

Joint Statement from 36 Packaging Value Chain associations on the legislative review amending the Waste Framework Directive and Packaging and Packaging Waste Directive

Key Messages

1. Ensure a **life-cycle approach** in legislation, taking into account the functionalities of packaging, such as preserving the entirety of resources invested in the packaged product along the entire value chain.
2. Safeguard the **Internal Market** (the legal basis of the PPWD) to ensure the free movement of packaging and packaged goods. Avoid *de facto* trade barriers for packaging and packaged goods; retain the PPWD's pre-notification procedure and Article 21 Committee.
3. Ensure relevance of the EU **EPR** "general requirements" for the packaging waste stream, alongside nationally and clearly defined roles and responsibilities, for all actors involved in EPR implementation. Obligated costs for producers need to be clearly demarcated and net of revenue from the sale of secondary raw materials.
4. Allow free competition so that producers can choose the packaging most appropriate for the product and distribution system. Legal requirements that mandate additional packaging **reuse** systems alongside existing EPR systems risk undermining the cost-efficiency of EPR and recycling efforts/investments. Resist national measures to promote packaging reuse systems that will distort the Internal Market.
5. Set realistic and achievable packaging **"preparing for reuse"/recycling targets**, based on an updated ex-ante impact assessment, known starting points, as well as a harmonised and clarified measurement point and calculation methodology.

The undersigned organisations¹ represent a wide range of sectors in the packaging value chain. They support an enabling EU policy framework that facilitates sustainable resource use from a full lifecycle perspective, incentivises economies of scale and takes into account value chains at all levels with each of their different needs, supply and demand realities. To further enable our industries to transition towards a resource-efficient and competitive Circular Economy, our associations have the following recommendations for the European Parliament and Council to ensure EU legislation is relevant, achievable and proportionate for packaging and packaged goods.

1. **LIFE-CYCLE APPROACH:** In addition to end-of-life considerations, measures must also take into account the key functionalities of packaging, such as preserving the entirety of resources invested in the packaged product along the entire value chain.

¹ This joint statement captures the main points our associations share in common and does not preclude each of the undersigned organisations from issuing individual positions that are more focused on their specific sectors.

- Packaging plays a positive role in a Circular Economy by optimising resource use, minimising product (e.g. food) waste and protecting products all along value chains. Packaging is cross-sectoral and, in order to perform its functions, the full lifecycle of the packaging, intrinsically connected with the product it contains and value chain, must be considered in its entirety. The choice of packaging which best meets the functional requirements for the product concerned, needs to be made on a case-by-case basis.
- Therefore, we strongly caution against measures that set restrictive/prescriptive requirements for packaging attributes (e.g. single-use/multiple use, recyclable or non-recyclable, bio-based and/or biodegradable, recycled content, single-serve/dose) without regard to the impact on the life-cycle of packaged products themselves. Such legal requirements for attributes of packaging could imply significant costs for businesses in Europe to adapt whole supply chains, stifle product innovation, distort the Internal Market (see point 2) and might lead to a net detrimental environmental impact on packaged goods. In case of restrictions on single-use packaging, it also ignores (modern) societal and consumer trends, and risks being perceived as the EU overstepping its boundaries.
- We also believe it is difficult to set and fairly calculate packaging prevention targets and to ascribe related targets to different sectors. The demand for packaging is linked to the demand for packaged goods. Changes in demand for packaged goods and associated product innovations determine the types of packaging placed on the market and the amount of protection that their contents need. Prevention is already addressed under the PPWD's essential requirements in Annex II. In addition, there is already an economic incentive for producers to optimise the amount of packaging they use (over and above the cost of the packaging materials) since packaging EPR fees are based on weight.

2. INTERNAL MARKET: Safeguard the Internal Market (the legal basis of the PPWD) to ensure the free movement of packaging and packaged goods

- A Circular Economy in Europe cannot be achieved without a properly functioning Internal Market, guaranteed by the PPWD that has the Internal Market as its sole legal base. That legal base, alongside its harmonisation and environmental objectives, gives companies in the packaging value chain the confidence to invest and innovate in order to meet the growth, competitiveness and employment objectives of the Circular Economy Package.
- Therefore, we recommend avoiding measures that could lead to divergent national packaging design requirements, since they create de facto trade barriers for all packaged goods. The PPWD contains an important obligation, under Article 16, on Member States to notify their intention to introduce such measures. This obligation ensures that national measures do not disrupt the Internal Market for packaging and packaged goods.
- Likewise, promoting national reduction quotas and even national bans for certain packaging types, materials or systems is inappropriate (see also point 1). Such

measures would create real trade barriers in the EU which the PPWD explicitly aims to avoid. Great care must be taken not to undermine two decades of success in safeguarding a single European market for packaging and packaged goods. As long as a packaging respects the essential requirements of the PPWD, it must be guaranteed access to market and free movement in the EU.

- The Commission should continue to be assisted by the Committee for the Adaptation to Scientific and Technical Progress, composed of the representatives of the Member States and chaired by the representative of the Commission as stated in the initial PPWD Article 21. This article allows the practical implementation of the PPWD to be kept under review. The composition of this Committee should explicitly include national environmental/waste and industry experts in order to mirror the PPWD's Internal Market legal base, as well as its dual objectives.

3. EXTENDED PRODUCER RESPONSIBILITY: Ensure that the EU EPR “*general requirements*” in the WFD apply to all schemes and are made relevant for the packaging waste stream, respecting the PPWD’s legal base. These EU requirements sit alongside explicitly specified roles and responsibilities, defined at national level by Member States, for all actors involved in EPR implementation. This allows Member States to continue to set up EPR systems according to their national requirements, in line with the subsidiarity principle. Additionally, obligated costs for producers need to be clearly demarcated and net of revenue from the sale of secondary raw materials.

- This will ensure that national measures to implement the EPR “*general requirements*” cannot disrupt the Internal Market for packaging and packaged goods, since the PPWD has the Internal Market as its legal basis which the WFD has not. For instance, “*including all the following costs*” suggests that the basis of the costs may differ from one Member State to another, potentially fragmenting the Internal Market. The basis of the costs should be based on harmonised criteria established by the proposed Member States’ exchange of information forum (see also point 2). However, actual fee setting should remain the responsibility of individual EPR schemes within a Member State.
- Ensure a clear net cost demarcation for the obligated industry at EU and national level. An unlimited obligation for producers to “*cover the entire cost of waste management*” is disproportionate to the producer’s role and responsibility for the separate collection, sorting and related treatment operations of used packaging for recycling. In line with the Circular Economy’s objectives, we strongly support the proposed net cost principle/incentive which takes into account the revenues from sales of secondary raw packaging materials.
- In addition, we believe that producers need to be able to drive waste prevention within their production, because it is the producer who knows what the packaging needs of their products and supply chains are (see point 1). Therefore, we recommend keeping prevention requirements outside the EPR “*general requirements*”, which apply to all waste streams covered by EPR and the different ownership models of EPR schemes. Waste prevention goes beyond the end-of-life

role and responsibility of packaging EPR schemes and is related to the life-cycle of the entire product.

4. REUSE: Allow free competition between packaging materials and formats so that producers can choose the packaging most appropriate for the product and its distribution system. Legally requiring new packaging reuse systems to be established alongside existing EPR systems will undermine the cost-efficiency of EPR and recycling efforts/investments and distort the Internal Market.

- Avoid creating an obligation for Member States to introduce new reuse systems in markets where EPR and recycling systems are well-established. Studies show that imposing new systems to promote reuse activities alongside well-functioning recycling systems erodes the (cost-) efficiency of household-based collection systems as existing infrastructure would no longer be used to its full potential^[2]. In addition, if existing installed production capacity is required to be substituted by reuse systems, substantial capital and operating costs will be imposed on producers and retailers for which no economic return is possible without incremental sales volumes or increased prices for consumers. Additional reuse systems should be subject to a complete ex-ante technical, social, environmental, and economic analysis.
- In addition, national measures to promote packaging reuse systems tend to undermine the Internal Market because they favour local trade exchanges/sales as reusable packaging systems rarely make economic or environmental sense over longer distances^[3].
- We support smart regulation for the PPWD that allows those Member States with existing reuse systems for packaging in place to be credited for their efforts when calculating their progress towards the EU packaging targets. This can be done by deducting reusable packaging (which is not part of 'packaging waste generated') from the reported 'packaging placed on the market' (all packaging), as part of the target calculation methodology. At the end of its reusable life, it becomes waste and thus part of 'packaging waste generated'. In this spirit, we support Member States and MEPs request not to mix waste with products and thus to retain the 2008 WFD definition for 'preparing for reuse'.

5. PACKAGING TARGETS: Set realistic and achievable packaging “preparing for reuse”/recycling targets, based on an updated ex-ante impact assessment, known starting points, as well as a harmonised and clarified measurement point and calculation methodology.

- We support realistic and achievable “preparing for reuse”/recycling packaging targets based on clear starting points. Hence, any changes to the structure of targets, definitions, measurement points and related methodology need an updated ex-ante cost/benefit analysis. Such an analysis will assess the impact of these changes against target achievement and economic and environmental benefits.

² Roland Berger, *The consequences of a deposit system for disposable packaging based on the German example, 2008*

³ Communication (2009) from the Commission: Beverage packaging, deposit systems and free movement of goods (2009/C 107/01); European Commission (1999) *Reuse of primary packaging*

- Robust measurement and accurate reporting are crucial to ensure transparent and comparable data across the EU. The Commission's proposal rightly establishes the point of measurement for packaging recycling as the point of input to a final recycler, after sorting operations have been completed. The option to count output from sorting operations under certain conditions is fully consistent with this measurement approach.
- We support the current method of counting recycling of composite packaging towards the rates and targets of the predominant material. It is neither technically nor administratively feasible to count the recycling of material components of composite packaging coming out of a recycling process towards their individual material recycling rates. In addition, counting such materials separately is unlikely to have any significant impact on overall packaging material recycling rates.

We trust that the above is constructive and would welcome the opportunity to reflect further on the points outlined above together with the European Parliament, Council, Commission and other stakeholders.

30 August 2016

Signed by the following industry organisations (in alphabetical order)



ACE – The Alliance for Beverage Cartons and the Environment



AGVU - Arbeitsgemeinschaft Verpackung und Umwelt e.V.,
Germany



AIM – European Brands Association



A.I.S.E. – The International Association for Soaps, Detergents and
Maintenance Products



ARA – Altstoff Recycling Austria AG Packaging Compliance
Scheme, Austria



ARAM – Romanian Association for Packaging and the Environment



BIHPAK – Bosnia and Herzegovina Association for Packaging &
Packaging Waste Management



CEPI – Confederation of European Papers Industries



CICPEN – Czech Industrial Coalition on Packaging and the Environment



CITPA – International Confederation of Paper and Board Converters



Cosmetics Europe – The Personal Care Association



DSD - Der Grüne Punkt Dual System for Packaging Recycling, Germany



Eco-Emballages – Packaging Recovery Association, France



EuPC – European Plastics Converters



EPBA – European Portable Battery Association



European Aluminium



EUROPEN – The European Organization for Packaging and the Environment



FEA – European Aerosol Federation



FEFCO – European Corrugated Packaging Association



FEVE – The European Container Glass Federation



FLEXIBLE PACKAGING EUROPE

Flexible Packaging Europe



FoodDrinkEurope



IK Industrievereinigung
Kunststoffverpackungen e.V.

INTERGRAF
European Federation for Print and Digital Communication



europa's convenience food packaging association

pack2go
EUROPE



IK- Industrievereinigung Kunststoffverpackungen e.V., Germany

INTERGRAF– European Federation for Print and Digital Communication

INCPEN - The Industry Council for Research on Packaging and the Environment, UK

MPE - Metal Packaging Europe

Miljöpack – Trade Industry Group, Sweden

Pack2Go Europe - Europe's Convenience Food Packaging Association

Pakkaus – Finnish Packaging Association

REKOPOL - Recovery Organisation S.A., Poland

REPAK - Packaging Recovery Organisation, Ireland

Serving Europe - Branded Food and Beverage Service Chains Association

SLICPEN – Slovak Industrial Coalition on Packaging and the Environment

Sociedade Ponto Verde, S.A. – Packaging Recovery Organisation, Portugal

UNESDA – Union of European Soft Drinks Associations

Valpak - Environmental Compliance, Recycling and Sustainability Solutions, UK