

EU Green Claims Directive: finding the right balance for the Contract Catering Sector

FoodServiceEurope position paper

FoodServiceEurope supports a general EU framework that protects consumers and companies from misleading green claims, improves legal certainty and levels the playing field within the Single Market. It is however essential that the new framework does not disincentivize companies from communicating on their environmental efforts since the ability to communicate to consumers is a strong driver of environmental improvements. Therefore, such a framework must be proportionate, and balanced. It should be easy for companies to apply and inform consumers about their choices.

While we support the general objectives and principles of the proposal, we would like to raise the following points:

❖ A need for proportionate sanctions for the contract catering sector

Contract catering plays a crucial social function. Its meals are regularly delivered to vulnerable consumers (e.g., children, patients), at a subsidised “social” price. Contract catering thereby guarantees access to nutrition to individuals that may not otherwise have it. This social function that is accomplished mainly through public procurement and must be protected. Therefore, it is worrying that the non-compliance with the proposed Directive may lead to the exclusion from public tenders. An exclusion from public tenders would very significantly affect the economic viability of most caterers and this sanction would be disproportionate. Moreover, fines and confiscation of revenues are already foreseen in the proposal and shall constitute a sufficient sanction for offenders.

We believe the penalties must consider the nature, gravity, extent, and duration of the infringement. Member States should be allowed to set up their own penalties system taking into account the regional specificities and the nature of the contracts.

❖ Considering the constraints of public procurement on prices

In contract catering, a contract is agreed upon with a fixed budget for a certain period, which covers operational and labour costs, and food procurement. This can make meeting the

requirements of the Green Claims Directive challenging, as the additional costs that are required to substantiate the claims will likely not be reflected in the price provided in the contract. Caterers will therefore have no choice but bearing the cost related to the claims without any opportunity to reflect this cost increase on prices. These additional costs could have an important impact on a sector that is already struggling. The great majority of companies in the contract catering sector operate with low-profit margins. The sector is still recovering from the COVID-19 pandemic, while at the same time struggling with increased inflation, energy and food prices, and high interest rates¹.

To comprehensively address this issue, a revision of the EU's horizontal legislative framework for public procurement is required. The revision should allow for price flexibility in tenders and to prevent the price from being the sole criterion for awarding contracts. Instead, a 'best-value' approach should be pursued, as outlined in FoodServiceEurope and EFFAT [Guide to Choosing Best Value in Contracting Food Services](#).

❖ Adequate substantiation taking into account the type of claim

We support the principle that the assessment used to substantiate environmental claims should consider the life cycle of the product but not require conducting a full lifecycle analysis for each type of claim. We would welcome clarification as to what types of claims require a detailed life cycle analysis. In our views it seems appropriate that claims related to an environmental impact (e.g. carbon footprint) of a product requires a full lifecycle analysis. However, for claims relating to environmental aspects (e.g. product contains X% bio-based content) the truthfulness of the claim should be substantiated by documentation provided by the supplier(s) through the value chain. In that case, the liability for truthfulness of the claim should lay with the supplier providing the documentation substantiating the claim and not with the trader making this claim to the consumer, on the basis of the supplier's documents.

❖ Increasing certainty and EU harmonisation

Although defined in Empowering Consumer for the Green Transition Directive - Art. 2 (o), the exact scope of what constitutes 'an environmental claim' remains somehow unclear. Interpretation as whether a statement '*states or imply*' a certain impact on the environment can

¹ According to recent Eurostat data, there was a 97.7% increase in bankruptcies in accommodation-food services in Q4 2022 when compared to Q4 2019 Eurostat data: [Q4 2022: Business bankruptcies highest since 2015](#)

vary. This is the case for example for claims referring to material composition of a product (“made of paper”, “plastic-free”, etc). It is also not always entirely obvious when a claim is directed to consumers, as consumers can come across claims that are not directly aimed at them. We would welcome more clarification on exactly what statements would be considered an environmental claim.

Finally, to prevent varying interpretations by competent authorities and harmonise procedures at EU level, the Directive must establish clear and harmonized definitions (for instance, “widely recognized scientific evidence”), costs, requirements, and deadlines for ex-ante verification across Member States to facilitate compliance and alleviate the burden on companies.

About FoodServiceEurope

FoodServiceEurope represents the European contract catering sector. Contract catering encompasses food and ancillary services provided to people working or living in communities – private and public undertakings, schools, universities, hospitals, retirement homes and prisons – under the terms of a contract with the client communities.

With an annual turnover of around €25 billion, the sector’s 600,000-strong workforce delivers approximately 6 billion meals each year to workers, civil servants, pupils, students, hospital patients and care home residents in the EU.

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