

Regulatory Day 2024

Updates on UK Regulatory Landscape

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Contents

- New government in power
- Regulated products: additives, flavourings, novel foods
- Labelling (wine)
- Gene editing
- Packaging
- Short update on other legislation developments



What happened to EU Regulations? Changes in the UK legislation landscape since Brexit







Product Food and category drink

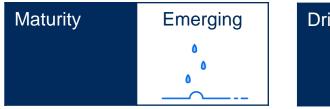
- From 1 January 2024 all retained EU regulations other than the ones listed in Schedule 1 became assimilated regulation (names used to describe the regulations change)
- Revokes significant number of retained EU legislations (REUL) (sunset provision) and assimilates remaining REUL by the end of 2023
- Re-labels EU legislations from retained to assimilated legislations
 - Repeals the principle of EU law supremacy in UK law by the end of 2023
 - Repeals directly effective EU law rights and obligations in UK law by the end of 2023
 - Abolishes general principles of EU law in UK law by the end of 2023
 - Establishes a new priority rule for interpreting retained direct EU legislation (RDEUL) consistently with domestic legislation
 - Downgrades the status of RDEUL to facilitate easier amendments
 - Creates powers to revoke, replace, restate, update, or reform REUL without increasing regulatory burdens
 - Imposes duties to update the retained EU law dashboard and periodically report to Parliament

The Retained EU Law (Revocation and Reform) Act 2023 (Commencement No. 1) Regulations 2023

Comments are being invited on a list of 60 food and drink assimilated laws inherited from the EU previously known as retained EU laws (REUL). The UK and devolved governments believe that many of these laws are obsolete and intend to revoke them.

Defra consultation deadline 25 June 2024

New Government "will end regulatory backlogs"







Product All food category

Labour manifesto:

- Trade Relations: The Labour Party aims to enhance the UK's trading relationship with Europe
- Regulatory Innovation Office (RIO): They propose establishing a new Regulatory Innovation Office (RIO) to modernise regulations, accelerate approval processes, and promote cross-regulatory collaboration
- Targeting ultra processed foods through restricting the advertisement of junk food to children
- Circular Economy: While the Labour manifesto doesn't explicitly mention the Deposit Return Scheme (DRS), it does commit to reducing waste by transitioning to a circular economy
- **EU Membership**: Labour has confirmed that there will be no return to the EU single market, customs union, or freedom of movement

King's speech:

"My Ministers will also legislate to restrict advertising of junk food to children along with the sale of high caffeine energy drinks to children."

England

Yes, placement restrictions have been in place since October 2022

Promotion restrictions were postponed to October 2025 from October 2023

Scotland

No placement restrictions currently but likely to be introduced following a consultation (closed in May 2024)

No promotion restrictions currently but likely to be introduced following a consultation (closed in May 2024)

New advertising restrictions on TV before 9pm and on paid-for online will be UK-wide and are due to come into force from **October 2025**

Wales

No placement restrictions currently but they have been included in a draft Regulation that is <u>under consultation</u> (closes 23 Sept). Likely to be effective from late 2025

No promotion restrictions currently but they have been included in a draft Regulation that is under consultation.

Likely to be effective from late 2025

Consultation (closes on 10
October) on how the
restrictions will apply to
internet protocol television
(IPTV) services which deliver
television live over the internet

+ energy drink consumption

Technical updates on raw materials

Additives

Flavourings

Novel foods

Claims

Precision breeding organisms (PBO)



UK is lacking behind EU of authorising new additives







Product All specified category food

E 960b Steviol glycosides from fermentation (Yarrowia lipolytica) in all food categories where E 960a and E 960c are allowed

E 960c (ii) Rebaudioside M, AM and D produced via enzyme modification of highly purified steviol glycoside from stevia leaf extract in all food categories where E 960a and E 960c are allowed

E 476 Polyglycerol polyricinoleate: amends the conditions of use

Ethylene oxide: total residues of ethylene oxide must not exceed 0.1 mg/kg in all food additive

- The Food Additives and Novel Foods
 (Authorisations and Miscellaneous
 Amendments) and Food Flavourings
 (Removal of Authorisations) (England)
 Regulations 2024
- Comes into force on 28 June 2024

UK only authorised four new novel foods vs. 18 last year





Subject Novel foods

Product category

All specified food

Novel foods

Partially hydrolysed protein from spent barley (Hordeum vulgare) and rice (Oryza sativa)

Cetylated fatty acids

3- Fucosyllactose (3-FL) (produced by a derivative strain of Escherichia coli K-12 DH1)

Lacto-N- fucopentaose (LNFP-I) and 2'- fucosyllactose (2'-FL)

Flavourings

22 flavouring substances are removed from the domestic list of flavourings

Transitional measure **27 June 2024.** It allows the 22 flavouring substances and foods containing them to remain on the market, and be added to foods, if already present in the United Kingdom or in transit to Great Britain before the authorisation was removed and to allow foods to which they are added to be placed on the market, and used, **until they reach their date of minimum durability.**

- The Food Additives and Novel Foods
 (Authorisations and Miscellaneous
 Amendments) and Food Flavourings
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 Regulations 2024
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How are the use of smoke flavourings changing?

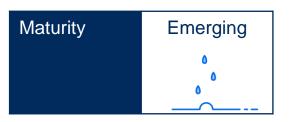


- Renewal applications for all the 10 smoke flavourings currently authorised in GB/UK had to be submitted before the end of June 2022
- FSA received eight renewal applications by this deadline, for two smoke flavourings there were no renewal application submitted
- From 1 January 2024 the smoke flavourings themselves (SF-007
 Tradismoke(TM) A MAX (J. Rettenmaier & Söhne GmbH + CO KG) and SF-010 AM 01 (AROMARCO, s.r.o), any flavourings including them and foods containing these smoke flavourings are NOT permitted on the UK market
- Expire date for 8 smoke flavourings extended to 1 January 2025 in the UK

Food manufacturers may need to check with their flavouring suppliers which smoke flavourings they are using in food

- AEJEG 2024 Smoke Flavourings
 Working Group (SFWG) Meetings |
 Committee on Toxicity
- Joint Expert Group for Additives, Enzymes and Other Regulated Products discussing the renewal of smoke flavourings this year

Is it safe to use Ashwagandha in food?



Driver Safety & quality

Subject Novel foods Product Food category

Currently, nonconcentrated aqueous infusion from the roots of Ashwagandha is NOT novel food in the UK

All plant parts are NOT considered novel in food supplements but are considered unauthorised novel foods for all other food uses

There are no safe levels established or set limits for its use in food supplements

Risk assessments reviews have shown association with effects on thyroid hormone levels, hypoglycaemic effects, and potential liver toxicity

FSA to build an evidence package which will be assessed through the FSA's risk analysis process

Determine whether a safe level in food supplements can be established, whilst at the same time assessing the risks associated with consuming food supplements containing ashwagandha

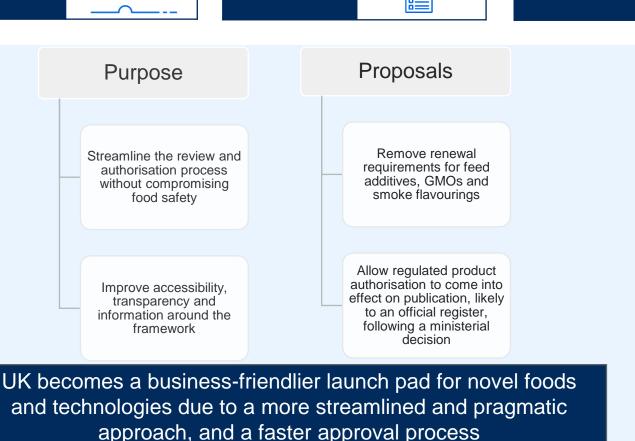
Comments are invited on a call for evidence on ashwagandha food supplements

Deadline: 2 September 2024

Businesses need to pay attention to potential changes regarding the regulation of ashwagandha

Reforming authorisation of regulated products. Opportunities to reshape novel food regulations





Proposals for legislative reform to streamline the authorisation process for regulated products, which include food additives, flavourings, novel foods, GMOs as food and feed, food contact materials and feed additives (April 2024)

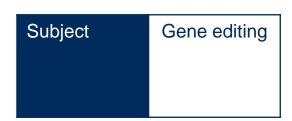
Deadline: 5 June 2024

Consultation on proposed reforms to the regulated products authorisation process: summary of stakeholder responses | Food Standards Agency

Divergence between the EU and UK regulatory frameworks on gene-editing







Product Food and category drink

Scope:

- A two-tier, pre-market authorisation process:
 - Tier 1: notification system
 - · Tier 2: assessment
 - determination of the regulatory route (Tier 1 or Tier 2) to be the responsibility of applicants, based on FSA set criteria
- A public register of PBOs authorised for use in food/feed
- · Enforcement provisions

No provisions for food and feed containing or consisting of PBOs to be labelled

Being GMO a devolved issue in the UK, the UK nations themselves could diverge on these

Divergences between EU and UK:

- UK covers animal PBOs
- Definition for NGT plants
- · No mandatory labelling
- Does not address intellectual property right

Businesses operating in both UK and EU regions will need to navigate different sets of rules and requirements

- Summary of stakeholder responses:
 Consultation on proposals for a new framework in England for the regulation of precision bred organisms used for food and animal feed (27 March 2024)
- <u>Draft The Genetic Technology (Precision</u>
 <u>Breeding) (England) Regulations 2024</u>
 <u>(wto.org)</u>
- FSA will develop guidance

What are the improvement notices?







Product All food and category drink

It introduces a new enforcement measure, the **improvement notice**.

By the improvement notice, local Trading Standards will:

- inform the company about the reasons for non-compliance,
- · the measures the company must take to secure compliance and
- the deadline to take those measures, which cannot be less than 14 days.

The aim of improvement notice is to facilitate the enforcement of the regulations in case of non-compliances, considering the relevant sanctions (imprisonment not exceeding two years, a fine or both) are in practice rarely applied.

Failure to comply with the improvement notice will make it a criminal offence and the company will be prosecutable.

- The Nutrition and Health Claims (England)
 (Amendment) Regulations 2024
- It comes into force on 1 October 2024

Technical updates on labelling

Non-alcohol advertisement

Wine labelling



How to promote alcohol alternatives?





Subject Advertising

Product Noncategory alcoholic beverages

The new rules cover the content of alcohol alternative product ads and how they should be appropriately targeted or scheduled



- ABV limits
- Definition
- Cross promotion and shared branding
- Unsafe circumstances
- Consumptions habits

1. Advertising Standards Agency

Alcohol alternatives – new rules and guidance are live - ASA | CAP

Rules came into effect on 24 May 2024

2. Portman Group

Guidance Note- alcohol alternatives

Published in January 2024

Market alcohol-free beverage with care. Be responsible and appropriate.

Reforms in wine industry encourage investment



Driver Safety & quality and sustainability

Subject Labelling, production

Product Wine category

The Wine (Revocation and Consequential Provision)
Regulations 2023

Resulted in:

- simplified labelling rules for wine business
- relaxed packaging standards for sparkling wines in order to lower costs
 - improved bottle recycling
- the removal of restrictions on hybrid grape varieties to encourage more innovation

Enters into force on 1 January 2024

The Wine (Amendment) (England) Regulations 2024

Sets out definition:

"ice wine", "icewine" or "ice-wine" standards (the product is wine made exclusively from grapes naturally frozen on the vine)

Enters into force on 15 July 2024

Permits specified oenological methods

DEFRA issued a public consultation ended on 10 May 2024

the carbonisation of imported bulk wine

the sweetening and other adaptation of imported wine

producing wine from imported grapes and grape must

'British wine' - amendments to labelling

Changes to no and low alcohol wine and to the minimum alcohol content of wine

new arrangements for recording approved oenological practices

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Technical updates on packaging & environment

Packaging

Quick update on specific topics



What steps to take to comply with the packaging EPR legislation?

| Collect and report data regarding your packaging use (packaging type and recyclability). | Small organisations will need to report 2024 data by 1 April 2025. They are not required to report 2023 data just collect it. Large companies report twice a year: January to June data by 1 October 2024 and July to December data by 1 April 2025. |
|---|--|
| Pay a charge to the environmental regulator. | Start in 2024. |
| Pay an administrative and waste management fee (EPR fee). | Large companies pay an annual fee, starting in October 2025 (deferred for one year). Illustrative base fee are available, issued by the authority. Illustrative fees range from £245 to £655 per tonne of aluminium, from £185 to £350 per tonne for paper or board, and £355 to £610 per tonne of plastic. After 2 years (from 2026) modulated fee will be introduced. |
| Purchase packaging recycling notes (PRNs) and packaging waste export recycling notes (PERNs) to meet recycling obligations. | Recycling obligations will apply from 2025 onwards based on your 2024 data. Large companies only. |
| Report your nation data (i.e. which one of four nations your packaging was sold, hired, loaned or discarded). | "You will need to submit your nation data for the 2024 calendar year by 1 December 2025." (Previously the guidance stated that: "You will need to submit your nation data for the 2023 calendar year by 1 December 2024." This was an error; nation data collected in the 2023 calendar year will not need to be reported.) You can watch DEFRA session. |
| New labelling requirement under EPR. | From 1 April 2027, all packaging will need to display a binary recyclability label declaring either "recycle" or "do not recycle". Use of the 'Recycle Now Loop' has been licensed for this by government. The On-Pack Recycling Label (OPRL) scheme will meet the labelling requirements for EPR. |

Take more responsibilities for packaging. Missing deadlines can result in penalty charges.

Draft Regulation on EPR for packaging







Product All packaging category

It aims to implement Extended Producer Responsibility for packaging.

Three main aspects:

- **1. Producer responsibility**: Producers will be responsible for the full cost of managing packaging waste, including collection, recycling and disposal.
- 2. **Eco-friendly design**: There will be an emphasis on improving packaging design to reduce waste and minimise environmental impact.
- **3. Defined roles**: Clear roles and responsibilities will be established for businesses, local governments, compliance schemes and other stakeholders in the packaging life cycle.

Recycling target for paper, board or fibre-based composite material.

| Category of packaging waste | 2025 | 2026 | 2027 | 2028 | 2029 | 203 |
|--|------|------|------|------|------|-----|
| Plastic | 55% | 57% | 59% | 61% | 63% | 65% |
| Wood | 45% | 46% | 47% | 48% | 49% | 50% |
| Aluminium | 61% | 62% | 63% | 64% | 65% | 67% |
| Steel | 80% | 81% | 82% | 83% | 84% | 85% |
| Paper, board or fibre-based composite material | 75% | 77% | 79% | 81% | 83% | 85% |
| Glass | 74% | 76% | 78% | 80% | 82% | 85% |

- Draft Producer Responsibility
 Obligations (Packaging and Packaging Waste) Regulations 2024
- SI/SR Template (defra.gov.uk)
- Government aims to bring the legislation before Parliament later this year
- Expected to come into force 1January 2025

EPR Updated packaging guidance UK



Driver Environmental sustainability

Subject Packaging waste

Product All product category

Guidance on reporting packaging data

UK Guidance Packaging data: what to collect for extended producer responsibility

EPR Guidance

UK Guidance Extended producer responsibility for packaging: who is affected and what to do

Guidance Packaging waste: producer responsibilities

The EPR data reporting regulations were amended in April 2024; these introduced new rules for 2024 data submissions onwards.

If you are obligated to report data and have all the data under the new rules for 2024, you should report it in two batches:

- Report your January to June data from 9 August 2024, this must be submitted by 1 October 2024
- Report your July to December data from 1 January 2025, this must be submitted by 1 April 2025

Submit your <u>January to June data by 1 October 2024</u>. This should include your packaging handled data and your organisation data.

Update on certain specific topic

| Topic | Measures | Applicable date | | | | |
|--|--|--|--|--|--|--|
| Forest Risk Commodities (UKFRC) secondary legislation | Implementation of Due Diligence Measures for Deforestation-Linked Commodities which will be subject to further consultation. The new Government may change the current proposal and will make UK Regulations more align with EU Regulation (i.e. include the same product categories). | Secondary legislation expected in early 2024 but delayed by General Election. Secondary legislations are required before the UK FRC regime starts as no timetable was even set for implementation of Regulation. There will be " grace period " transitional time. Responses for Defra consultation. | | | | |
| Deposit Return Scheme for drink containers | The UK government, Welsh Government, Scottish Government, and DAERA have agreed a consistent policy framework which facilitates interoperability. Logo and identification marker i.e. barcode or QR code to be used on all DRS container will be determined in future. | Timeline is revised and will be launched in October 2027 instead of October 2025. Deposit Return Scheme for drinks containers: joint policy statement - GOV.UK (www.gov.uk) | | | | |
| Organic food import | Extending the current transitional arrangements concerning the requirements that apply to imported products until 1 February 2025 (from 1 January 2024). | From 1 February 2025, business will need a certificate of inspection to import organic food from the EU, EEA and Switzerland to Great Britain. | | | | |
| "Not for EU" labelling | According to Defra's announcement at the GBNI Traders Forum Meeting "not for EU" indication will not be required in GB. | Proposed 1 October 2024 is cancelled until further notice. The labelling requirement is still "a potential contingency" for future and will depend also on new Government approach. | | | | |
| Bread and flour fortification | Implementing folic acid fortification to add 250mcg per 100g non-wholemeal wheat flour. Increase the minimum level of existing fortificant to 15% NRV%. Legal description for wholemeal flour | Debated in May 2024 in Parliament. Expected to make the proposed legislative changes in 2024. 2-year period will be given to industry for adjustment, possibly 1 October 2026. | | | | |

Questions

Thank you

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For further information visit us at: www.leatherheadfood.com or email help@leatherheadfood.com

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