[Consultation on improved reporting of food waste by large food businesses in England](https://consult.defra.gov.uk/environmental-quality/improved-reporting-of-food-waste/supporting_documents/Consultation%20document.pdf)

ADBA will be submitting a response to Defra to ensure that the interests of the AD sector are heard. Please submit your response to joanna.goad@adbioresources.org **by the 29th of August 2022**. Certain questions in this consultation are only applicable to food businesses as Defra is seeking to improve its current knowledge base. If these questions do not apply to your organisation, then please do not feel obliged to answer them.

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## Background

With one of the key issues plaguing the AD sector being uncertainties around the availability of feedstock, having a robust and tangible food waste collection system could be transformative in assurance of food waste as feedstock to operators.

The first layer of the waste hierarchy is reduction of waste and the current voluntary Food Waste Reduction Roadmap, is estimated to have saved 251,000 tonnes of food from going to waste, worth £365 million in savings. An estimated [68% of food waste that comes from households could have been eaten](https://wrap.org.uk/resources/report/food-surplus-and-waste-uk-key-facts), meaning that even if edible food waste were reduced to 0, there would still be 2.1 million tonnes of food waste from households alone that could go to AD.

In terms of businesses, Defra supports the Courtauld Commitment 2030 to promote sustainability across supply chains and provides £15 million for this through the Food Waste Prevention Fund. Current barriers to food waste reporting include a lack of awareness, incentives, and confidence in their ability to measure food waste.

The proposed new legislation, which will require large businesses to report food waste data annually, will come under the Resources and Waste Strategy and the draft Waste Prevention Programme.

Options:

1. Do-nothing option: maintaining current measures
2. Option 1: enhance current voluntary agreements by extending the Field Force, a team of sector specialists, to accelerate the take-up of voluntary measurement and reporting of food waste by businesses
3. Option 2: require food waste measurement and reporting for large food businesses

*Question 7: Do you have a preferred option? (Do nothing/ option 1/ option 2/not sure, no opinion)*

*Question 8: How do you think the proposals under Option 1 (enhance current voluntary approach) could be improved? Further information on Option 1 can be found in the* [*impact assessment*](https://consult.defra.gov.uk/environmental-quality/improved-reporting-of-food-waste/supporting_documents/Impact%20Assessment_Improved%20Food%20Waste%20Reporting%202022.pdf) *published alongside this consultation.*

## The UK Food Waste Reduction Roadmap (FWRR)

Improved mandatory reporting would be an extension of the current voluntary approach. WRAP (Waste & Resources Action Programme) and the Institute of Grocery Distribution, supported by DEFRA, launched the FWRR in 2018. Businesses can voluntarily report food waste and surplus publicly or to WRAP. 267 food businesses are part of this scheme currently, Option 1 would seek to expand this however, it is predicted that only ~50 extra food businesses would sign up under this option. FWRR provides a template for food businesses to report waste, which is based on international best practice, and this would be used under Option 2. See page 38 of the consultation for an example- [Consultation document.pdf (defra.gov.uk)](https://consult.defra.gov.uk/environmental-quality/improved-reporting-of-food-waste/supporting_documents/Consultation%20document.pdf)

*Question 9: Do you think reporting should be based on the FWRR including use of a reporting template (**similar to the one at Annex A)? (Yes/ no/ neither/ not sure, no opinion)*

*Question 10: Please briefly state your reasons for your response. Where available, please share evidence to support your view.*

**Please only answer question 11 if you are responding on behalf of a business.**

*Question 11: Does your business currently measure its food surplus and waste? (Yes/ no/ neither/ not sure, no opinion)*

**Please only answer questions 12 to 14 if your business currently uses the FWRR.**

*Question 12: Did your business require direct support to implement the guidelines in the FWRR?*

* *Yes, from WRAP*
* *Yes, from another organisation (state the organisation)*
* *No*

*Question 13: How long did it take your business to establish a baseline for food waste measurement?*

* *Less than 1 year*
* *Between 1 and 2 years*
* *Between 2 and 3 years*
* *More than 3 years*

*Question 14: How does your business report and/or publish food waste data? (Select one or more options)*

* *Report to WRAP*
* *Report to a different body*
* *Publicly publish data*
* *None of the above*

## Scope

The regulations in this consultation only apply to England and so only businesses whose own operations generate food waste in England. Own operations mean where there is total control of the process and ownership of the material.

Large businesses are targeted because they have the resources to adhere to reporting guidelines and are responsible for 67% of food waste produced in supply chains. As defined under the Companies Act (2006) a large company is one that exceeds two or more of the following criteria:

* Annual turnover of £36m
* Annual balance sheet total of £18m
* 250 employees

*Question 15: Based on the criteria above, does your organisation or business qualify as* *a large sized business? (If you are responding as an individual, please select not applicable) (Yes/ no/ not applicable)*

*Question 16: If you answered yes to question 15, how many premises does your business operate in England?*

*Question 17: If you do not agree with the definition of large businesses or the thresholds indicated under Option 2, please provide an alternative definition explaining why that is preferable. If possible, please also provide evidence of the source of the definition and number of food businesses that would be captured under the alternative definition. (200 words max)*

Medium sized businesses are defined as those who meet two or more of the following criteria:

* Annual turnover between £10.2 million and £35.9 million
* Annual balance sheet total between £5.1 million and £17.9 million
* Between 50 and 249 employees

WRAP and Defra already engages with medium sized food businesses through the Your Business is Food and Guardians of Grub schemes. WRAP states that food waste reporting is less suited to medium sized businesses because:

* MSBs have a smaller workforce and are therefore much less likely to have resource dedicated to waste and sustainability issues.
* Margins are tight for most food businesses and for MSBs businesses having to take time away from the core business activities to acquire the necessary knowledge, gather data and report would be a commercial risk.
* Very few MSBs will have access to existing data that could be used to help complete food waste reporting, whereas larger ones are likely to have systems in place for monitoring waste in general, and operational efficiencies.
* Not all MSBs will be members of organisations that could inform and support them in reporting, such as trade bodies

*Question 18: Based on the criteria above, does your organisation or business qualify as a medium-sized business? (If you are responding as an individual, please select not applicable) (Yes/ no /not applicable)*

*Question 19: If you answered yes to question 18, how many premises does your business operate in England?*

*Question 20: Do you agree that medium-sized businesses should be outside the scope for any regulations? (Yes/ no/ neither/ not sure, no opinion)*

*Question 21: Please briefly state your reasons for your response. Where available, please share evidence to support your view. (200 words max)*

Micro and small sized businesses have not been included because the costs to these businesses would be greater than the value of these businesses reporting data.

## Types of business

The following food businesses would be required to participate where they meet the criterion for a large business: Food packing businesses, food manufacturers, food wholesalers, food retailers, caterers, hospitality and food service (restaurants, pubs, quick service restaurants, takeaways), internet-based organisations that manage, distribute or produce food (for example, an internet-based organisation who manages food in a warehouse or arranges the distribution of food), commercial food redistribution organisations.

*Question 22: Do you agree with the list of businesses which would be required to report under Option 2? (Y/N), if no, please provide further detail of changes you would make and why*.

Not-for-profit organisations including co-operatives and community benefit societies will be excluded from Option 2 due to a perceived lack of capacity or resources. Defra will continue to encourage these organisations to voluntarily report food waste.

*Question 23: Do you think not-for-profit organisations, co-operatives and community benefit societies registered under the Co-Operative and Community Benefit Societies Act 2014 should be required to report their food waste? (Yes/ no/ neither/ not sure, no opinion)*

Franchised businesses should report form directly managed sites and franchises. A representative sample can be taken from franchises and scaled up so that the head office can aggregate this data into one submission.

*Question 24: Do you think that businesses in scope which operate with a franchise model should be required to measure and report food waste in this manner? (Yes/ no/ neither/ not sure, no opinion)*

*Question 25: Please briefly state your reasons for your response. Where available, please share evidence to support your view. (200 words max)*

When there is a contracted packing company, if one is defined as large, they must do the reporting and account for waste from the smaller contracted company. If both businesses are within the scope, the brand or product owner would be responsible for waste generated during the packing process. The packing brand would be exempt from reporting to prevent double counting.

Contracted caterers cannot be held responsible for where their food waste is prepared or consumed (e.g., hospitals and offices) so caterers would be responsible for food waste on their premises.

*Question 26: Do you agree that food contract packers and caterers should report food waste in their own operations as described? (Yes/ no/ neither/ not sure, no opinion)*

*Question 27: Please briefly state your reasons for your response. Where available, please share evidence to support your view. (200 words max)*

Food haulage, transport and distribution companies would not be required to report as the food is owned by their customer so would be their duty to report.

*Question 28: Do you think that transport,* *distribution, and haulage businesses should be required to report food waste which occurs in transit? (Yes/ no/ neither/ not sure, no opinion)*

*Question 29: Please briefly state your reasons for your response. Where available, please share evidence to support your view. (200 words max)*

Food delivery businesses which provide delivery service from shops and hospitality venues to consumers should continue to participate on a voluntarily basis because there are complexities surrounding ‘own operations’ as delivery services can be defined as agents connecting drivers with restaurants.

*Question 30: Do you think that third party delivery businesses should be required to report food waste which occurs in their operations? (Yes/ no/ neither/ not sure, no opinion)*

*Question 31: Please briefly state your reasons for your response. Where available, please share evidence to support your view. (200 words max)*

## Material

Large food businesses should report the destination of their food waste and surplus as one of the following:

* Redistribution for human consumption
* Animal feed
* Bio-based materials/biochemical processing (e.g. feedstock for other industrial products)
* Anaerobic digestion/codigestion
* Composting/aerobic processes
* Incineration/controlled combustion
* Land application
* Landfill
* Sewer/wastewater treatment
* Refuse/discards/litter (including dumping and unmanaged disposal)
* Other

*Question 32: Do you agree with the list of destinations / processes above? (Yes/ no/ neither/ not sure, no opinion)*

Food that is redistributed for human consumption will not be regarded as waste. Recording this would encourage businesses to move up the waste hierarchy.

*Question 33: Do you think that the reporting of redistributed food surplus should be included in scope? (Yes/ no/ neither/ not sure, no opinion)*

*Question 34: Please briefly state your reasons for your response. Where available, please share evidence to support your view. (200 words max)*

*Question 35: Do you consider there to be any additional costs or burdens associated with measuring and reporting redistributed food surplus in addition to those identified for food waste sent to other destinations? Where available, please share evidence to support your view. The costs identified for reporting food waste are outlined in the impact assessment and in the ‘Analysis on the impact of the reporting requirements’ section in this document.*

Under Option 2, it would be voluntary to report edible and ‘non-edible parts’ of food waste separately or together.

## Proposals for Reporting Process

The Environmental Permitting Regulations (2016) would be amended so that food businesses can report waste data directly to the Environment Agency. A large food business which produces food waste would be a regulated facility so would not require an environmental permit. Businesses would need to comply with the conditions outlined in this consultation to remain an exempt facility.

Data would need to be collected in line with the FWRR Guidelines and the International Food Loss and Waste Accounting and Reporting Standard. Businesses may acquire a robust representative sample and scale this up.

Measurement periods would be in accordance with the fiscal year, the 31st of March to the 1st of April. Reporting periods would be within the 3 months after the 31st of March and should be sent to the regulator, the EA. As part of their registered exemption, the reporting template would need to be published on their company website and if they wanted to, through WRAP FWRR or The Food Waste Atlas. Food waste data reported to the EA would be made public.

An independent third-party consultant would be required to provide quality assurance for the reports. An annual quality assurance statement would need to be submitted with the reporting templates.

*Question 36: Are you content with the proposal to amend the Environmental Permitting (England and Wales) Regulations 2016 to require food businesses of a certain size to report their food waste data? (Yes/ no/ neither/ not sure, no opinion)*

*Question 37: Is your business currently required to obtain permit(s) for Installation sites? (Yes/ no/ neither/ not applicable)*

*Question 38: Do you agree with the measurement and reporting requirements outlined? (Yes/ no/ neither/ not sure, no opinion)*

*Question 39: Please briefly state your reasons for your response. Where available, please share evidence to support you view. (300 words max)*

*Question 40: Where do you think that food businesses should be required to publish their data? (Please select one or more options)*

* *Own website*
* *Other website or platform. Please provide further detail:*
* *Not sure/**don’t have an opinion*

*Question 41: If you do not agree that businesses in scope should be required to employ an independent third-party consultant to provide quality assurance checks for food waste data reports, please briefly state the reason for your response and how you would suggest data submitted by businesses is quality assured. (200 words max)*

**Please answer Q42-43 if your business currently measures food waste data.**

*Question 42: If your business currently measures its food waste, does it currently publicly publish its data? (Yes/ no/ not sure)*

*Question 43: If you answered no to question 42, does your business plan to publish its food waste data in the future, even if any regulations are not introduced? (Yes/ no/ neither/ not sure, no opinion)*

## Timeline for introduction under Option 2

Regulations would come into force in April 2024 and first reports should be made at the end of the 24/25 fiscal year.

*Question 44: Do you agree with the timeline for introduction proposed above for Option 2? (Yes/ no/ neither/ not sure, no opinion)*

*Question 45: If you answered no, please briefly state your reasons. (200 words max)*

## Analysis on the impact of the reporting requirements

The Impact Assessment lists the costs and benefits. Costs are estimated as follows:

* One-off familiarisation costs to businesses
* One-off IT system set-up costs to businesses
* Ongoing annual reporting costs to businesses
* Ongoing annual third-party food waste data quality assurance costs to business (only applicable to Option 2)
* Ongoing annual operational costs to business (this relates to charging scheme fees under Option 2)
* One-off operational set-up costs to the regulator (only applicable to Option 2)
* Costs of enhancing voluntary agreement managed by WRAP and funded by government (only applicable to Option 1)

*Question 46: Do you agree with the types of cost government has identified? (Yes/ no/ neither/ not sure, no opinion)*

*If you have answered ‘No’ or ‘Neither/mixed**’, please provide an explanation and evidence to suggest why alternative costs should be identified. (200 words max)*

*Question 47: Do you agree with the assumptions, calculations and magnitude of the costs identified? (further information is provided in the key assumptions section of the impact assessment) (Yes/ no/ neither/ not sure, no opinion)*

*If you have answered ‘No’ or ‘Neither/mixed**’, please provide an explanation and evidence if available to suggest why a different assumption or calculation should be used and for which cost. (200 words max)*

*Question 48: Are there any other types of cost you can identify and, if available, please can you provide evidence of their magnitude per business or per premise/local outlet? Please provide quantitative evidence to support your answer if available.*

*Question 49: What, if any, barriers would your business have to overcome* *in order to measure and report food waste?*

* *Cost*
* *Lack of experience*
* *Lack of staff*
* *Lack of skills*
* *Other*

*If ‘Other’ please provide further detail.*

**Please answer questions 50 to 56 if you are answering on behalf of a business which currently measures its food waste. These questions will be used to understand and estimate the costs to business associated with familiarisation with the regulations and measurement and reporting activity.**

*Question 50: What were the first year set up costs (e.g. staff time and investment in IT systems) for measuring food waste for your business?*

* *£0-£500*
* *£501-£1,000*
* *£1,001-£5,000*
* *£5,001-£10,000*
* *£10,001-£15,000*
* *£15,001-£20,000*
* *£20,001-£30,000*
* *£30,000+*

*Question 51: In the first year of measuring food waste, how many staff hours did it take per premise and per businesses (i.e. head office level) to familiarise with reporting requirements?*

*\_\_\_\_\_\_\_ staff hours*

**The following question is for businesses who have been measuring food waste for more than one year.**

*Question 52: Since your first year of measuring food waste, what are the average ongoing annual costs of measuring food waste?*

* *£0-£500*
* *£501-£1,000*
* *£1,001-£5,000*
* *£5,001-£10,000*
* *£10,001-£15,000*
* *£15,001-£20,000*
* *£20,001-£30,000*
* *£30,000+*

*Question 53: How many hours a week on average does it take to measure food waste data per business premises? (Please answer based only on time taken to measure food waste, excluding any time taken to familiarise with or set up the process)*

*\_\_\_\_\_\_ hours*

*Question 54: What are the average staff costs per hour for food waste measuring and reporting per business premise?*

 *\_\_\_\_\_\_ hours*

*Question 55: How many days per year does it take in your head office to compile food waste data? If your business is UK wide, please respond in relation to your operations in England if possible. (Please answer based only on time taken to measure food waste, excluding any time taken to familiarise with or set up the process)*

*\_\_\_\_\_\_ days*

*Question 56: What are the average staff costs per day in your head office to compile food waste data for food measuring and reporting?*

*£ \_\_\_\_\_\_*

*The impact assessment identifies indirect benefits from food waste measurement and reporting but does not monetise them. This is because, they want better evidence on the size of the benefits and how to link those to food waste data reporting**. Case studies usually involve several initiatives or are* *very specific to a particular business/entity to be extrapolated to others. The following benefits have been identified:*

* *Food waste reduction financial benefit to businesses*
* *Food waste reduction environmental benefits*
* *Reduction in associated packaging waste and its environmental and financial benefits*

*They have assumed that these benefits are indirect because the benefits arise from the action taken to tackle food waste rather than direct measurement of it.*

*Question 57: Do you agree with the types of indirect benefits government has identified? (Yes/ no/ neither/ not sure, no opinion)*

*If not, please briefly state your reasons. (200 words max)*

*Question 58: Please can you provide evidence of whether and how the policy options presented in this document, can directly and indirectly affect the benefits described above in a qualitative and/or quantitative way. (300 words max)*

*Question 59: Are there any other benefits from food waste measurement and reporting that should be identified? Can you provide any evidence to support this? (300 words max)*

## Compliance

Option 2 would aim to prevent avoidance. The EA would check that the food business submitted its food waste report within the three months as a condition to its exemption of the environmental permit. A proportion of this data would receive detailed compliance checks by the EA to check it was carried out with an appropriate methodology.

The public sector would incur costs of £500,000 in 2022/23 for new IT systems and staff costs of £220,000 in 2022/23 and £200,000 in 2023/24. The EA would incur operational costs of £200,000 in 2024/25 to provide support for food businesses to adapt. £100,000 would be needed to enforce regulations in 2024/25.

Operational costs for improved reporting would cost £348,000 to the regulator. In-line with the polluter pays principle, food businesses would pay a fee of £684 per business when registering their permit exemption to cover operational costs of the regulator.

Enforcement for not complying with conditions of registered exemptions include a warning, formal caution, and prosecution, applied by the regulator. The offender could put forward an undertaking that specifies actions taken to ensure future compliance or proves that the position is restored, and an action to the benefit of the effected party has been completed. A payment to a third party could be made that protects or enhances the natural capital of England or a food waste prevention charity. If this is complete, the regulator will be unable to pursue further civil or criminal sanctions.

*Question 60: Do you agree with the enforcement actions proposed above? (Yes/ no/ neither/ not sure, no opinion)*

*Question 61: Please briefly state the reasons for your response. (200 words max)*