** in this area under Horizon Europe.

In addition, it is essential that the European regulatory process should inspire consumer confidence but at the same time, **regulatory bottlenecks to innovation** (such as lengthy and strict approval procedures of novel ingredients and production techniques) should be identified and eliminated in order to ensure that innovative technologies and products can be introduced onto the market in a timely manner. For example, the limited possibilities for companies to communicate about nutrition and health aspects, the lack of consumer confidence in certain ingredients and technologies assessed

as safe by the EU and the lack of support to make greater use of digital consumer information, are considered barriers to innovation.

9. Create sustainable and inclusive growth and jobs (Competitiveness)

The F2F Strategy should ensure resilience of European food systems and **support the economic sustainability of the food and drink sector**, Europe's largest manufacturing sector in terms of turnover, employment and added value. This is particularly important considering that the food and drink industry ranks among the top three manufacturing industries in most EU Member States. Investing in re-skilling and up-skilling will be crucial to have an inclusive transition.

As impacts and effects of the transition towards more sustainable food systems may vary within the food and drink manufacturing sector (between food and drink categories and between companies of all sizes), **the global competitiveness of the European food and drink industry should be carefully monitored**. This is particularly relevant in view of the European food and drink industry's ambition to increase annual added value growth by 2.5-3.5% year on year to 2025. FoodDrinkEurope is pleased to share and discuss key statistics of the European food and drink industry, e.g. Data and Trends 2019.

Fiscal measures, particularly those targeting individual food categories or ingredients, may have perverse effects (e.g. in terms of regressive impact, substitution effects, cost absorption across the supply chain). They may not necessarily achieve intended societal objectives, whereas they can have a considerable impact on jobs and the competitiveness of the agri-food industry. The viability of any potential introduction of such measures should therefore be evaluated and considered carefully against sustainability in all its aspects.

10. Conserve and promote Europe's rich and culturally-diverse food and drink products and Champion Europe's sustainable food practices internationally

The European Union is renowned worldwide for its rich and diverse food culture, history and traditions, which must be preserved and promoted. The **diversity and heterogeneity of dietary preferences, culinary cultures, practices and production** have to be taken into account when developing policies as part of the F2F Strategy. Ultimately, the F2F Strategy offers an opportunity to promote Europe's culturally-diverse, high-quality food and drinks to the world, in addition to them being the safest and the most sustainably produced.

As the transition towards sustainable food systems does not stop at internal or external EU borders and in light of the European Commission's ambition for the EU to be a climate neutrality champion at COP26, FoodDrinkEurope encourages the Commission to share best practices and drive the change towards sustainable food systems on the global stage.

Chapter I: Sustainable Food Production

A. Sustainable Farming

i. Common Agricultural Policy (CAP)

The F2F Strategy should uphold the economic sustainability of farmers as well as of the food and drink industry, which is composed of 99% SMEs, mostly located in rural areas and sourcing locally close to the place of farming. In this respect, the CAP is one of the key policies for the sustainable growth of the EU food and drink industry.

Farmers and the food and drink industry are hugely interdependent. To produce sufficient and varied food for European consumers and for its export markets, the industry relies on a stable supply of safe, competitively priced and sustainably produced agricultural raw materials. The CAP is key to satisfy these needs. The farming community in turn depends on the EU food and drink industry, which purchases some 70% of all EU agricultural raw materials for manufacturing into value-added products. With its processing capacity, know-how and innovation activities, the industry provides EU farmers with a steady market.

High environmental and climate ambition in the next CAP will be crucial to ensure a more sustainable future for our food systems. High EU standards in these fields gives assurance to consumers that EU agri-food products are sustainably produced.

> **FoodDrinkEurope requests:**
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> - **Any trade-offs with food safety should be avoided at all cost**. Supporting the uptake of digital technologies by farmers and across the food supply chain may benefit food safety and further improve food production efficiency.
> - Because high standards can incur additional costs for EU farmers, FoodDrinkEurope asks policy makers to **dedicate appropriate financial resources, in the EU budget, to the CAP** to help finance them. In this context, FoodDrinkEurope calls on the co-legislators to **rapidly agree to the implementation of CAP transitional measures** for the year 2021, while the priority remains to **conclude negotiations on the CAP reform** so that it can apply in 2022.
> - Furthermore, a stable legislative framework is a prerequisite for guaranteeing market stability and predictability, which are necessary to avoid disruptions in the EU agricultural supply chain. Obviously, **F2F Strategy and CAP objectives must be aligned**.
> - Finally, **envisaged measures to significantly reduce the use of pesticides and fertilisers should be pre-assessed diligently**, since these policies will have an impact on yields, quality, raw material prices and food safety (e.g. levels of mycotoxins, certain plant toxins), affecting not only farmers but also food manufacturers, in the absence of credible alternatives. **EU policies (e.g. CAP, research, food safety) should support the quest for viable alternatives to chemical pesticides and fertilisers**, through facilitating research and innovation, improving market access procedures and promoting uptake by farmers.

Europe's food and drink manufacturers are committed to reducing the environmental impact of their operations, and to continue working with farmers to encourage the development and implementation

of sustainable agricultural practices, building on what has already been achieved to date. Areas of collaboration between manufacturers and farmers are, among others: preventing soil degradation and restoring soil health, improving water quality, efficiency and management, improving sustainability in plant protection, and protecting ecosystems on and around farms, industrial plants and in waters.

ii. Sustainable sourcing

The food and drink industry is deploying its efforts to source its agricultural raw materials more sustainably at EU and global levels. Food and drink manufacturers are also taking steps to contribute – throughout their supply chains – to protecting and conserving land and biodiversity, and to halting deforestation, and addressing due diligence issues, including labour conditions and human rights.

> **FoodDrinkEurope requests:**
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> In a recent contribution paper on forest protection and restoration, FoodDrinkEurope spells out the need for a multi-stakeholder approach and enabling frameworks to ensure truly sustainable sourcing across the globe. In particular, it calls for **a sustainable EU trade policy** and the **strengthening of the reliability of forest-related certification schemes**.
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> FoodDrinkEurope also advocates for the establishment of a **harmonised framework that encourages all actors of the food value chain to adopt sustainable and responsible business practices ensuring due diligence**.

Building upon the recent European Commission Communication on deforestation, FoodDrinkEurope will contribute to strengthening the existing policy and regulatory frameworks that promote sustainable forest management and land-use planning. Our sector will continue to work closely with the agricultural sector and other value chain partners to identify and act upon biodiversity and elements of ecosystem services. FoodDrinkEurope has applied to become a member of the new Multi-stakeholder platform on deforestation with the intention to actively contribute to the discussions.

B. Sustainable Processing

i. Sustainable packaging

Food and drink packaging plays a vital role in protecting and preserving food products for consumers. However, some packaging ends up in nature and contributes to the growing problem of litter. The food and drink industry has engaged in actions aimed to support the transition towards a circular and low-carbon economy, e.g. by improving packaging design, developing alternative delivery systems, actively supporting collection, sorting and recycling schemes, and raising awareness.

FoodDrinkEurope and its members continue to work with policymakers and other stakeholders towards making packaging more circular and sustainable, notably though the Circular Plastics Alliance to achieve the EU target to ensure that 10 million tons of recycled plastic make their way into new products by 2025. FoodDrinkEurope supports the new Circular Economy Action Plan and the European Commission's ambition to move towards a more circular economy, in line with the EU long-term climate strategy and competitiveness and growth objectives.

FoodDrinkEurope requests:

- There is a need for a **coherent and consistent approach on sustainable packaging throughout the European Green Deal**. Any new initiatives related to food packaging, such as the exploration of alternatives to plastics, should be addressed in the context of the F2F strategy to ensure that food safety will not be jeopardised and that food quality and shelf-life will not be negatively impacted.
- Any such initiatives should **take into account life cycle assessments (LCA) of products including the packaging itself**. An approach to packaging needs to involve all actors **building an infrastructure for the future** and should be geared towards – and supportive of – innovation.
- All food contact materials and articles are covered by the Framework Regulation 1935/2004, which is currently under review by the European Commission. Currently, specific measures exist only for a limited number of materials. FoodDrinkEurope calls on the Commission to **develop European harmonized rules for all food contact materials, applying a risk-based policy approach**.
- Given the importance of increased sustainability in the use of safe packaging materials, FoodDrinkEurope urges that **European Commission resources be increased to support a swift revision of the Regulation on recycled plastics in contact with food**.
- Similarly, and keeping the primary objective of food safety in mind, **EFSA authorisation processes, such as in the context of food contact materials, should be speeded up** especially when there is an underpinning sustainability objective (e.g. uptake of food-grade recycled plastics).

The food and drink industry will continue working to use more sustainable packaging, including through investing in innovative packaging, improving packaging recyclability and increasing the use of recycled plastics. FoodDrinkEurope will continue to engage actively with other actors of the plastics value chain as part of the Circular Plastics Alliance to ensure that the 10 million tonnes target is achieved. FoodDrinkEurope is also ready to offer concrete ideas on how to improve the EU food contact materials legislation.

ii. Product environmental footprint

The Product Environmental Footprint methodology (PEF) is an EU-wide multi-criteria assessment of the environmental performance of a product throughout its life cycle. The food and drink sector has actively contributed to its development, including by agreeing category rules for 11 key food and beverage products categories. FoodDrinkEurope believes that PEF can help drive environmental improvement within company operations, ensure the provision of credible and reliable information to consumers and prevent greenwashing.

As reported in the European Commission Communication *"Building the Single Market for Green Products"*, one of the biggest failings of some methodological approaches for measuring and communicating environmental performance is that they are incomplete. For instance, those focusing on just one or a few environmental indicators, such as carbon footprint, often ignore other relevant impact determinants, such as depletion of natural resources, leading to so-called 'burden shifting'. Rather, a full life cycle assessment (LCA) ensures that decisions for improving environmental performance can be taken based on complete information. This is especially important for agri-food products which touch on a wide range of environmental aspects.

FoodDrinkEurope request:

The EU needs to establish a **harmonised policy framework for standardised product environmental information, where provided**. Such a framework should **support the use of Product Environmental Footprint (PEF)** as a diagnostic tool for identifying hotspots, promoting continuous improvement and providing product information to consumers on a voluntary basis, **based on a Life Cycle Assessment (LCA) approach**. The provision of information to consumers should be **voluntary with harmonised mandatory conditions**, which will contribute to a strong Single Market and be in line with open trade.

FoodDrinkEurope is willing to remain engaged in the development of PEF category rules and to share its expertise and experience on PEF to help shape the future regulatory framework. We are also keen to further discuss our views on the future PEF policy framework and on the provision of environmental information to consumers.

iii. Nutrition

The European food and drink industry shares an interest in tackling malnutrition in all its forms – from under-nutrition and deficiency to obesity and noncommunicable diseases (NCDs). In this regard, many companies continue to invest in product (re)formulation and innovation, taking action to reduce salt, calories, sugar and fats; to increase fibre, wholegrain, fruits and vegetable content in their products and to develop new nutritious products that fit in healthy and sustainable diets. This requires a careful balance with taste, convenience and affordability, which remain critical purchasing factors for consumers.

FoodDrinkEurope requests:

- FoodDrinkEurope supports an **open dialogue with the European Commission and Member States to discuss possibilities for (further) collaboration and positive action, as well as identifying regulatory, technological and consumer-related barriers to product (re)formulation and innovation**, to advance nutrition and health together. Factors such as food safety, shelf-life, taste, cultural culinary differences and affordability should also be considered in this respect.
- **Dedicated research under the Horizon Europe programme** should be targeted at overcoming technological barriers and identifying innovative nutrition solutions.
- Moreover, with respect to the measures envisioned in the Strategy, which have already been in place for several decades, such as product reformulation, FoodDrinkEurope asks that **an assessment of the impacts** these measures have had be carried out.

FoodDrinkEurope is at the Commission's disposal to act as an intermediate between the Commission and industry members to offer the knowledge, expertise and learnings of the food and drink sector and to report progress, achievements and pitfalls to enhancing nutrition. Additionally, FoodDrinkEurope continues to support the identification of R&I pathways for sustainable nutrition, including healthy ageing, through the European Technology Platform 'Food for Life'.

C. Towards climate neutrality

Climate change has an impact on food systems, whether directly or indirectly, e.g. affecting food security, food prices, the quality and safety of food products, but also the resilience of farmers and their communities. In particular, extreme weather events, such as droughts and floods or rising temperatures, hamper food production, which can affect the long-term supply of safe, high-quality and affordable raw materials for the food and drink sector.

The EU food and drink sector therefore supports the European Commission in its objective of becoming the first climate-neutral region in the world by 2050. FoodDrinkEurope also strongly supports the Paris Agreement objective to keep the global temperature increase below 2°C and to pursue efforts to keep this increase at 1.5°C maximum. For more than a decade, European food and drink manufacturers have been integrating climate change in their business strategies; this has already resulted in a reduction of the industry's greenhouse gas (GHG) emissions by 12% between 2008 and 2017, while production values have increased by 5% in the same period.

In a recent report entitled "*Contribution of the food and drink industry to the transition towards a carbon neutral Europe by 2050*", FoodDrinkEurope explains the ongoing actions of the food and drink sector within its manufacturing operations and with up- and down-stream operators in the value chain. Within its operations, the sector has been adopting measures to improve energy efficiency, to lower emissions from transport and logistics, and to use water in a sustainable and efficient way to preserve water quality and availability. It has also been making great progress in preventing food waste and loss, adopting more circular systems, and ensuring more sustainable use of packaging. Outside the sector's operations, the report highlights the importance of taking measures to ensure sustainable sourcing and forest protection at global level, to engage and work together with all actors of the food chain, especially consumers and farmers, and to explore the role of the bio-economy. The report also makes recommendations to ensure that the necessary conditions are in place for the food and drink industry to sustain its efforts and further contribute to combat and adapt to climate change.

> **FoodDrinkEurope request:**
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> **The fight against climate change needs to be included in a wider sustainability strategy** which also ensures sustainable and inclusive growth, environmental protection, social welfare and innovation. Together, these issues should form an **integral part of the implementation of the Sustainable Development Goals (SDGs)**. **Policy coherence and consistency**, especially within the European Green Deal, must also be ensured.
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> In this context, **any initiatives directly related to the contribution of the agri-food sector to climate change mitigation and adaptation should ideally be addressed in the F2F Strategy directly**. It is of utmost importance to avoid **any sustainability trade-offs**, such as between energy efficiency and water consumption increase.

FoodDrinkEurope will continue to actively engage in policy discussions/actions, in order to contribute to the EU objective of climate neutrality by 2050, as enshrined in the European Commission's proposal for a European Climate Law, and in support of promoting sustainable and resilient food systems.

D. Food safety in the supply chain

Europe has one of the best track records for food safety in the world, thanks to a robust regulatory framework and day-in-day-out dedication by Europe's food and drink companies. Ensuring that food is safe is a non-negotiable responsibility for our sector and this will remain our priority for the future.

In this spirit, FoodDrinkEurope and its members have extensive procedures in place to ensure all products on the market meet the highest standards, the most recent certification schemes and, above all, the latest legal requirements. FoodDrinkEurope also helps by streamlining the efforts of our members, for example, in reducing and mitigating the occurrence of contaminants or managing the presence of allergens in food products by disseminating good practices. A few examples are FoodDrinkEurope's Toolbox on Acrylamide, Mineral Oil Hydrocarbons, or the Guidance on Allergen Management.

> **FoodDrinkEurope request:**
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> **The F2F Strategy should make an unequivocal reference to the importance of food safety**. Moreover, an open dialogue between the European Commission, Member States and food chain actors is needed to **identify and overcome potential trade-offs related to food safety** when working towards the objectives foreseen within the F2F Strategy.

FoodDrinkEurope is keen to continue supporting Europe's strong track record on food safety . It offers its expertise and industry experience in helping to identify areas of the F2F Strategy which may – directly or indirectly – have food safety implications.

E. Food fraud

Food fraud is of increasing concern to society and of course to the food industry. Food fraud seriously erodes consumer trust in food, cannot and must not be tolerated and action is needed to address the risks associated with food fraud. Moreover, it should be noted that it is not only consumers that are victims of food fraud, but also food supply chains.

Food fraud encompasses the deliberate and intentional substitution, addition, tampering or misrepresentation/deception/misleading of food, food ingredients, food packaging, labelling or product information for economic gain. Although fraudsters might not intend to harm people (their first priority is to make economic profit), their actions may clearly be of food safety concern for humans. Fraudsters may ignore the risk for humans e.g. allergenicity or high toxicity of the adulterants; but fraud can affect consumer health and creates unfair practices in food trade. Food fraud is damaging consumer confidence and trust in business.

The food industry relies on numerous food supply chains to ensure consumer choice, affordability, consistent product quality and continuity of supply. The prevention of food fraud is of paramount importance to protect the trust of our consumers and to maintain fair, sustainable business practices. The food industry adamantly distances itself from any fraudulent activity, as stated in FoodDrinkEurope's position paper on food fraud. Those accountable for food fraud involving intentional deceptive and misleading practices with the aim of economic gain should be prosecuted.

The new rules of the Official Controls Regulation (EU) No. 2017/625, applicable since 14 December 2019, will help combat food fraud. The risk-based approach to controls is maintained and food fraud is now an element of risk and part of the risk assessment.

> **FoodDrinkEurope requests:**
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> - **Maintain and further develop a robust legislative framework with controls and other enforcement activities** to effectively curb and punish food fraud.
> - Provide a **clear definition and scope** to the various terms like food fraud, food integrity and food authenticity.
> - **Establish fora where different stakeholders can share and exchange information** on this topic. It will be very important to have a uniform approach to address food fraud to avoid duplication of funding on food fraud analytical development and to obtain alignment on the terms and definition both regarding food fraud terminology, but also at analytical level for food fraud detection.
> - **Consider how any potential actions at EU level fit within existing efforts underway to help combat food fraud by global initiatives**, such as Codex Alimentarius and FAO. Food fraud is a global issue, and this should be reflected in the EU strategy.

FoodDrinkEurope members actively work with up and down-stream operators and suppliers to identify fraudulent practices and mitigate the associated risks and are committed to support an integrated EU strategy against food fraud.

Chapter II: Sustainable Food Consumption

A. Consumer information

The industry is committed to provide clear and transparent information about its products, whilst being mindful of the need for this information to be up-to-date and not giving any misleading impressions/perceptions about the content, nature, provenance, safety or quality of the food and its ingredients.

The past years have seen an increasing fragmentation of food labelling rules across the EU, which can create confusion for consumers, is burdensome for business and creates unnecessary inefficiencies and waste, therefore acting as a detriment to more sustainable food systems.

Given the plethora of potential additional consumer information requirements on various aspects of food (environment, origin, nutrition, animal welfare, etc.), there is a need for a holistic reflection at EU level to avoid information overload, consumer confusion and negative impact on business. Such a reflection should take into account, amongst others:
- the actual goals which are expected to be achieved (e.g. ensuring transparency throughout supply chains; changing consumer behaviour; providing incentives to producers; etc.);
- effectiveness of current consumer information provision;
- consumer motivation and understanding;
- practical feasibility for business; and
- impact on the Single Market and trade.

> **FoodDrinkEurope requests:**
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> - **Avoid further fragmentation of the Single Market in the area of food information to consumers**, by pushing back against unjustified/harmful national initiatives and/or by supporting pro-active harmonised EU action (e.g. on the harmonisation of front-of-pack nutrition labelling, fully compliant with Article 35 of Regulation (EU) 1169/2011).
> - **Include in the F2F Strategy outstanding legislative requirements related to precautionary allergen ("may contain") labelling and rules for vegetarian/vegan labelling** (as per Regulation 1169/2011).
> - Consider a **framework for digital consumer information**.
> - Facilitate a **holistic reflection on consumer information** at EU level.
> - Develop, with EU Member States, an approach to **educate and raise consumer awareness on food, nutrition, diets and lifestyles**, based on science and evidence.
> - **Support consistent risk/benefit communication across EU Member States**, e.g. on food ingredient safety and benefits, in order to maintain consumer confidence and support innovation.

The industry stands ready to provide consumer insights and promote harmonised, innovative solutions for better information to consumers. Moreover, FoodDrinkEurope is at the disposal of policymakers to present concrete proposals for the harmonised labelling of "may contain" allergen rules (supported by Guidance on Food Allergen Management for Food Business Operators) and vegetarian/vegan labelling, in collaboration with consumer groups.

B. Promoting healthy and sustainable diets and lifestyles

Beyond actions on the production side, the EU food and drink industry recognises that it has a shared responsibility in promoting balanced, healthy and sustainable diets and lifestyles, ranging from promoting mindful/responsible consumption and portion control to supporting responsible marketing and advertising and promoting healthy and active lifestyle and wellbeing programmes, including among its own employees and their families.

Awareness-raising of the difference between the "best before" and "use by" dates, clear storage instructions for food and 'tips and tricks' to avoid food waste at household level are other examples of actions that companies are taking.

> **FoodDrinkEurope requests:**
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> - FoodDrinkEurope asks policymakers to **recognise the efforts of the European food and drink sector to date in supporting healthier and more sustainable behaviours, and to provide further incentives to scale-up best practices**. EU policymakers also have a role to play in **(re-)building consumer trust in science-driven innovation and food processing**.
> - In addition, **broad-scale and enduring awareness-raising campaigns and consumer education about food, nutrition, diet and lifestyles at all governance levels** are needed to enable consumers to make informed choices. A common communication initiative by European and national authorities and food chain stakeholders to improve consumer understanding about date marking could be an example of a joint activity that could benefit more sustainable food systems.
> - **Any recommendations for healthy and sustainable diets should take into account historical, social, cultural and economic contexts as well as consumer needs and preferences**, including in terms of affordability, accessibility and convenience. They should recognise the role of all foods in the diet when consumed responsibly and the particular dietary needs of specific population groups, such as children and the elderly. Such guidelines should also highlight **potential trade-offs and important nuances** while helping consumers to make the most informed choices (e.g. eating 'local' is not always more sustainable; organic food is not healthier *per se*).
> - Finally, FoodDrinkEurope recommends that the European Commission conducts a **regular pan-European monitoring of consumption intakes and patterns across the EU** to track shifts in consumer behaviour with regard to diets and lifestyles.

FoodDrinkEurope is willing to explore opportunities for engaging in joint initiatives with other stakeholders to promote healthier and more sustainable diets.

C. Public procurement

Public procurement criteria for food, including Green Public Procurement (GPP), should be established on an objective, scientific basis and take a whole life-cycle approach. The availability of a robust and science-based environmental assessment methodology applicable to food and drink products should be an essential pre-condition for the development of these criteria. A review should thus consider the learnings from current food sustainable consumption and production initiatives such as PEF.

FoodDrinkEurope requests:

FoodDrinkEurope proposes to consider **reviewing the methodology for the setting of Green Public Procurement criteria for food** to bring it up to date with the latest methodological developments on environmental footprinting in the European Commission.

Chapter III: Food loss, food waste and food donation

While around 20% of food produced in the EU is lost or wasted, every second day some 36 million people in Europe cannot afford a quality meal (Eurostat, 2018). Food waste represents a missed opportunity to feed the growing world population, a major waste of resources and a needless source of greenhouse gas emissions that impacts climate change. Negative economic consequences occur for everyone along the food chain when food goes to waste.

Having successfully reduced food losses throughout the chain over recent years, the food and drink sector is committed to contribute to the SDG target 12.3 to halve food waste by 2030. Our priority is to drive out inefficiency within supply chains and to prevent food wastage in the first place. Where surpluses cannot be avoided, redirecting food to feed people should be a first consideration, in accordance with the food waste hierarchy.

FoodDrinkEurope believes that a harmonized, reliable and coherent consumer-facing date marking system is key to prevent food waste. This must be coupled with coordinated and enduring EU-wide communication initiatives (e.g. social media, partnerships with schools and national media) are needed to raise awareness of ways to prevent and reduce food waste. Proactive long-term engagement and partnerships between supply chain operators are key to develop and implement effective solutions to food loss and waste.

> **FoodDrinkEurope requests:**
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> - The EU Member States' food waste reporting exercise, expected to start in 2020, should help assess progress, share best practices and identify challenges and needs for further actions. To this end, FoodDrinkEurope believes that **the European Commission should ensure that reported data will be coherent, consistent and comparable**. This is all the more important in view of the future discussions on possible EU binding targets post 2023.
> - **Policies and measures arising from the F2F Strategy should promote harmonized, coherent and effective action to tackle food loss and waste along the entire food supply chain.** Unintentional effects of such measures, such as the creation of additional food loss and waste, e.g. by fragmented approaches in the Single Market or the inappropriate use of 'Minimum Life On Receipt' requirements, should be avoided. Similar scenarios should as much as possible be assessed *ex ante* in the early development of such initiatives.
> - Furthermore, FoodDrinkEurope believes that **the European Commission should convene all relevant stakeholders for a joint EU initiative to improve consumer understanding of date marking** (see above in Chapter II point b – "Promoting healthy and sustainable diets and lifestyles").
> - Finally, **R&I funds and subsidy programmes should be directed to solutions to tackling food loss and waste**, e.g. circular ingredients that valorize by-products.

FoodDrinkEurope will remain engaged in the EU Platform on Food Losses and Food Waste and relevant subgroups. It will also continue assisting food and drink manufacturers in their efforts to address food loss and waste and identify any potential policy inconsistencies which lead to inefficiencies and waste. Finally, FoodDrinkEurope will contribute to ensure proper reporting on prevention and reduction actions at food manufacturer level by Member States starting at the end of 2020.

Chapter IV: Trade

A. International trade

The EU is a leading food producer and the world's largest exporter of food and drink products. As well as using a substantial amount of EU agricultural raw materials, our industry also requires reliable access to imports of raw materials from safe, secure, and traceable supply chains. Some key ingredients are not produced in the EU, or at least not in sufficient quantities, and imports therefore play a complementary role in the production of many value-added products. Long-term security of supply should therefore be considered in the F2F Strategy.

International trade supports many EU food and drink manufacturing jobs. Businesses of all sizes across supply chains, contribute to consumer access to safe, nutritious and affordable food worldwide. FoodDrinkEurope supports the objective that Europe's high-quality food becomes the global standard for sustainability.

> **FoodDrinkEurope requests:**
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> - **An ambitious EU trade policy** which supports the sustainable growth of the industry, creates new export opportunities and facilitates security of supply while providing fair terms of competition and a level-playing field for EU producers.
> - **Careful monitoring of the impact of measures of the Green Deal and the Farm to Fork Strategy on the availability of raw materials / ability to source**, to ensure security of supply.
> - **A strong, rules-based multilateral trading system** administered by the World Trade Organisation (WTO), which provides legal certainty in international trade and investment.
> - **EU bilateral trade agreements which reflect business needs and support sustainable development.** In particular, as the UK is the single largest trading partner of the EU with a total value of food and drink trade of €47.5 billion in 2018, priority should be given to a comprehensive EU-UK economic partnership to keep goods flowing.
> - **Policy coherence between EU trade policy and other EU policies, which have an impact on the sector's competitiveness (e.g. CAP, energy policy, regulatory requirements) and vis-à-vis third countries**.
> - **Reinforce international cooperation on trade, sustainable development and food systems related policies and initiatives** to accelerate change at global level.

FoodDrinkEurope looks forward to continuing to provide the European food and drink industry perspective on the EU's trade policy, to address opportunities and challenges in international markets, and to engage with policy makers and relevant stakeholders on the trade-related aspects of the F2F Strategy and the Green Deal.

B. Promotion policy

The EU promotion policy, with its expanded product coverage to processed products, enhanced budget and simplified administrative procedures, plays an essential role in raising awareness of the high production standards of EU agri-food products and to strengthening their competitiveness.

FoodDrinkEurope requests:

FoodDrinkEurope asks policymakers to **increase consumer awareness of the merits of EU production methods through promotion campaigns under the EU promotion policy**, in view to enhancing the competitiveness of the agri-food sector.

To that effect, FoodDrinkEurope requests the Commission to **update the list of eligible products with the objective of opening upcoming calls of the EU promotion policy to innovative food and drink sectors**.

Chapter V: Enabling the transition

A. EU Single Market

An overall stable regulatory framework is a crucial factor for investment decisions and private sector activity in the EU. Thanks to the EU Single Market, the availability of food and drinks at affordable prices has increased and consumers can access an increased choice and diversity of food and drink products. For food and drink manufacturers, the Single Market allows for healthy competition, business growth and a reduction of bureaucracy and compliance costs.

The food and drink sector is currently facing a clear trend towards re-nationalisation of regulatory measures, making it increasingly difficult to fully benefit from the Single Market. Examples include the unjustified introduction of national measures, non-harmonised implementation of EU law by Member States, non-functioning of the mutual recognition principle or introduction of different national legislation in non-harmonised areas, and differing risk assessments between EFSA and national authorities leading to different rules. All of these can cause additional costs, burdens and uncertainty for operators and consumers. Importantly, fragmentation of the Single Market creates an unequal playing field and unnecessary waste, hindering the contribution to more sustainable food systems; it also pushes companies to develop and trial innovations outside of Europe first, taking away the first-mover advantage for companies in Europe.

> **FoodDrinkEurope requests:**
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> - The F2F Strategy should strive for **EU policy harmonisation – or at least co-ordination – to avoid inefficient and ineffective food supply chains across Europe**. Therefore, there should be a close link to EU policies related to the Single Market (such as the Single Market Enforcement Action Plan and the EU Industrial Strategy), which ought to be explicitly recognised in the Commission's Communication on the F2F Strategy.
> - **Proposals originating from the F2F Strategy should undergo an *ex ante* Single Market test, the enforcement of measures by Member States should be closely monitored and early and swift action should be taken if unjust barriers are created in the Single Market**. FoodDrinkEurope asks the European Commission to take a tougher line against initiatives by individual Member States to fragment the Single Market.

FoodDrinkEurope is ready to share and discuss concrete ideas to improve the Single Market for food and drinks with policymakers.

B. Better Regulation

EU Better Regulation tools include impact assessments, public consultations, *ex post* evaluations and regulatory scrutiny and oversight. In accordance with the Commission's own Better Regulation guidelines, impact assessment is required for both legislative and non-legislative initiatives that are likely to have significant economic, environmental or social impacts. However, over the past years, some EU legislation has been adopted without proper impact assessment, despite considerable impacts on, amongst others, the food and drink sector.

All stakeholders affected by potential EU actions should have the opportunity to give their views and to provide evidence and information in support thereof. Early and repeated stakeholder consultation is fundamental in order to ensure that policy drafts are consistent, meet quality standards and are workable for all target groups.

> **FoodDrinkEurope requests:**
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> - The Commission's **Better Regulation guidelines should be applied systematically** throughout the entire policy cycle.
> - **Impact assessments should be required for every new or amended policy being proposed**, rather than being required only when the Commission regards the potential impacts of a policy as 'substantial'. In many cases, only the impact assessment reveals the magnitude of the consequences.
> - In line with 'food systems thinking', **a 'holistic' impact assessment is needed** to assess the (impact and effectiveness of) various initiatives under the F2F Strategy in their totality.
> - *Ex post* **evaluations of current measures related to the F2F Strategy should be carried out** to ensure that these are still necessary or at least that they are framed in a way that takes stock of the observed accomplishments and limitations.
> - **Simplification of some existing legislation and procedures** (e.g. certification) should be assessed.

FoodDrinkEurope will continue providing substantial industry input in impact assessment processes, stakeholder consultations and other fora. It also looks forward to the continuation of the work done by the REFIT Platform through the new high-level "Fit for Future" Platform.

C. SMEs

The European food and drink industry accounts for more than 290,000 Small and Medium-Sized Enterprises (SMEs). They generate nearly 50% of the industry's EU turnover and value added while providing two thirds of the employment of the sector. They mainly employ a local workforce – 2.9 million workers in total, which makes them essential actors in the EU economy.

The transition towards more sustainable food systems will come at a cost, in particular for SMEs, and will require huge private investment in new assets as well as research and innovation. SMEs will also need a workforce with the proper skills, for example to support the integration of digital technologies.

FoodDrinkEurope welcomes that the EU SME Strategy, as part of the EU Industrial Strategy Package, recognises the unique situation of SMEs, including in the food sector, and commits to supporting them in the uptake of digital technologies and in transitioning to a greener, more sustainable industry.

> **FoodDrinkEurope request:**
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> FoodDrinkEurope asks for an **enabling framework to help SMEs achieve the transition towards more sustainable food systems**. This requires **close alignment and co-ordination between the EU's Industrial Strategy, the SME Strategy and the F2F Strategy**. Furthermore, the Commission's proposal on the **Sustainable Europe Investment Plan and the Just Transition Mechanisms** needs to provide

the appropriate incentives. Lastly, a part of **research and innovation** funds should be directed at supporting SMEs in overcoming barriers they may face in the transition.

FoodDrinkEurope will continue playing an active role in supporting SMEs in the food and drink sector and is at the disposal of policymakers to discuss the critical conditions for SMEs to take full advantage of the Farm to Fork Strategy, while ensuring that nobody is left behind.

D. Financing (Just Transition, Sustainable Finance)

Food and drink companies make significant investments in assets, such as factories and machinery, as well as research and innovation (R&I), in order to secure current and future production capacity. With €40.1 billion invested in 2016, the European food and drink industry is the sector with the highest capital spending in manufacturing (source: FoodDrinkEurope Data and Trends 2019).

FoodDrinkEurope request:

FoodDrinkEurope asks policymakers to **provide an appropriate EU budget** that keeps the food and drink sector centre-stage across its policies and that supports much-needed investment for the transition to sustainable food systems. **The Just Transition Fund needs to align with the needs for specific sectors and companies to be supported in the transition as per the objectives of the F2F Strategy**. Special attention and resources must be allocated to **digital and sustainability skills** across all food supply chain stakeholders.

FoodDrinkEurope is willing to engage in dialogue with the European Commission to jointly identify a roadmap for ensuring appropriate sustainable financing and just transition for the food manufacturing sector.

E. Research and innovation

Research and innovation (R&I) will be instrumental to achieve the objectives of the F2F Strategy, help tackle societal challenges and increase the competitiveness of the European food and drink industry. In Europe, the food and drink industry invested more than €2.9 billion in research and innovation in 2017/18. The upcoming Horizon Europe programme represents a unique opportunity to give a special boost to R&I in areas relevant for the F2F strategy.

The European Technology Platform (ETP) 'Food for Life', under the auspices of FoodDrinkEurope, brings together stakeholders from industry, academia and research institutes that deliver on agreed R&I priorities that can move the food sector forward. Some examples are the Strategic R&I Agenda and Implementation Action Plan of the ETP 'Food for Life', built and supported by the major academic and industry actors in the food sector, and the Copa-Cogeca Working Party on R&I and ETP 'Food for Life' Joint Statement on common strategic priorities for R&I.

In addition, and in order to enable the development of new products and technologies or the improvement of existing ones, the best ecosystem for innovation to flourish needs to be in place. FoodDrinkEurope believes it is essential to take advantage of the significant potential benefits from R&I outcomes while ensuring that there are mechanisms in place to prevent, identify and manage any potential risks. Thus, the European regulatory process should inspire consumer confidence but at the same time, regulatory bottlenecks to innovation should be identified in order to ensure that

innovative processes, technologies and products can be introduced onto the market in a faster timeframe.

> **FoodDrinkEurope requests:**
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> - **Appropriate R&I support for the transition towards more sustainable food systems** is needed, both in terms of funding and scope of the R&I actions envisaged.
> - **All relevant stakeholders should be involved to jointly identify, analyse and propose solutions to the regulatory bottlenecks** that hamper innovation processes and the market uptake of their results, necessary to accomplish the F2F Strategy. For example, a faster process for novel food authorisations will encourage innovation for sustainable solutions.

FoodDrinkEurope is committed to actively work with the European Commission in order to contribute to shaping R&I agendas, to support the establishment of public-private partnerships in safe and sustainable food systems and to help align existing R&I initiatives.

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