

COMMENTS OF INDEPENDENT RETAIL EUROPE ON THE AMENDMENTS PROPOSED BY THE EUROPEAN PARLIAMENT AND COUNCIL TO THE PROPOSAL FOR A DIRECTIVE AMENDING DIRECTIVE 2008/98/EC ON WASTE (FROM FOOD AND TEXTILES)

22 NOVEMBER 2024



1) Food waste reduction targets and the retail sector – key issues

Independent Retail Europe strongly supports the objective to reduce food waste and to set reduction targets. For retailers, food waste at warehouse or store level translates into an economic loss. Retailers have therefore undertaken serious efforts to optimise their internal supply chains, and developed concepts that enable to quite precisely predict demand for products and put goods on the shelf just in time. Furthermore, they have developed or engaged in initiatives to reduce their food waste to a minimum, by means of, for instance, innovative packaging for private label products, conversion of fruits and vegetables into juices or soups or food donations to charities. Due to its efforts, the retail sector accounts for only 7 percent of food waste in the EU. However, the last percentages are always the most difficult to eliminate.

Consumers, possibly also due to the increased price of food due to inflation, appear to become more aware of food waste and to adapt their behaviour. <u>Nevertheless, consumer households remain the number one cause for food waste as 54% of food waste in the EU is generated by households</u>.

Despite the fact that this aspect is no longer under discussion by the regulators, we wish to reiterate that retailers, like other supply chain operators, cannot control or be responsible for the amount of food that consumers finally throw away. Despite, and very regrettably, EU legislators place them in the same category as consumers, with a common reduction target for Member States of food waste per capita. Not only does this add to complexity, instead of reducing it, we are also very concerned that Member States will make retailers responsible for something that is out of their control or adopt measures that infringe with sound store management, leading to even lower profit margins in a sector where margins are already very low. Moreover, not only the retail sector, but all supply chain actors can make efforts to reduce waste at consumer level.

We therefore welcome the precision made by the European Parliament in its amendment 26 with regard to Recital 33 that, in order for Member States to achieve the targets set out in this Directive, Member States should involve multiple partners from the public and private sectors including producers, distributors, suppliers, retails and food service providers, as well as social economy actors and environmental and consumer organisations, with coordinated actions tailored to address specific hotspots as well as attitudes and behaviours that lead to food waste. In the preparation of these programmes, Member States could draw inspiration from the recommendations produced by the Citizens' Panel on Food Waste.

We also welcome amendment 46 by the European Parliament with regard to Article 1.1: By 31 December 2025, the Commission shall conduct an assessment on the appropriate levels for the setting of targets for the reduction of all primary production food waste, including mature food left unharvested or used on farms. To that end, the Commission shall submit a report to the European Parliament and to the Council, accompanied, if appropriate, by a legislative proposal. The latest research that was presented at the EU Platform on Food Losses and Food Waste on 12th November in Brussels, has shown that unharvested food is responsible for a significant amount of food waste.

Against this background, Independent Retail Europe invites the negotiating parties to consider the following:

Key considerations

- → Accept the clarification by the European Parliament in its AM 26 with regard to Recital 30 that all the supply chain actors producers, distributors, suppliers, retails and food service providers, as well as social economy actors and environmental and consumer organisations should be involved by Member States to reach the targets.
- → Maintain the reduction targets that were proposed by Commission and Council and do not opt for even higher targets as proposed by the European Parliament (EP AM 42 and 43 to Article 9a paragraph 4). The proposal of the Commission is based on a proper impact assessment which has shown that it will not be possible for most Member States to reach higher targets than those set in this Regulation.
- → Maintain the original wording of Article 9a paragraph 7 for the review of the food waste reduction targets as proposed by Commission and Council. Any new reduction target must be based on the progress made by 31 December 2027. Oppose therefore, the proposal of the Parliament to set further mandatory reduction targets before 31 December 2027 (EP AM 47 to Article 9a paragraph 7).
- → Support the Council's proposal for extended flexibility for Member States with regard to the reference year in Article 9a paragraph 5.
- → Support the Council's introduction in Article 9a paragraph 5a and 5b of the effect of tourism and the production level as correction factors to assist Member States with achieving the reduction targets for 2030 as proposed by the Commission.
- Support the Parliament's suggestion for research into reducing food waste at primary producer level, and possible legislation thereon (EP AM 46 to Article 9a paragraph 7b new) already by 2025.
- Reject AM 9: the Parliament wrongly assumes that sellers of fresh produce are always in a weaker position than the buyer and that buyers' unfair practices (UTPs) are a prime cause of food waste at producer level, presumably due to alleged frequent returns of perishable products. First of all, buyers of fresh produce have an interest in buying very fresh products, whether for direct sale, treatment and storage for later sale (apples & pears), freezing or canning. They are therefore keen to buy fresh produce rapidly. Secondly, according to the UTP Directive, goods can only be returned when expressly agreed between both parties. This is because, in reality, the contractually agreed return of perishable products, can be positive for the seller, and can also lead to the reduction of food waste, e.g. when the products can be converted into another product, can be better donated by the seller, used to feed livestock or for manure or compost. For high quality craft food products which deteriorate over time (e.g. cookies or chocolates), to avoid loss of brand prestige, a supplier may also prefer to have the product returned when the quality starts to deteriorate. The possibility to agree on the return of unsold products therefore needs to remain part of the grey list of the UTP Directive, and not be moved to the black list.

2) EPR scheme and collection system for textiles – key issues

As regards an EPR scheme and collection system for textiles, Independent Retail Europe believes that a harmonized approach in the Member States is necessary to allow for a level playing field. While the Member States will be responsible for the establishment of EPR schemes and the corresponding producer responsibility organisations, we need harmonised definitions and government structures in order to ensure that the scope and actors involved are the same across the EU.

We support the Council's proposal for alignment of obligations of online platforms in recitals 30, 30a and 30b with the Digital Service Act as well as the obligation for third-party producers that make textile products available on the EU market for the first time, to appoint an authorized representative in Article 22a 1a). However, the term 'trader', introduced in recital 30 is neither used elsewhere nor defined in the Waste Framework Directive or in the Proposal. Since "trader" can have very different meanings under EU law, this can lead to very different responsibilities (particularly under the EU product and the EU sustainability acquis) as compared to a producer who makes products available on the market for the first time. In order to avoid that third-country producers would escape the responsibility of producers under the proposed Directive, as they would be traders instead of producers, we consider it necessary to clarify that the producer who makes available for the first time products via platforms, is considered a trader only **under the DSA.**

Recital (30) Article 30 [...] of Regulation (EU) 2022/2065 of the European Parliament and of the Council19 obliges [...] providers of online platforms allowing consumers to conclude distance contracts with [...] traders, prior to allowing a producer to use its services, to obtain certain identification information from that [...] trader and a self-certification by the [...] trader committing to only offer products or services that comply with the applicable rules of Union law. For the purposes of this Directive, producers offering textile, textile-related and footwear products made available on the market for the first time to consumers located in the Union should be considered traders under Regulation (EU) 2022/2065. Against this background, Independent Retail Europe invites the negotiating parties to consider the following:

Key Considerations:

- → Support the Council's clarification in Recital 17 using the term "making available on the market of a Member State for the first time" instead of "placing on the Union market" as the Council wording is coherent with the EU acquis.
- Support the alignment proposed by the Council of obligations of online platforms with Regulation (EU) 2022/2065 (Digital Services Act) in Recitals 30, 30a) and 30b) and the appointment of an authorized representative in Article 22a paragraph 1a). However, to avoid any unintended effect of identifying third country producers as traders (for the purpose of terminological consistency with Regulation (EU) 2022/2065) add the words "under Regulation (EU) 2022/2065" to the addition proposed by Council to Recital 30.
- → Support the Parliament`s recommendation to evaluate the introduction of a Union-wide register in the future. AM 72 on Article 22 paragraph 9a new.
- → Support the longer timeline and/or omission of fixed targets for Member States as proposed by the Council for the setting of potential targets for reuse and recycling in the Council text on Article 9 paragraph 5, 5a and 5b new.

- → Support the multiple paragraphs in which the Council emphasises the importance of proper financing and cost distribution among the different stakeholders participating in the EPR schemes.
- → Include a paragraph that ensures that EPR systems foresee a handling fee to cover the costs of retailers if these are obliged to collect textile waste under a national scheme, in analogy with existing national EPR systems for the collection of WEEE and packaging waste.

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Established in 1963, **Independent Retail Europe** (formerly UGAL – the Union of groups of independent retailers of Europe) is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors.

Independent Retail Europe represents retail groups characterised by the provision of a support network to independent SME retail entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the individual retailer.

Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers.

Independent Retail Europe represents 24 groups and their over 501.000 independent retailers, who manage more than 764.000 sales outlets, with a combined retail turnover of more than 1.411 billion euros and generating a combined wholesale turnover of 621 billion euros. This represents a total employment of more than 6.440.000 persons.

Find more information on <u>our website</u>, on \underline{X} and on <u>LinkedIn</u>.