Navigating the Regulatory Environment for Developing Sustainable Products

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fdf food & drink federation passionate about food & drink

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About Ashbury

Founded in 2002.

Trusted regulatory, technical & training consultancy.

Specialists in:

▶ Multi-category labelling and product compliance

▶ Multi-country labelling and product compliance

125+
Experts

35+
Languages

80+
Markets

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Global Expertise

We understand the unique regulatory landscape of each market we serve.

▶ Projects delivered globally

▶ Centralised service model

200,000+

approvals without labelling related product withdrawals or recalls

Ashbury Inc

Ashbury Ltd

Ashbury Pty

Ashbury

Our Services

Regulatory Consultancy

- Regulatory Advice
- Formulation Check
- Marketing Compliance
- Incident Management

Technical Services

- Specification
- Pack Copy
- Artwork
- Procedure & Policy

International Compliance

- Market-specific Regulatory Advice
- Regulatory Adaptation and Translation

Compliance Training

- Food Regulations & Labelling
- PLM System
- Internal Policy and Procedure

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Sustainability and the Food System
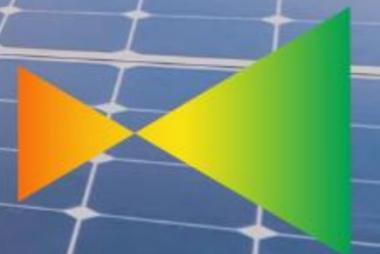
What does 'Sustainability' mean?

The interactions between environmental, economic and social factors that contribute to sustainability.

"Meeting the needs of the present without compromising the ability of future generations to meet their own needs"

United Nations, 1987

What is a Sustainable Food System?

Sustainable Food Systems are impacted by multiple factors and variables across supply chain operations.
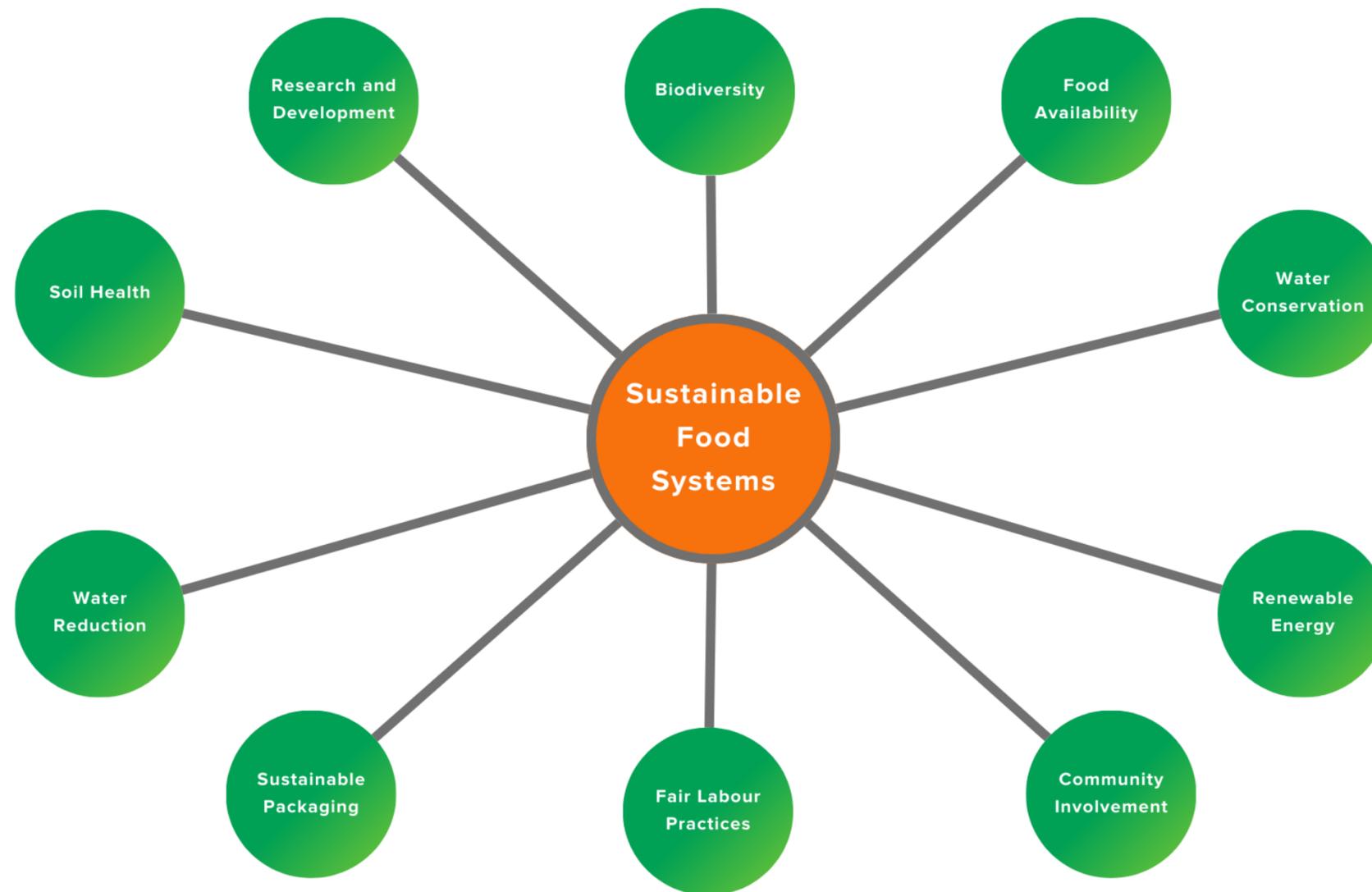
Global Supply Chains

Stakeholders

Sustainability is not the burden of a single department; it is a collective responsibility that spans the breadth of the entire business.
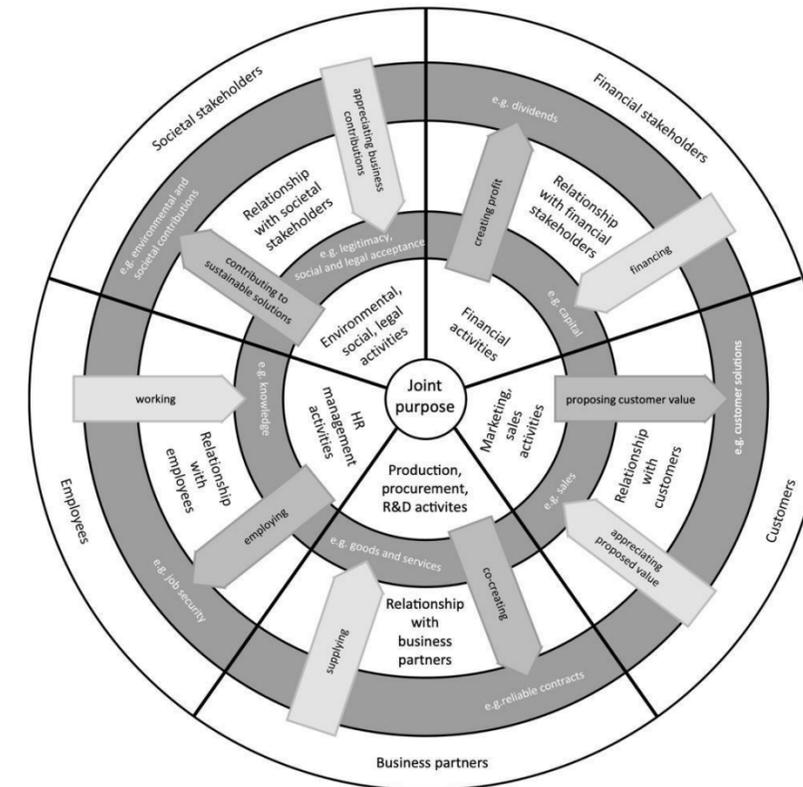
Freudenreich et al., 2020.

EU Regulatory Sustainability Frameworks

EU Omnibus Package

- CSRD, CSDDD and CBAM
- Reduce administrative burden by 25%
- 80% reduction in companies required for CSRD
- Reduced value chain data obligations
- CSRD postpone by two years (until 2028)

EU Deforestation Free Regulation

- Deadline 30th December 2025 or 30th December 2026 for SME
- Traceability for food sourced after 31st December 2020
- Country risk ratings expected June 2025
- Fines of at least 4% Union-wide turnover
- The Information System is open for registering

Packaging and Packaging Waster Directive (PPWR)

- In Force 11th Feb 2025
- All packaging recyclable in economically viable way by 2030
- Decrease use of virgin materials to achieve carbon neutrality by 2050
- Minimum recycled content targets
- Minimise substances of concern (e.g. PFAS)

Green Claims Directive

- In force March 2023
- Requires green claims to be verifiable
- Consumers must be provided with the required information regarding the claim
- Eco-labelling cannot be done via self certification schemes
- No new national or regionally owned schemes to be permitted

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Environment Act 2021

The Environment Act 2021 is the UK's framework for developing sustainability legislation across multiple product components.

Schedule 4	Schedule 5	Schedule 8	Schedule 9	Schedule 17	Schedule 21
Producer Responsibility Obligation	Producer Responsibility for Disposal Costs	Deposit Schemes	Charges for Single Use Items	Use of Forest Risk Commodities in Commercial Activity	Amendment of REACH Legislation
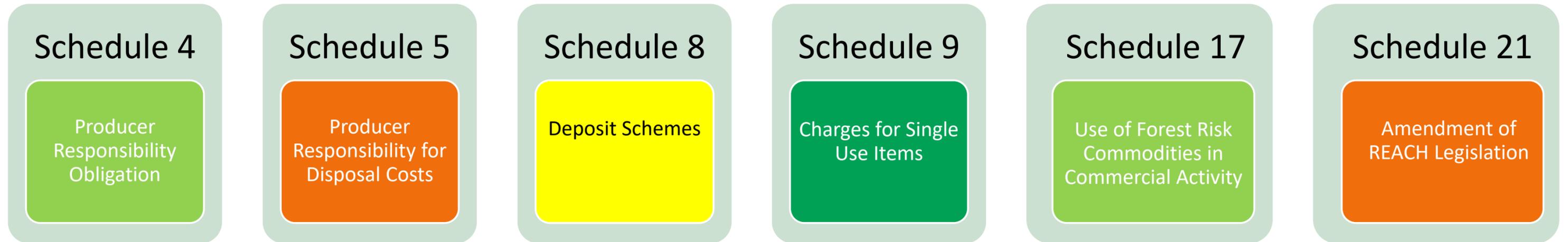
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Supply Chain Considerations

The Scopes

Throughout the product supply chain, many different actions result in emissions, some of which are directly linked to business operations.

▶ A product's journey across the supply chain impacts its footprint

▶ Direct emissions are the easiest to measure

▶ Indirect emissions provide the biggest challenge

SCOPE 1, 2 AND 3 EMISSIONS
FOOD INDUSTRY

SCOPE 1
DIRECT EMISSIONS

SCOPE 2
PURCHASED ENERGY

SCOPE 3
OTHER INDIRECT EMISSIONS
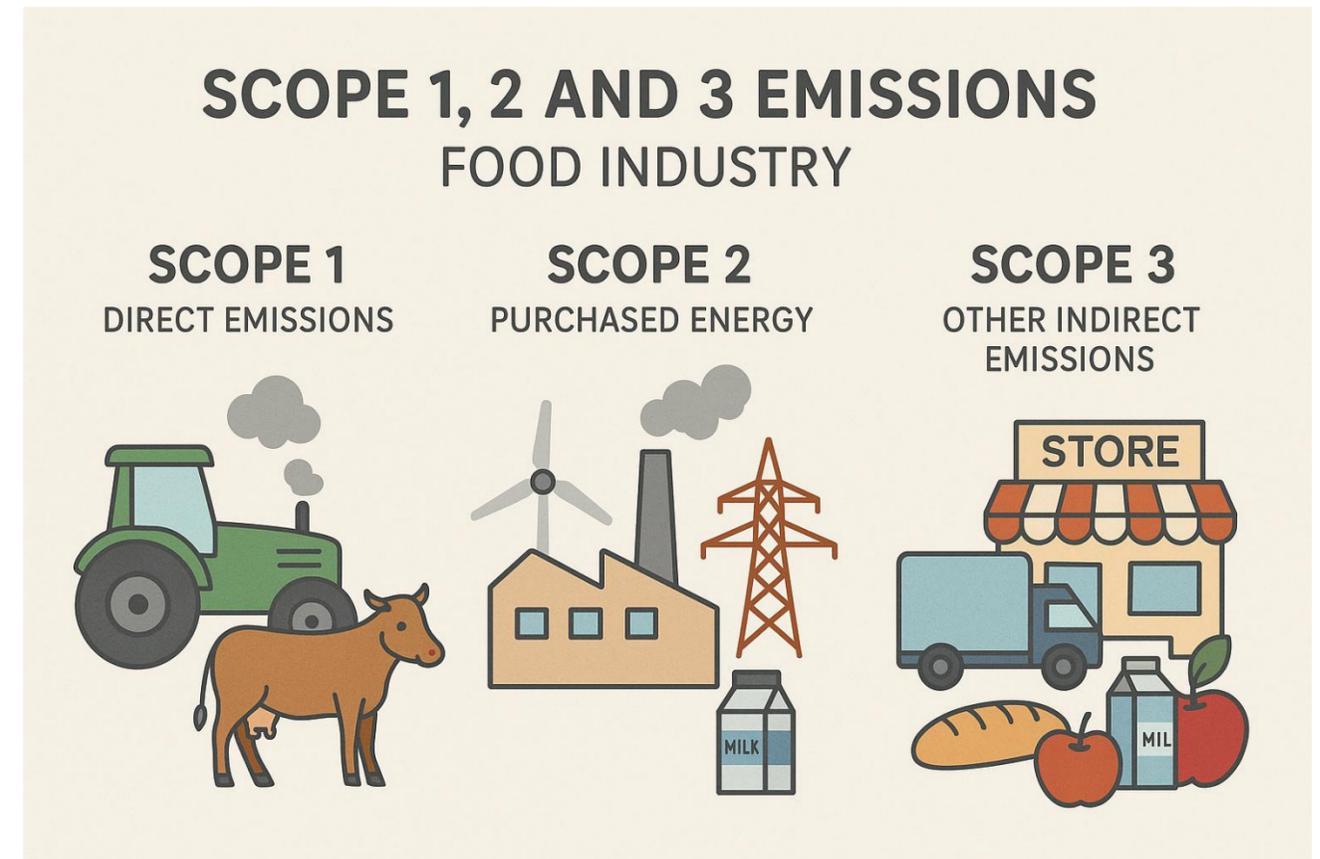
New Product Development

Consumers are continually expecting new and exciting products that are both affordable and sustainable which means businesses need to consider ingredient and packaging wastage during the NPD process.

▶ Developing a new product is costly both financially and environmentally

▶ Often only think about the footprint of an individual product, not the overall journey

▶ Have all emissions been considered when making product claims?

▶ How do you measure wastage associated with product trials?

STAGE-GATE PROCESS
FOOD PRODUCT INNOVATION

GATE 1   GATE 2   STAGE 3   STAGE 4   STAGE 5

STAGE 1   STAGE 2   STAGE 3   STAGE 4

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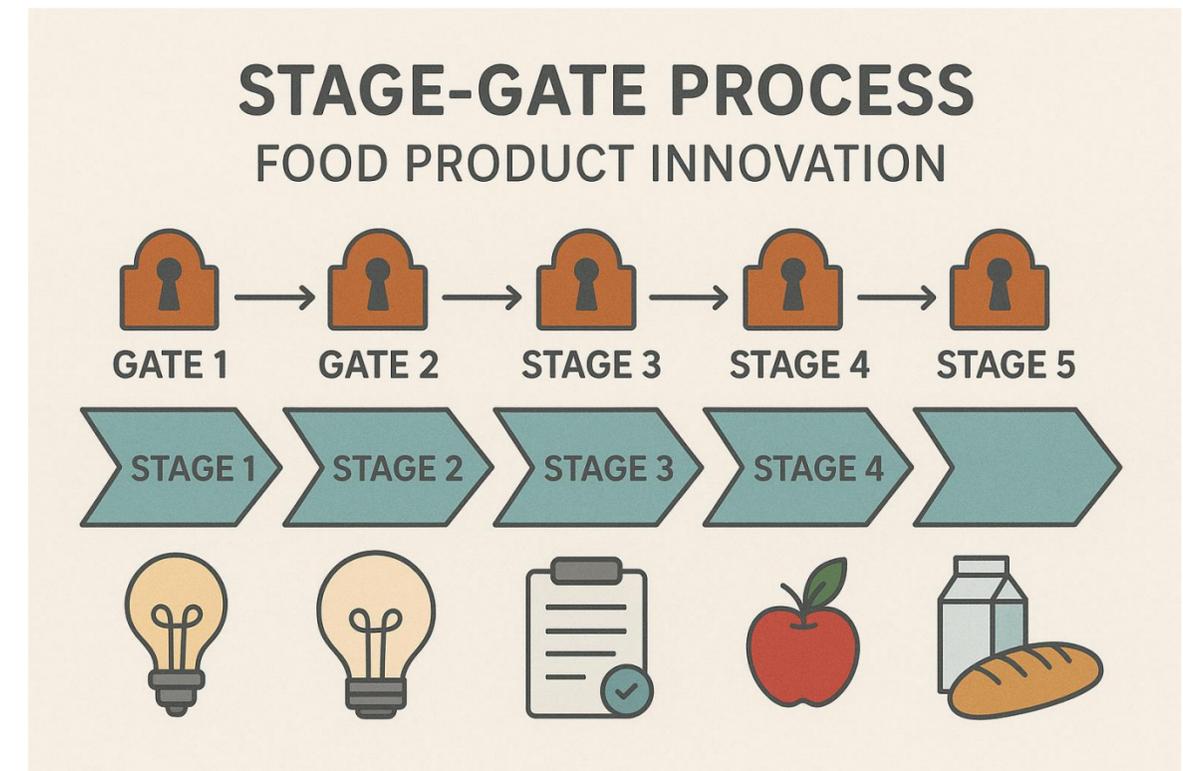
The EU - Why is it important?

The EU omnibus poses to simplify the sustainability reporting process for businesses by condensing three EU Regulations into one.

▶ Formally approved on 3rd April

▶ Consolidates CRSD, CSDDD and CBAM

▶ Claims to reduce regulatory and administrative burden by 25%

▶ Excludes approximately 80% of companies from CSRD requirements

▶ Reduced value chain data obligations

▶ Facing legal challenges on the "watering down" of the original legislation

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The UK - Why is it important?

The UK Government are striving to be world leaders in climate change but continue to consider global standards for sustainability reporting.

▶ UK Sustainability Reporting Standards (UKSRS)

▶ Intended for consultation in Q1 of 2025

▶ Will require entities to:

  ▶ Disclose their sustainability-related risks and opportunities (IFRS S1)

  ▶ Disclose climate-related risks and opportunities (IFRS S2)

▶ Likely to follow similar requirements to EU and other global regulators

▶ Potential to have UK-specific requirements

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Ingredients

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EUDR Key Milestones

Since publication in 2023, the deadlines for enforcement have been delayed.

▶ Compliance deadline 30th December 2025 for large and medium companies

▶ 30th June 2026 for micro and small enterprises

▶ Traceability should be available for goods source after 31st December

▶ EUDR to be reviewed on 30th June 2028 and at least every 5 years after that

▶ Not yet formally added to the Windsor framework

▶ Timber Regulation (EUTR) (EU) 995/2010 fully replaced after 31st December 2027, but repeal from 30th December 2025
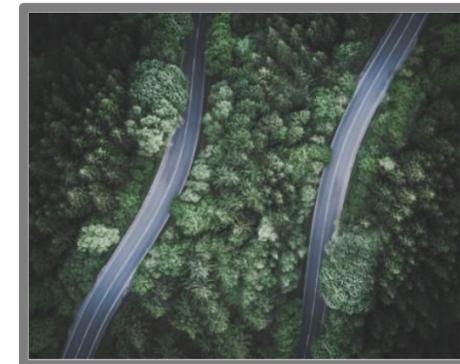
Key Requirements Introduced in the EUDR

The liabilities and responsibilities of operators in the supply chain can vary.

Responsibilites	Operator	Downstream Operator	Trader
Due Diligence (DD) Obligation (DD statement)	YES	NO	NO
DD Check Obligation (DD statement)	NO	YES (not for SMEs, but they must collect information)	YES (not for SMEs, but they must collect information)
Independent audits (of DD system)	YES (not for SMEs)	YES (not for SMEs)	YES (not for SMEs)
Annual report (on DD system)	YES (not for SMEs)	YES (not for SMEs)	YES (not for SMEs)
Liability	YES	YES	YES (not for SMEs)
Requirement to report non-compliances (Whistleblowing)	YES	YES	YES

Source: EUDR Roles and Responsibilities (Earthworm Foundation 2023)

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Country Risk Benchmarking

European Commission has adopted country benchmarking legislation in May 2025

Low Risk	High Risk	To Be Assessed
GB and NI	Belarus	African Countries (i.e. Ethiopia)
Australia	Democratic People's Republic of Korea	South American countries (i.e. Brazil)
USA	Myanmar	Malaysia
Many more….	Russian Federation	Many more….
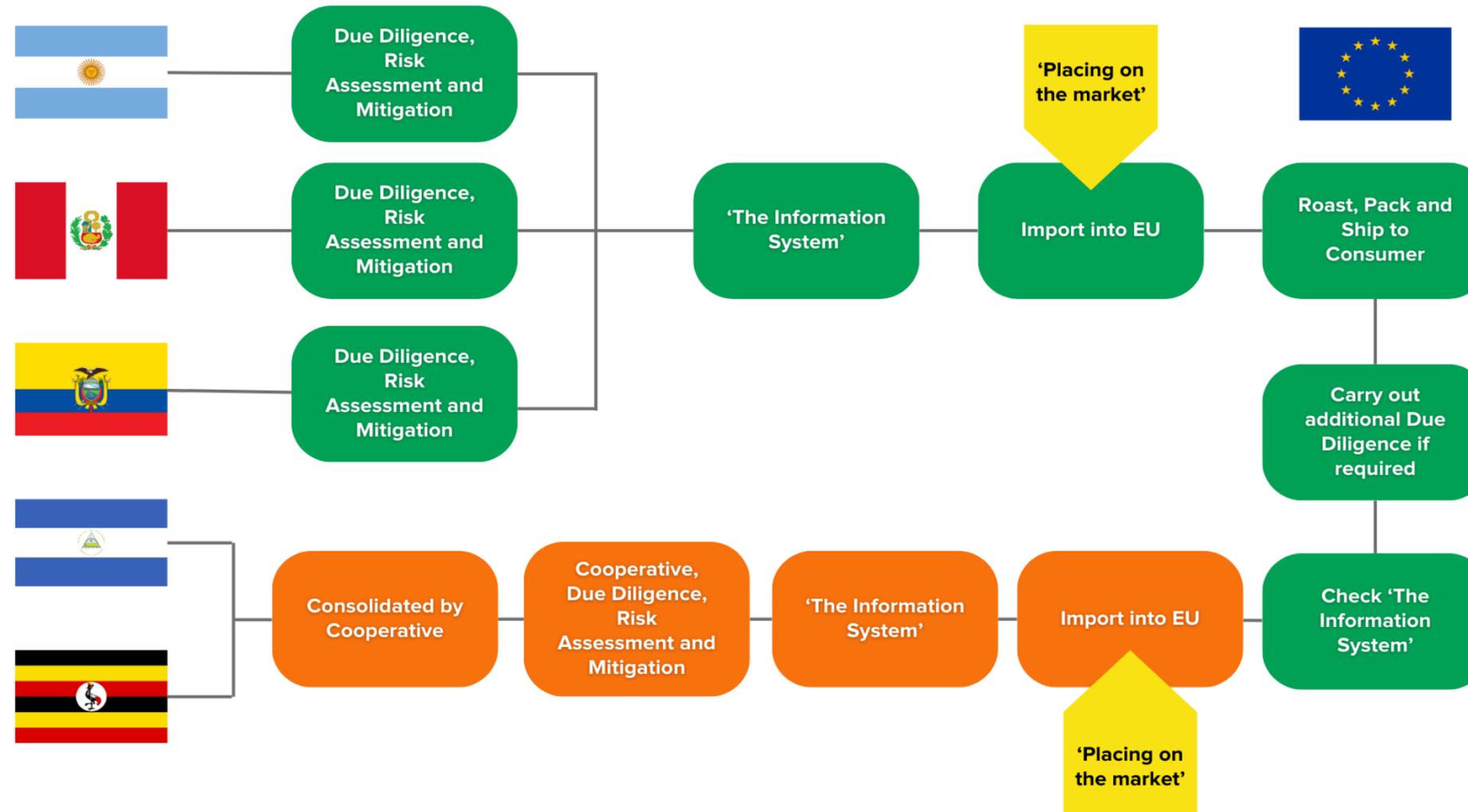
Green Claims

DMCC and Green Claims

Green Claims have become a priority for enforcement to reduce greenwashing which is highlighted by the CMA's new powers.

▶ Digital Markets, Competition and the Consumers Act

▶ Received Royal Assent in May 2024

▶ Created a new Digital Markets Unit, to enforce

▶ Main focus is pricing, fake reviews and subscription contracts

▶ CMA's new powers to enforce consumer law has shown intent to enforce misleading consumers through objectively false information

Press release

CMA to boost consumer and business confidence as new consumer protection regime comes into force

CMA now able to act more swiftly and directly to protect UK consumers and foster a level playing field for businesses to invest and grow.

From: **Competition and Markets Authority**
Published 7 April 2025

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EU Green Claims Legislation

Similarly to the UK, the EU is clamping down on greenwashing with new requirements for substantiating Green Claims.

- ▶ Adopted by the European Council in 2024, after Commission adoption in 2023

- ▶ Banning of broad environmental claims

- ▶ Robust data for claim substantiation

- ▶ Eco-labelling scheme criteria based on ISO 14024

- ▶ Extensive fines and exclusion from public procurement processes

40%

40% of claims have no supporting evidence

1/2

Half of all green labels offer weak or non-existent verification

53%

53% of green claims give vague, misleading or unfounded information

230

There are 230 sustainability labels and 100 green energy labels in the EU, with vastly different levels of transparency

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Summary of Business Considerations

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Indirect Risks to Consider

The constantly evolving Regulatory landscape surrounding sustainability requires business owners and other stakeholders to be agile.

Agri Practices

Regenerative Farming
Co-cropping

Food Fraud

Commodity Pricing
Food Defence
Contamination

Packaging Reuse

Material Availability
Material Safety

New Sustainability Legislation

Allergen Management

Agri Practices
Packaging Reuse
Co-cropping
Refillable Containers

Green Claims

Financial & Reputational Risk
Lifecycle Analysis

Food Waste

Food Safety
Animal Feed
Land Spreading

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Sustainability Reporting

Sustainability data provides insights, but businesses *must* gather it from the whole product lifecycle.

▶ How did your employees commute to work this morning?

▶ How much energy did your consumer use to boil the kettle?

▶ How was the electricity produced to charge the company EV at the service station?

▶ How much energy was used and generated to recycle that PET bottle?

▶ What was the CO_2e of the auditor who audited your factory in X?

▶ What was the CO_2e of Great Bear's chilled warehouse and distribution methods?

▶ What calculation methods or database did supplier X use for their CO_2e figures?

▶ Where did the palm oil in the chocolate come from and what are the coordinates?

Where to start?

The hardest part of data gathering for Sustainability is getting started.

▶ Who holds the key data for supply chain stakeholders and service providers?

▶ What systems do you have in place or need to embed for recording key data?

▶ Which sustainability legislation applies to your business?

▶ What are your business commitments or marketing claims relating to sustainability?

▶ Who are your key collaboration partners inside and outside your category?

| Start Internally | Embed Governance | Engage your Supply Base | Embed Digital Technology | Category Collaborate |

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Get In Touch

Thank you for your time today. If you have any questions about what you have heard or about Ashbury services in general, please don't hesitate to get in touch.

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