

Unleashing Sustainable Innovation in Packaging

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EUROPEN

The European Organization for Packaging and the Environment

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About EUROPEN



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EUROPEN Goals



Achieve
**RECOGNITION OF
BENEFITS &
ROLE** of packaging
in policy-making



Demonstrate
members'
**CONTINUOUS
IMPROVEMENT IN
ENVIRONMENTAL
PERFORMANCE**
of packaging and
packaged products



**SECURE
FREE FLOW**
of packaging and
packaged goods
throughout Europe



Ensure **WORKABLE &
HARMONISED**
European
& national packaging
and packaging
waste regulations

What are the current/future EU policy drivers for the packaging supply chain?

EU Circular Economy Package: “Closing the loop”

2 objectives which go hand-in-hand



Use resources in a smarter, more sustainable way by keeping them in use for as long as possible, extracting their maximum value and recovering and regenerating materials at the end of life



Boost global competitiveness, foster sustainable economic growth and generate new jobs

EUROPEAN
focus

Waste Framework Directive

Packaging and Packaging Waste
Directive

Landfill Directive

WEEE Directive

Current/ Future EU legislative drivers

Overview



Recycling / Recyclability



Eco-design



Single Market for packaged goods and packaging



Legal framework for
Extended Producer Responsibility



Anti-litter measures & Plastics Strategy



Food waste prevention

Current/ Future EU legislative drivers

Recycling/ Recycability (I)



- Increased EU packaging recycling targets

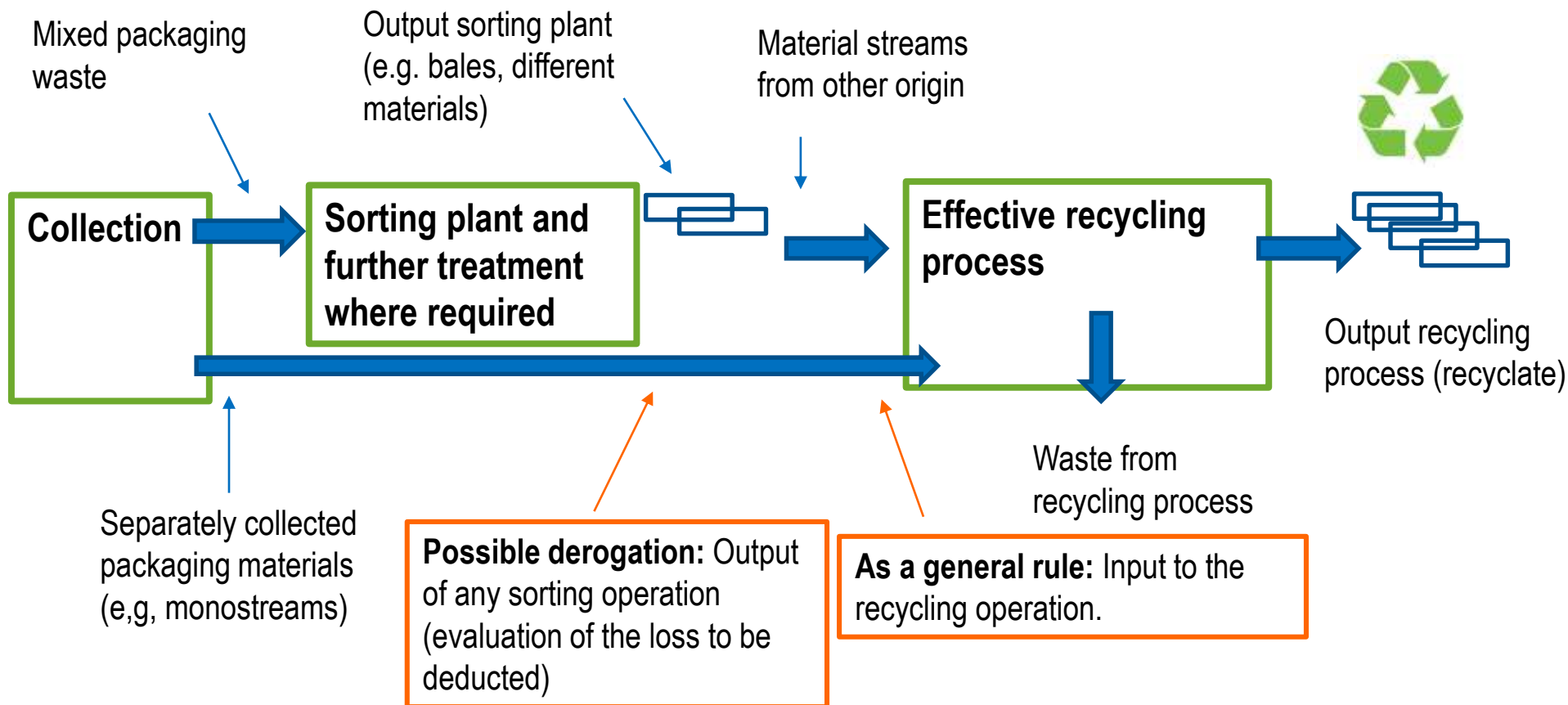
	Current targets	2025	2030
Overall target	55 % - 80 %	65%	70%
Plastic	22,5 %	50%	55%
Wood	15 %	25%	30%
Ferrous metals	50 % (metal)	70%	80%
Aluminium	50 % (metal)	50%	60%
Glass	60 %	70%	75%
Paper and Cardboard	60 %	75%	85%

- **Max. 10 %** for municipal waste sent to landfill by 2035

Current/ Future legislative drivers

Recycling/ Recycability (II)

Calculation method for national packaging recycling rates



Current/ Future legislative drivers

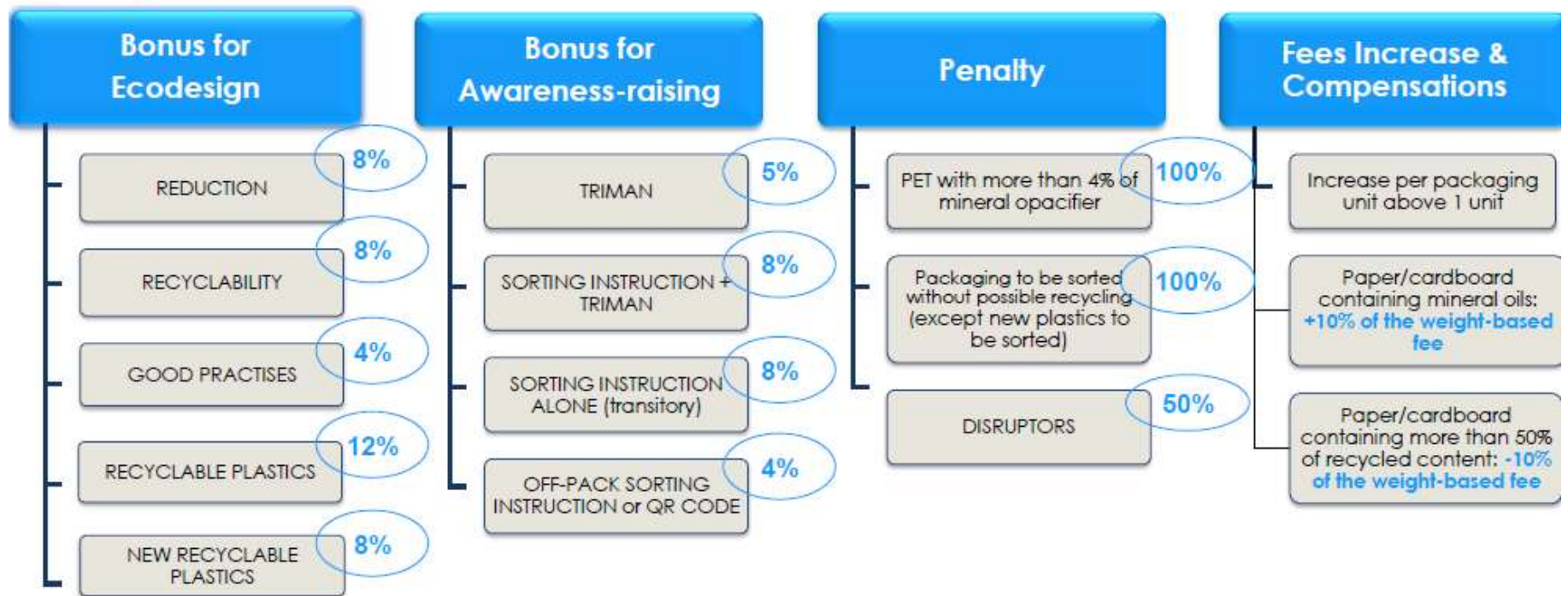
Recycling/ Recycability (III) + Eco-design



- Packaging industry is encouraged to focus its efforts on design for recyclability
- ↓
- Legal review of the **Essential Requirements** (Annex II Packaging and Packaging Waste Directive) by 2020 “to ensure that, by 2030, all plastics packaging placed on the EU market is reusable or easily recycled”.
 - **Modulation of Extended Producer Responsibility fees**, as a “meaningful financial reward” in return for more sustainable product design choices.

Bonus/Malus system in France (CITEO)

The 2018 incentive scheme for eco-designing packaging



Working principles: bonus and Penalty cannot be cumulated; up to 24% of bonus is possible.

Further rules apply, for more info (English version to come): http://www.ecoemballages.fr/sites/default/files/files/resources/tarif_2018_citeo_septembre_2017.pdf

Current/ Future EU legislative drivers

Single Market for packaged goods and packaging



The Packaging and Packaging Waste Directive is not a purely waste directive. It covers both:

Packaging (product)

Packaging waste (end-of-life of the product)



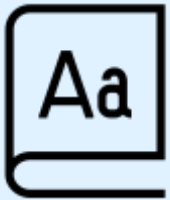
- **The free movement of (packaged) goods needed to be safeguarded** as the Internal Market provides for the necessary scale in supply chains, operations, investment and innovation.
- **Likely to be questioned again soon**, as part of the upcoming total review of the Packaging and Packaging Waste Directive.

National and EU industries call to safeguard the Internal Market for Packaging and Packaged Goods in the Circular Economy Package



Current/ Future EU legislative drivers

Extended producer responsibility (EPR) (I)



EPR

- Concept/ tool
- Means the producer's full or partial financial and/or operational responsibility for a product, extended to the post-consumer state of a product's life cycle, as a means for Member States to meet EU recycling targets.



EPR scheme/system

(in the context of packaging)

- Packaging recovery organisation
- Member States have assigned responsibility to meet recycling targets to producers, who have set up EPR schemes for used packaging to secure compliance.

Current/ Future EU legislative drivers

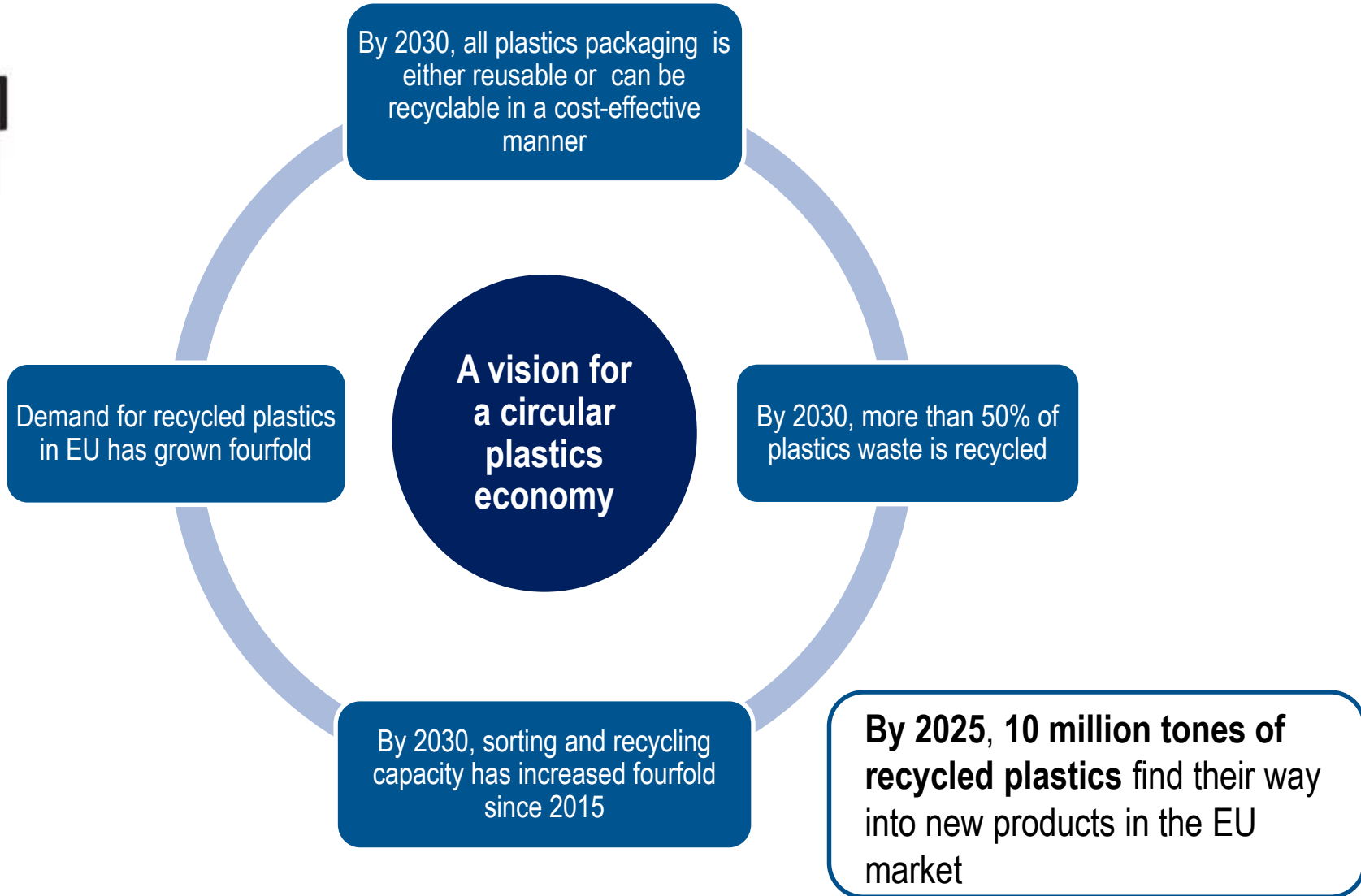
Extended Producer Responsibility (EPR) (II)



- Introduction of a new **EU legal framework** for Extended Producer Responsibility in law.
- **Objective:** increase transparency, cost-efficiency, accountability, and enforcement of EPR obligations at national level => to help Member States achieve increased recycling targets.
- **Challenges:**
 - Ensure full, fair and harmonised **implementation** of this EU legal framework at national level.
 - **Demarcation** of producers' financial obligations within EPR
- **Next:** Guidance on EPR modulation of fees

Current/ Future EU legislative drivers

Anti-litter measures & Plastics Strategy (I)



Current/ Future EU legislative drivers

Anti-litter measures & Plastics Strategy (II)



Key measures (non-exhaustive)

Legislation on single-use plastics
(May 2018)

Industry voluntary commitments, in particular on recycled content
(June 2018)

Eco-modulation of EPR fees
(2019)

Legal review of the Essential Requirements for packaging
(2020)

Corporate voluntary initiatives/commitments of EUROPEAN members

resource efficiency

recycling Infrastructure

material sourcing

recyclability

recycled content

packaging optimisation waste management

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Current/ Future EU legislative drivers

Packaging's role in food waste prevention (I)



- **Around 88 million tonnes of food are wasted annually in the EU**, with associated costs estimated at 143 billion euros.



- European Commission launched an **EU Platform on Food Losses and Food Waste**



- Publication of the European Commission **Market study on date marking and other information provided on food labels and food waste prevention** (January 2018)

Current/ Future EU legislative drivers

Packaging's role in food waste prevention (II)

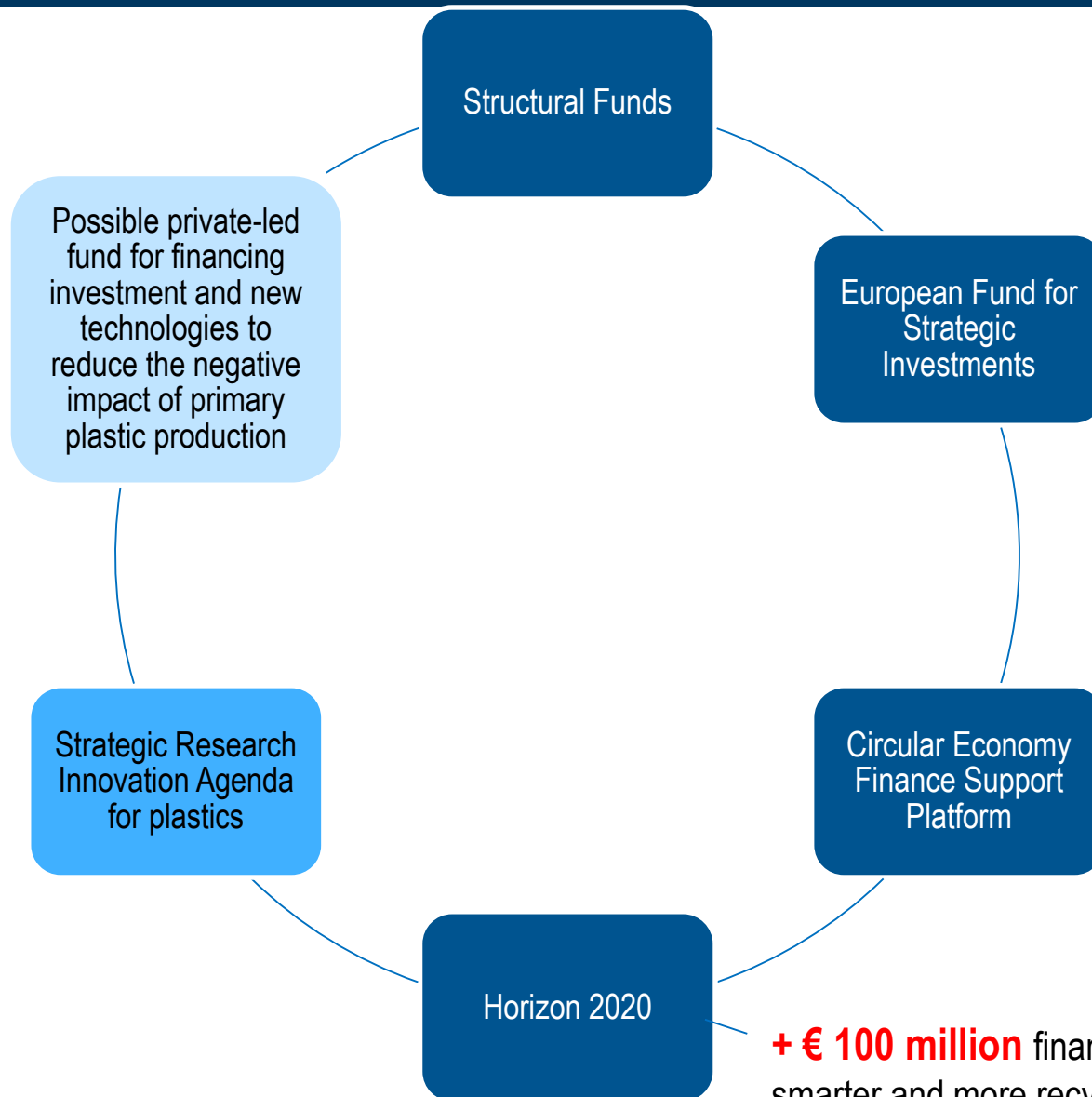


The functions of packaging are relevant at the different stages of a product's life-cycle



- Appropriate packaging can **significantly prolong shelf-life** and hence reduce food waste.
- By protecting the product, packaging also prevents **waste of the energy, fertilizer, raw materials and water** that went into growing or making goods and the energy used to transport the goods from the producer to the retailer.
- Modern packaging and distribution systems **answer the multiple needs of consumer lifestyles and demographic changes.**
- Smart packaging solutions allow consumers to **buy the amount they need and open only as much as they can consume.**

Existing EU funding supporting industry efforts towards a Circular Economy



+ € 100 million financing the development of smarter and more recyclable plastics materials

Thank you !



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The European Organization for Packaging and the Environment

Annex

Recovery and recycling rate for packaging

waste in %, 2015

	Recovery rate	Recycling rate
EU-28 (1)	78.9	65.7
Belgium	99.3	81.5
Bulgaria	64.1	64.1
Czech Republic	79.5	74.3
Denmark	94.0	73.9
Germany	97.2	69.3
Estonia	80.1	59.0
Ireland	91.1	67.5
Greece	60.7	60.3
Spain	72.7	68.4
France	75.5	65.5
Croatia	60.1	60.1
Italy	77.9	66.8
Cyprus (1)	58.7	58.7
Latvia	62.1	53.9
Lithuania	60.2	59.8
Luxembourg	94.7	60.5
Hungary	58.1	50.1
Malta (1)	41.3	41.1
Netherlands	95.1	71.9
Austria	96.3	67.1
Poland	60.9	57.6
Portugal	60.2	57.1
Romania (1)	56.4	54.8
Slovenia	77.4	67.0
Slovakia	66.7	64.3
Finland	102.2	60.9
Sweden	79.5	71.8
United Kingdom	64.7	60.6
Iceland	63.8	50.6
Liechtenstein	92.2	66.1
Norway	95.5	55.1

(1) Estimate: Cyprus, Malta, Romania (2014 data)

Source: Eurostat (online data code: env_waspac)

CEP legislative agreement

Annex II Packaging and Packaging Waste Directive on the Essential Requirements (1/2)

Annex II Directive 94/62/EC on Packaging and Packaging Waste, as amended as part of the review of the Packaging and Packaging Waste Directive in 2018

1. Requirements specific to the manufacturing and composition of packaging

- Packaging shall be so manufactured that the packaging volume and weight be limited to the minimum adequate amount to maintain the necessary level of safety, hygiene and acceptance for the packed product and for the consumer.
- Packaging shall be designed, produced and commercialised in such a way as to permit its reuse or recovery, including recycling, in line with the waste hierarchy, and to minimise its impact on the environment when packaging waste or residues from packaging waste management operations are disposed of.
- Packaging shall be so manufactured that the presence of noxious and other hazardous substances and materials as constituents of the packaging material or of any of the packaging components is minimized with regard to their presence in emissions, ash or leachate when packaging or residues from management operations or packaging waste are incinerated or landfilled.

2. Requirements specific to the reusable nature of packaging

The following requirements must be simultaneously satisfied:

- the physical properties and characteristics of the packaging shall enable a number of trips or rotations in normally predictable conditions of use,
- possibility of processing the used packaging in order to meet health and safety requirements for the workforce,
- fulfil the requirements specific to recoverable packaging when the packaging is no longer reused and thus becomes waste.

CEP legislative agreement

Annex II Packaging and Packaging Waste Directive on the Essential Requirements (2/2)

3. Requirements specific to the recoverable nature of packaging

(a) Packaging recoverable in the form of material recycling

Packaging must be manufactured in such a way as to enable the recycling of a certain percentage by weight of the materials used into the manufacture of marketable products, in compliance with current standards in the Community. The establishment of this percentage may vary, depending on the type of material of which the packaging is composed.

(b) Packaging recoverable in the form of energy recovery

Packaging waste processed for the purpose of energy recovery shall have a minimum inferior calorific value to allow optimization of energy recovery.

(c) Packaging recoverable in the form of composting

Packaging waste processed for the purpose of composting shall be of such a biodegradable nature that it does not hinder the separate collection and the composting process or activity into which it is introduced.

(d) Biodegradable packaging

Biodegradable packaging waste shall be of such a nature that it is capable of undergoing physical, chemical, thermal or biological decomposition such that most of the finished compost ultimately decomposes into carbon dioxide, biomass and water. Oxo-degradable plastic packaging shall not be considered as biodegradable.

CEP legislative agreement – actors & scope

Article 8a

General minimum requirements for extended producer responsibility schemes

1. Where extended producer responsibility schemes are established in accordance with Article 8, paragraph 1, including pursuant to other Union legislation, Member States shall:
 - define in a clear way the roles and responsibilities of all relevant actors involved, including producers of products placing products on the market of the Member State, organisations implementing extended producer responsibility on their behalf, private or public waste operators, local authorities and, where appropriate, re-use and preparation for re-use operators and social economy enterprises;
 - in line with the waste hierarchy, define waste management targets, aiming to attain at least the quantitative targets relevant for the scheme as laid down in this Directive, Directive 94/62/EC, Directive 2000/53/EC, Directive 2006/66/EC and Directive 2012/19/EU of the European Parliament and of the Council*, and define other quantitative targets and/or qualitative objectives that are considered relevant for the extended producer responsibility scheme;
 - [...]

CEP legislative agreement – Costs for producers

Article 8a

General minimum requirements for extended producer responsibility schemes

4. Member States shall take the necessary measures to ensure that the financial contributions paid by the producer to comply with its extended producer responsibility obligations:

(a) cover the following costs for the products it puts on the market in that Member State:

– costs of separate collection of waste and its subsequent transport and treatment including treatment necessary to meet the EU waste management targets, and costs necessary to meet other targets and objectives referred to in paragraph 1, second indent, taking into account the revenues from re-use, sales of secondary raw material from their products or from unclaimed deposit fees;

- costs of providing adequate information to waste holders in accordance with paragraph 2;
- costs of data gathering and reporting in accordance with paragraph 1, third indent.

This point shall not apply to extended producer responsibility schemes established pursuant to Directive 2000/53/EC, Directive 2006/66/EC and Directive 2012/19/EU;

CEP legislative agreement – Costs for producers

Article 8a

General ***minimum*** requirements for extended producer responsibility schemes

4. (b) in case of collective fulfilment of extended producer responsibility obligations, are modulated, where possible, for individual products or groups of similar products, notably by taking into account their durability, reparability, re-usability and their recyclability and the presence of hazardous substances hereby taking a life-cycle approach and aligned with the requirements set by relevant Union law, and when available, based on harmonised criteria in order to ensure a smooth functioning of the internal market;

(c) do not exceed the costs that are necessary to provide waste management services in a cost efficient way. Such costs shall be established in a transparent way between the actors concerned;

CEP legislative agreement – Costs for producers

Article 8a

General minimum requirements for extended producer responsibility schemes

4. Where justified by the need to ensure proper waste management and the economic viability of the extended producer responsibility scheme, Member States may depart from the division of financial responsibility as laid down in point (a), provided that:

- i. in case of extended producer responsibility schemes set up to attain waste management targets and objectives established under Union legislation, the producers bear at least 80 % of the necessary costs;
- ii. in case of extended producer responsibility schemes established on or after [insert the date of entry into force of this Directive] to attain waste management targets and objectives solely established in Member State legislation, the producers bear at least 80 % of the necessary costs;
- iii. in case of extended producer responsibility schemes established before [insert the date of entry into force of this Directive] to attain waste management targets and objectives solely established in Member State legislation, the producers bear at least 50 % of the necessary costs, and provided that the remaining costs are borne by original waste producers or distributors.

This derogation may not be used to lower the proportion of costs borne by producers under extended producer responsibility schemes established before ... [insert the date of entry into force of this Directive].

CEP legislative agreement

Annex Iva

Annex IVa

Examples of economic instruments and other measures to provide incentives for the application of the waste hierarchy

1. Charges and restrictions for the landfilling and incineration of waste which incentivise waste prevention and recycling, while keeping landfilling the least preferred waste management option;
2. 'Pay-as-you-throw' systems that charge waste producers on the basis of the actual amount of waste generated and provide incentives for separation at source of recyclable waste and for reduction of mixed waste;
3. Fiscal incentives for donation of products, in particular food;
4. Extended producer responsibility schemes for various types of waste and measures to increase their effectiveness, cost efficiency and governance;
5. Deposit-refund schemes and other measures to encourage efficient collection of used products and materials;
6. Sound planning of investments in waste management infrastructure, including through the European funds;
7. Sustainable public procurement to encourage better waste management and the use of recycled products and materials;
8. Phasing out subsidies which are not consistent with the waste hierarchy;
9. Use of fiscal measures or other means to promote the uptake of products and materials that are prepared for reuse or recycled;
10. Support to research and innovation in advanced recycling technologies and remanufacturing;
11. Use of best available techniques for waste treatment;
12. Economic incentives for regional and local authorities, in particular to promote waste prevention and intensify separate collection schemes, while avoiding support to landfilling and incineration;
13. Public awareness campaigns, in particular on separate collection, waste prevention and litter reduction, and mainstreaming these issues in education and training;
14. Systems for coordination, including by digital means, between all competent public authorities involved in waste management;
15. Promoting continuous dialogue and cooperation between all stakeholders in waste management and encouraging voluntary agreements and company reporting on waste.'

EU PLASTICS STRATEGY



EU measures (non-exhaustive)

Timeline

Preparatory work for future revision of PPWD, incl. new harmonised rules to ensure that by 2030 all plastics packaging placed on the market can be reused or recycled in a cost-effective manner.

Q1 2018 onwards

Legislative initiative to address **single-use plastics**

May 2018

Guidance on **the eco-modulation of EPR fees**

2019

Examine the feasibility of a private-led investment fund (potentially funded by the industry through EPR fees) to finance investments aimed at reducing the environmental impacts of primary plastic production.

By mid-2019

Launch of an **EU wide pledging exercise**.

Q1-Q3 2018

Assesment of regulatory or economic incentives for the uptake of recycled content, in particular in the context of the PPWD

Q1 2018 onwards

New guidelines **on separate collection and sorting of waste**

2019

Start the process to **restrict the intentional addition of microplastics** to products via REACH

ongoing

Measures recommended to national authorities (non-exhaustive)

Make better use of **taxation and other economic instruments** to reward uptake of recycled plastics and favour reuse and recycling / and to step up separate collection of plastics waste

Put in place **well-designed EPR schemes and/or DRS** (in particular for beverages containers) in consultation with the relevant sectors

Make **voluntary commitments**, in particular re the uptake of recycled plastics

Raise **awareness of littering** and consider **fines**; promote **beach clean up initiatives**

Step up **waste collection and improve coordination** between the authorities

Develop **national monitoring of marine litter** on the basis of harmonised EU methods



Measures recommended to industry (non-exhaustive)

Voluntary commitments in support of the strategy's objective, in particular as regards the uptake of recycled plastics.

Take concrete steps to **improve dialogue and cooperation across the value chain.**

Promote existing alternatives to **single-use plastic items** (e.g. in catering and take aways), where these are more environmentally beneficial.

Pursue and implement **cross-industry agreements to reduce the release of micro-plastics** in the environment.

Increase **infrastructures and R&D investment**

Play an active part in **supporting integrated, cross-border circular plastics economy**



The Circular Economy Finance Support Platform

Cooperation of the



+ National Promotional Banks + Institutional Investors + other stakeholders

Main goals :

- raising awareness of circular economy investment opportunities
- promoting best practices amongst potential promoters
- analysing projects and their financial needs
- providing advice on structuring and bankability

“This new platform is an excellent tool to raise awareness of circular economy projects’ immense business potential and, consequently, draw in more funding for their financing. The circular economy is an important element to modernize the European economy and we are on track to deliver this sustainable change.”

Vice-President **Jyrki Katainen**, responsible for jobs, growth, investment and competitiveness.



How the EU promotes Innovation for a circular economy (II)



- The Commission has announced in January 2018 that it will provide guidance for national authorities and European businesses on how to minimise **plastic waste at source**.
- Support for innovation will be scaled up, with **an additional €100 million** financing the **development of smarter and more recyclable plastics materials**, making recycling processes more efficient, and tracing and **removing hazardous substances** and contaminants from **recycled plastics**.