June 2024



UK Food Standards Agency (FSA) Identifies Likely Source of E. Coli Outbreak

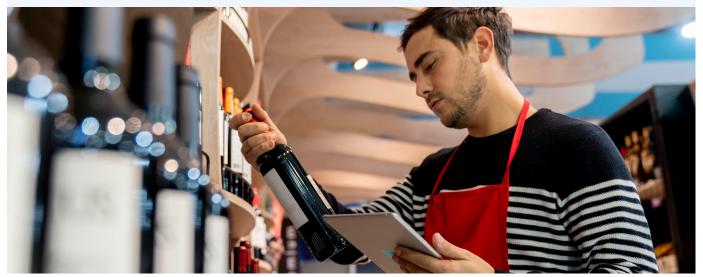
The FSA published a press release with advice and information on the recent E. coli outbreak in the UK. As of 25 June, the total number of confirmed cases of E. coli was 275. Based on information from 249 cases, 49% of those infected were admitted to hospital. The FSA investigations found that prepackaged sandwich products containing lettuce are the likely source of the outbreak. Earlier in the month, the FSA had published product recall information notices as a precautionary measure. Various suppliers of supermarket prepackaged sandwiches took the precautionary step of recalling products due to a possible contamination with E. coli. The FSA's guidance to businesses on controlling the risk of E. coli highlights key points around preventing contamination, equipment, personal hygiene, and disinfection.

New EU Geographical Indication (GI) Rules for Wine, Spirits and Agricultural Products

In May, a new EU regulation relating to geographical indications for wine, spirit drinks and agricultural products entered into force (the regulation having been proposed in March 2022). The provisions came into effect from May 2024, although some will only apply from 1 January 2025.

Gls (such as Kalamata olive oil or Irish whiskey) have been protected in the EU for several decades. However, the <u>briefing</u> from the EU Parliament, confirms that the "new legislation brings together in a single legal document the provisions setting out the procedures for registering geographical indications (Gls) for wine, spirit drinks and agricultural products that are currently spread over three regulations." It also "increases the powers and responsibilities of producer groups, lays down rules on sustainability practices, clarifies rules on the use of GI products as ingredients, and improves the protection of GI products online".

Changes introduced by the new legislation include additional online protection, such as geographical access barriers for domain names containing GIs; assignation of "recognised producer groups" by member states, with exclusive rights to represent and make decisions for producers of a GI product; an updated registration procedure; and improved protection for GIs that are ingredients of prepacked foods, where recognised producer groups must be notified of the content of the relevant ingredient.



Advertising Linked to Major Sporting Events Such as Euros or Olympics

As a summer of sport begins with the Euros, followed in quick succession by the Paris Olympics, in addition to annual fixtures such as Wimbledon, organising committees, governing bodies and advertising regulators have all been at pains to remind brand holders not to fall foul of the rules around advertising linked to major sporting events, particularly by brand holders who do not hold official sponsor status and brand holders who are personal sponsors of individual competitors.

With the benefit of specific laws protecting the Olympic logo and brand, the International Olympic Committee (IOC) has a well-deserved reputation for enforcing its rights against unauthorised use of those. However, in the case of personal sponsors of individual competitors, there has been a slight loosening of the rules for the Paris Olympics to allow "generic" advertising (including on social media) that features competitors subject to certain criteria being met, including that advertising is limited to the competitor's image and does not otherwise feature the Olympic logo or branding (see the New Social Media Guidance for 2024 Olympians post on our Global IP & Technology Law blog).

More generally, the UK's Advertising Standards Authority (ASA) has been keen to remind brand holders of its rules likely to be relevant to advertising linked to sporting events, including specific rules around the advertising of alcohol, avoiding the use of stereotypes and the prohibition on implying any form of misleading endorsement (see our Sports Shorts blog piece on the Timely reminder from the ASA to avoid falling foul of advertising codes during UEFA Euro 2024).





UK FSA Publishes Information on Ultra Processed Foods (UPFs)

There has been much public interest and debate recently about UPFs and the possible correlation between high levels of consumption of UPFs and poorer health.

There is no universally agreed definition of a UPF, but it is commonly understood to be a food that contains formulations of ingredients, typically created by a series of industrial techniques and processes. Commonly cited examples are sweetened breakfast cereals, fizzy drinks, confectionery and some flavoured yoghurts.

In May, the Food Standards Agency published consumer information in relation to UPFs and its evidence in relation to any link between UPFs and health. Its scientific advisory committee concluded that more research was needed before it could draw any firm conclusions about whether UPFs cause poor health. It makes clear that processing can have benefits for safety and nutrition, but also notes that many UPFs are foods high in fat, salt and sugar (HFSS foods), and there is strong evidence that HFSS foods are associated with obesity, chronic diseases such as heart disease, and diabetes. The consumer information also flags that the FSA regulates food additives, which are "frequently used in" UPFs.

General Health Claims Under Scrutiny

In June, we were asked to provide comments for an <u>article</u> published by Food Navigator on the regulation of common health claims, such as "better for you" (alongside a number of other advisers and commentators).



New Dutch Allergen Policy – Applicable from 1 January 2026

Following advice from the Office of Risk Assessment and Research (BuRO) in the Netherlands, under a new Dutch Allergen Policy, the Netherlands Food and Consumer Product Safety Authority (NVWA) is introducing new reference values for all allergens, i.e. amounts at which the presence of an allergen can trigger a reaction. Reference values are used in the Netherlands for enforcement purposes – namely when a reference value is exceeded, without "may contain" or "precautionary allergen labelling" (PAL) warnings being given, action can be taken.

The new reference values will be based on recommended reference doses by the Food and Agriculture Organization (FAO) and the World Health Organization (WHO); and will be linked to the use of PAL. There will be mandatory PAL where the reference value will be exceeded. The producer will need to risk-assess whether there is a real possibility that the reference value will be exceeded despite all cleaning and other measures to minimise cross-contamination. A warning can only be used if a real risk is identified.

The introduction of this new policy should prevent food producers using unnecessary "may contain" allergen warnings in abundance, which often are used by producers as *pro forma* warnings to buy their way out of liability. Producers need to establish a risk assessment procedure and reduce the risk of cross contamination with allergens. Food and drink businesses supplying into the Netherlands should ensure that they have assessed the potential impact of the new policy before it fully applies, from 1 January 2026.



Allergen Agenda – UK Research

Research from the FSA, <u>published</u> in May, indicates that up to 6% of adults in the UK have a clinically confirmed food allergy (approximately 2.4 million people).

In 2020, the EU adopted a code of practice for food allergen management – and there have also fairly recently (2022) been publications around best practice for quantitative risk assessments for cross-contamination risks, and from the Food and Drink Federation around "allergen change" management, including the flagging of new/additional/reduced intentional and unintentional allergen presence. "Owen's Law" was also being called for in the UK preelection, which would introduce mandatory written allergen information for nonprepacked foods.

The FSA previously announced its support for Owen's Law, as reported in a previous edition of newsBITE. The results of the research are unlikely to change the FSA's stance on this campaign.

Food Fraud in the Horsemeat Sector – Reports in Ireland

There have recently been reports of food fraud in the horsemeat sector, following a documentary in Ireland indicating that there is evidence that horses may be entering the food chain. A report this week suggests that Dutch authorities have issued a "serious" warning through the European Commission's Rapid Alert System for Food and Feed (RASFF). RASFF is a notification system operated to allow the exchange of information on identified hazards between EU member states. According to the report, the alert warned customers in Belgium and France that there was potentially "horsemeat in circulation whose identity is incorrect".

These recent reports are ten years on from the "horsemeat scandal" in the UK, following which, routine species testing became more commonplace, to ensure authenticity of food and drink products. Food and drink businesses supplying meat products, or composite products that contain meat, should monitor developments around these reports, in readiness to assess if their products may be affected, and whether action may be required to address such reports. "Food fraud" and mislabelling of products may pose risks of liability, as well as reputational risks, and there may also be safety risks in some circumstances.

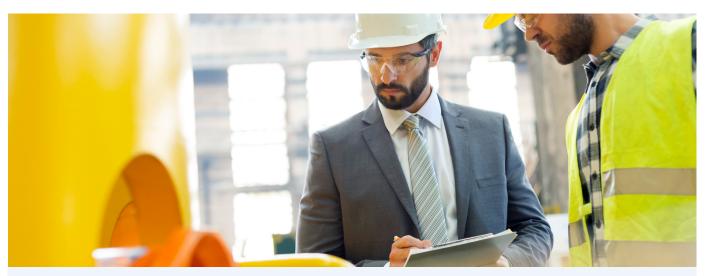
EU Environmental Crime Directive

In April, a new Environmental Crime Directive was published in the EU, replacing the existing 2008 directive. The new directive is intended to address shortcomings in the existing legislation around unclear and outdated definitions of environmental crimes; insufficient sanctions; inefficient cross-border cooperation; and ineffective enforcement. Member states must transpose the directive by 21 May 2026.

The directive establishes a detailed and updated list of behaviours that will be classified as criminal offences (with the number of offences more than doubled since the previous legislation); and provides for imprisonment penalties and fines at a certain minimum level, depending on the offence. The changes will result in easier prosecution of environmental crimes across borders and will provide for prosecution under more recent legislation, such as the EU Deforestation Regulation.

Food and drink businesses operating in the EU, or otherwise impacted by EU environmental legislation, should assess the potential impact of this directive on their operations and assess whether existing safeguards to prevent environmental breaches are sufficient in the context of this new landscape.





UK Health and Safety Executive (HSE) Issues Reminder of Guidance on Machinery Safety Following Fine for Drinks Company

The HSE has drawn attention to its <u>guidance on machinery safety</u> following a drinks company being <u>fined</u> for breaches of Provision and Use of Work Equipment Regulations 1998 (PUWER). In 2022, an employee's finger was amputated when the capper head of a machine he was attempting to unjam descended onto his finger. An HSE investigation showed that the business had failed to properly guard against access to dangerous parts of machinery. In particular, the machine's fixed guarding had been removed, and the interlock device was inoperable, meaning the employee could access dangerous parts of the machinery. Sourcing International Limited t/a Drinks Chef was fined £14,000 and ordered to pay costs of £4,175.79 after pleading guilty. The HSE guidance on <u>machinery safety</u> requires food and drink businesses, and other employers, to have adequate maintenance arrangements in place to ensure machinery remains safe to use.

Corporate Sustainability Reporting Directive (CSRD) Establishes European Sustainability Reporting Standards (ESRS)

The Commission Delegated Regulation (EU) 2023/2772 published on 19 April 2024, establishes the ESRS. These publication standards have been created to comply with the reporting obligations introduced by the CSRD. The European Commission has proposed a two-year delay on the adoption date for the ESRS for all non-EU companies to June 2026 (instead of June 2024 as stipulated by the CSRD). Non-EU companies shall – provided that their European subsidiaries would not be required to report earlier – start reporting only in 2029 for the financial year 2028. For further detail, see our recent publication on ESG Laws Across the World.

EU Commission Food Business Fine for Cross-border Trade Restrictions

There have been reports this quarter that the EU Commission has fined a global snacks business in respect of cross-border trade restrictions. The official decisions have not been published yet (although there was a publication when the case started in 2021). The case concerned two types of practices: (1) restrictive agreements in relation to coffee, biscuits and chocolate; and (ii) unilateral conduct – refusing to sell chocolate tablets to certain countries to avoid reshipping to more expensive neighbouring countries.





Dutch Competition Authority Warning That Markets in Food Supply Chain Are at Risk From "Tacit Collusion"

There have also been reports this quarter that the head of the Dutch Competition Authority, when speaking at a conference in Brussels in April, warned that there are some food supply chain markets where there are issues of "tacit collusion", and urged the adoption of new powers to investigate markets and impose remedies outside formal antitrust probes.

Tacit collusion agreements are prohibited by Dutch law, and are essentially an "agreement" between competing businesses, not to try to capture market share from each other, but without actual interaction or meeting between the relevant parties, i.e., where competitors monitor each other's behaviour and respond accordingly, where the markets are concentrated across a small number of companies.

Extended Producer Responsibility (EPR) – Draft Legislation and Updates to Guidance on Packaging Data and What To Collect, Including Drinks Containers

The guidance page has been updated to include a link to the newly published list of large producers on the report packaging data service. EPR will shift the full cost of managing household waste onto producers. The draft Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024, which will introduce EPR in the UK were published in May. Changes to the data, which must be collected and reported from 2024 onwards, affect several areas, including drinks containers (bottles or cans for drinks made from polyethylene terephthalate (PET) plastic, glass, steel or aluminium holding 50 millilitres to 3 litres of liquid) and imported goods. Large organisations will need to report on the type of packaging, including whether the packaging is a drinks container, whether it commonly ends up in public bins, and whether it is reusable. Further, the weight of packaging that is classed as "single-use" drinks containers, as well as the number of drinks containers supplied, will need to be submitted, in respect of supplies in England, Wales and Northern Ireland and, from 2024 onwards, for Scotland.



UK Regulations on Waste Collections

The <u>Separation of Waste (England) Regulations 2024 (SI 2024/666)</u> came into force at the end of June 2024 and may affect waste collection arrangements for food and drink business establishments in the UK. The regulations require:

Waste collection authorities in England to collect six recyclable waste streams separately (plastic, paper and card, glass, metal, food waste and garden waste, the latter only where requested).

Businesses (as producers of relevant waste) to arrange for separate collection of recyclable waste streams (not including garden waste) and to present this waste in accordance with the waste collection arrangements.

The <u>explanatory memorandum</u> accompanying the new regulations provides additional background information and the rationale for the new measures.





Contacts

Nicola Smith

Partner, Birmingham T +44 121 222 3230 E <u>nicola.smith@squirepb.com</u>

Hannah Kendrick

Partner, Leeds T +44 113 284 7620 E hannah.kendrick@squirepb.com

Carlton Daniel

Partner, London T +44 20 7655 1026 E carlton.daniel@squirepb.com

Christofer Eggers

Partner, Frankfurt T +49 69 1739 2444 E christofer.eggers@squirepb.com

Sam Hare

Senior Associate, London T +44 20 7655 1154 E <u>sam.hare@squirepb.com</u>

Nina Herrera

Associate, Brussels T +322 627 11 02 E <u>nina.herrera@squirepb.com</u>

Francesca Puttock

Associate, Birmingham T +44 121 222 3215 E francesca.puttock@squirepb.com

squirepattonboggs.com 65962/03/24