

The Voice of Industry for Packaging and the Environment

Issue 48 – Autumn 2009

Regulatory News	02	Tour of Europe	05
Commission publishes guidelines on beverage packaging measures	02	EUROPEN News	06
Packaging waste data for 2007 published	02	Global CEO Forum Project	06
Food and drink chain Round Table begins work	03	ECR Europe / EUROPEN Guide to help corporate decision-making on packaging	06
EU Retail Forum gets underway	03	EUROPEN seminar on packaging and sustainability	06
Packaging Chain views on the Essential Requirements	03-04	Council of Members	06
Commission to launch study on product carbon footprinting	04	EUROPEN Internal Communications Audit Results	07
Chemicals Agency issues "in a nutshell" guide to the REACH requirements	04	Events	08
Global packaging and environment standards to be developed	04	Bulletin Subscription	08
		Join EUROPEN	08

Dear readers,

A few weeks ago I spoke to an American audience about the European experience of extended producer responsibility (EPR) for packaging. I told how, after an initial period of resistance, companies have come to recognize the benefits this sharing of responsibility has brought.

The high packaging waste recovery rates achieved under EPR legislation in most EU countries has led to a remarkable reduction in the public criticism of packaging waste. On top of that a general harmonisation of the rules for packaging thanks to the EU Packaging and Packaging Waste Directive has largely eliminated the risk of supply chain inefficiencies arising from demands for different types of packaging caused by dissimilar legislation from countries or regions.

The American audience I spoke to knows this is not the case in their part of the world and increasingly different US States and even counties and cities within those States are busy proposing and passing laws about packaging which are causing more and more headaches for industry because of the often conflicting legislative demands. However, before we in Europe become too smug or complacent about the situation on our continent, some recent developments are a timely warning that the dangers we claim to have avoided are not assured in perpetuity and new threats to our feeling of sangfroid are emerging.

Whenever threatened by "bad" packaging legislation European industry invariably points to its commitment to EPR as an assurance to regulators and legislators that "we will do our part" to take care of used packaging. But in some places in Europe this has been a somewhat

hollow promise which is not being entirely fulfilled. We should not be surprised therefore that we are beginning to see industry's credibility challenged and harmful and costly legislation being proposed. The latest example of this is found in the EU Baltic state of Lithuania.

Despite our assurances to policy makers of EPR treatment of all packaging waste, in that country there is an absence of a strong coalition of packaging value chain companies to negotiate effectively and block government proposals for still higher taxes on packaging and a likely introduction of a beverage container deposit. Some argue that the size of the market does not justify action but the business acumen of this rationale has to be measured against the ultimate cost to industry of failing to support a comprehensive industry-led scheme. The alternative could be a costly and inefficient government-run system.

In other smaller Member States like neighbouring Latvia and EU candidate members such as Bosnia-Herzegovina and Macedonia we see the same pattern developing. Forgetting our well proven successful business formulas in smaller regions could come back to haunt us in larger markets.

Before we go further in lecturing our colleagues on the other side of the Atlantic we would do well to study the home situation more closely and make sure we practice what we preach.

Julian Carroll
Managing Director

Regulatory News

Commission publishes guidelines on beverage packaging measures

EUROPEN has welcomed the publication by the European Commission of an important Communication on beverage packaging, deposit systems and the free movement of goods.

The Communication provides legal guidance on how to implement Articles 5 and 7 of the Packaging and Packaging Waste Directive, in particular with reference to beverage packaging.

The Communication includes commentary on four issues of vital significance to the packaging chain in general and the beverage sector in particular, notably: measures to promote beverage reuse systems, deposit legislation, quantitative restrictions for single use containers and tax-based systems which differentiate between drinks categories.

Reuse systems

The Commission Communication, which reflects the experience gained from major internal market infringement cases in countries including Denmark, Germany, Hungary and the Netherlands, supports the view long-held by EUROPEN that the PPWD “does not establish a clear hierarchy” between reusable and single-use packaging.

Furthermore, the Communication confirms in a footnote that the Packaging and Packaging Waste Directive is ‘lex specialis’, meaning that it takes precedence over the recently revised Waste Framework Directive. And it notes that the Waste

Framework Directive allows specific waste streams to depart from the strict waste management hierarchy (prevention-preparing for reuse-recycling-other forms of recovery-disposal, in order of preference) where this is justified by life-cycle thinking.

Deposits

The Communication also notes that mandatory deposit systems for non refillable containers “create barriers to trade” and Member States must be able to justify their environmental necessity before introducing them. This echoes a point made in 2006 by EUROPEN that the Commission and Member States should “practice greater vigilance in ensuring that any measures adopted to encourage reuse systems of packaging are in full conformity with the internal market and competition obligations of the Treaty, as well as with recent judgements of the European Court of Justice”.

Quantitative restrictions for single-use beverage containers

The Commission warns strongly against bans or quotas on single-use beverage containers.

EUROPEN comments that, while the Communication is not legally binding, it does provide useful legal guidance to Member States as to the appropriate application of Articles 5 and 7 of the Packaging and Packaging Waste Directive.

Packaging waste data for 2007 published

The 2007 recovery and recycling data for packaging and packaging waste have been published by the European Commission.

Based on annual reports submitted by the Member States to the Commission, the statistics show that for the period 1998-2007:

- The average annual increase in the amount of packaging placed on the market in the EU-15 was 1.9%.
- The overall EU-15 recycling rate increased from 47% to 60%. By 2007, of the 12 Member States required to meet the minimum 55% recycling target by 2008, only Finland and Spain had not yet done so. Of the 3 Member States granted a derogation until 2011, Ireland met the 55% recycling target in 2006, Portugal in 2007 and Greece is very close.

- The total tonnage of EU-15 packaging going to final disposal fell by 35% from 29.2 million tonnes in 1998 to 18.9 million tonnes in 2007 – indicating that one of the principal aims of the Packaging and Packaging Waste Directive is being achieved.

Data for Malta and Slovenia are currently missing from the table, but once these data are published, a full picture for all 27 EU Member States will be available to EUROPEN members.

Food and drink chain Round Table begins work

In the last edition of the Bulletin (Issue 47) we reported that major stakeholders in the European food and drink supply chain have created a 'European Food Sustainable Consumption and Production (SCP) Round Table'.

The European Food SCP Round Table, which is focussing on environmental assessment methodology and the communication of environmental information about food and drink products, held its inaugural meeting in Brussels on 7th July and has completed a first round of Working Group meetings.

EUROPEN's role in the Round Table is to coordinate the views of the packaging supply chain and communicate them within the Round Table's Steering Committee and Working Groups.

The Round Table is co-chaired by the European Commission which is also providing support in the form of access to research and facilities. The Round Table aims to promote a harmonised approach to assessing and communicating the environmental performance of food and drink products in Europe, and to promote their continuous improvement. Working groups have been set up to pursue these objectives.

Participants in the Round Table include representatives from all aspects of the food supply chain including suppliers to agriculture, farmers, the agro-food trade, food and drink manufacturers, the packaging supply chain, retailers/ consumer co-operatives, packaging recovery operators, consumers and environmental NGOs.

EU Retail Forum gets underway

EUROPEN has attended the first meetings of the Retail Forum, where discussions have focussed on the energy efficiency of stores and the optimisation of distribution systems. The third meeting on 22 October will cover marketing and effective communication with consumers on issues to do with sustainable consumption and production.

EUROPEN is encouraged that at the Forum's first meeting the European Commission called for the whole lifecycle

of products to be examined, rather than focussing on just one part which 'gives good headlines'.

Packaging is on the agenda of the Forum for discussion in February 2011, and EUROPEN will take as its logical starting point for any further discussion with retailers about packaging the ECR Europe – EUROPEN Guide: *Packaging in the Sustainability Agenda: A Guide for Corporate Decision Makers*. EUROPEN believes work involving retailers to develop globally agreed principles for packaging metrics should also play a role.

Packaging Chain views on the Essential Requirements

The European Commission has contracted consultants Arcadis to conduct a study on implementation of the Essential Requirements of the Packaging and Packaging Waste Directive.

Packaging supply chain representatives were invited to a workshop on the topic in June this year, in which EUROPEN underlined its members' support for the Essential Requirements and the work being done in companies to ensure compliance with them. INCPEN (the Industry Council for Packaging and the Environment in the UK) said at the workshop that packaging requirements (based on the Essential Requirements)

are automatically being integrated into company management systems, usually on a global scale.

EUROPEN continues to hold the view that this non-prescriptive approach to regulating packaging design is the most desirable as it allows companies to innovate and continuously improve packaging, a view EUROPEN believes has been indicated by the fact that the environmental objective of the Packaging and Packaging Waste Directive is largely being met and by continuous improvements taking place in packaging design. EU data shows that the amount of packaging being placed on the market is increasing at a slower rate than growth in GDP¹.

¹ Packaging and Packaging Waste Statistics 1998-2006, EUROPEN (2009)

Packaging Chain views on the Essential Requirements (continued)

A survey by Arcadis, which will form part of the report, is expected to confirm EUROPEN's belief that few countries systematically monitor compliance with the Essential Requirements. EUROPEN considers that full industry compliance combined with market surveillance within all Member States would be sufficient to ensure that packaging usage is kept to the minimum necessary for its purpose.

Following the workshop in June, consultants have studied the situation in more detail in 6 countries (Belgium, Bulgaria, Cyprus, Czech Republic, France and the UK). Having visited companies in these countries over the summer, they are due to deliver a final report in November.

Commission to launch study on product carbon footprinting

The European Commission has issued a call for tender for a study on product carbon footprinting, the aim of which will be to identify and analyse existing carbon footprinting methodologies and initiatives in EU Member States and internationally, and to identify features that might be relevant for future policy development.

A senior Commission official told EUROPEN's Internal Market Work Group in March 2009 that the Commission's preferred approach to carbon footprinting is to facilitate cooperation between the EU Member States to encourage greater convergence of methodologies.

The submitted tenders will be opened at the end of October, and the study is expected to take 6 months to complete.

Chemicals Agency issues 'in a nutshell' guide to the REACH requirements

The European Chemicals Agency (ECHA) has published an easy-to-read guide to the REACH requirements for substances in articles.

The ECHA guide and EUROPEN's guide to REACH for the packaging supply chain are available from: <http://www.europen.be/?action=onderdeel&onderdeel=3&titel=Key+Topics&categorie=3&item=22>

REACH applies to packaging as an 'article', and all packaging suppliers need to be aware of their obligations under its rules.

Global packaging and environment standards to be developed

EUROPEN welcomes the decisions by the International Organization for Standardization (ISO) to create a new sub-committee (TC 122/SC4) on packaging and environment and to mandate this sub-committee to begin work on global packaging and environment standards.

The new sub-committee will be co-chaired by the standardisation bodies of Sweden and China and will meet for the first time in Stockholm on 10-11 December.

EUROPEN believes that a harmonised approach to packaging and environment issues on a global scale is now urgently

needed to avoid new barriers to trade caused by different and often conflicting regional, national and even local measures on this topic. We welcome the initiative of the Japanese standardisation body to propose the European CEN packaging and environment standards as the starting point for a global approach. EUROPEN also notes that this global initiative does not change the status of the EU harmonised standards as a means for companies to demonstrate conformity with the legally binding Essential Requirements in the EU Packaging and Packaging Waste Directive.

Tour of Europe

France: Consumer acceptance for packaging deleted

The French legislature has removed consumer acceptance from the list of requirements that packaging has to meet, and has limited legal requirements with regard to packaging to respect for product safety, hygiene and logistics.

EUROPEN has written to the European Commission objecting to this change to France's law of the Grenelle and the Environment, pointing out that reference to the need for consumer acceptance of packaging is a mandatory Essential Requirement contained in Annex II of the Packaging and Packaging Waste Directive.

EUROPEN asked in our letter that the Commission launch infringement proceedings against France, as the changes made by the French legislature contravene the harmonisation objective of Article 1 of the Packaging and Packaging Waste Directive, which is binding and does not permit Member States to make unilateral changes to the Essential Requirements. EUROPEN understands that the Commission is holding informal discussions with the French authorities, pending the drafting of an implementing Decree which would be needed to bring the change into force.

Norway: EFTA case dropped

The European Free Trade Association Surveillance Authority has dropped its case against Norway concerning the levying of a tax on non-refillable beverage packaging.

The Authority had earlier begun an infringement proceeding based on the potentially discriminatory nature of the tax but, after considering information and arguments presented by Norway and a thorough re-examination of the case, it concluded there were insufficient grounds to pursue the case further.

The Authority concluded that even though the tax might be considered to have a potentially discriminatory effect on imported products containing soft drinks and water, it is not discriminatory as regards beer and non-carbonated water as domestic producers are also to a large extent using non-refillable packaging. Since the tax affects domestic as well as imported products, the Authority took the view that there does not appear to be any indirect discrimination.

EUROPEN News

Global CEO Forum Project

EUROPEN has been an active participant in a Global CEO Forum Project, launched by CEOs of major retail and manufacturers of fast moving consumer goods in March.

The Forum, which met in New York in June this year, aims to establish a globally applicable definition of common packaging sustainability metrics.

A report was presented to CEOs at this meeting, where the principles for process and sustainability metrics, as well as a vision for how this will develop in future, were agreed.

Phase II of this project is now underway, and a framework for commonly used metrics on environmental, social and economic sustainability is being developed. These metrics will be trialled in a controlled environment during the first quarter of 2010.

ECR Europe / EUROPEN Guide to help corporate decision-making on packaging

EUROPEN and ECR (Efficient Consumer Response) Europe have jointly published a guide for senior executives that provides practical guidance and recommendations on steps companies can take to optimise the contribution their company's packaging policies make to sustainability.

The Guide points out that there would be a 15-fold rise in food waste in Western Europe without packaging and underlines that packaging cannot be viewed as a stand-alone product, ignoring its key function, which is to protect, distribute and display wares.

The Guide (Packaging in the Sustainability Agenda: A Guide for Corporate Decision Makers) can be downloaded from the EUROPEN website, at www.europen.be

Bulk orders for printed copies of the Guide are also possible, at a cost of € 5 per copy plus postage and packaging. Contact the EUROPEN Secretariat on + 32 2 736 3600 for more information.

EUROPEN seminar on packaging and sustainability

EUROPEN hosted a successful half-day seminar in Brussels in May on the topic *Beyond Compliance? Packaging in the Sustainability Agenda* which focussed on the cost, consequences and consumer responses to EU and nationally introduced packaging compliance measures.

The keynote speech was given by Michael Kuhndt, from the UNEP/Wuppertal Collaborating Centre on Sustainable Consumption and Production who spoke on the political

aspects of sustainability. Other speakers included EUROPEN members Erika Mink of Tetra Pak on greening packaging supply chains, Lars Lundquist of Nestlé on the results of an LCA of baby food packaging alternatives and Ulrike Sapiro of Coca Cola on carbon footprinting and packaging.

The presentations can be downloaded from the EUROPEN website.

Council of Members

EUROPEN's Autumn Council of Members took place on 22 October at the Hotel Le Plaza in central Brussels. As usual, members attended a dinner on the eve of the meeting.

Highlights of the agenda included a presentation by Christoph Tamandl of the European food and drink industry organisation CIAA on progress made by the European Food Sustainable Consumption and Production (SCP) Round Table (see article on page 3). Members also heard from Katrin Recke of the European Brandowners Association AIM on the work being

done by the Global CEO Forum on common definitions and principles for packaging metrics in the context of sustainable development (see article on top of this page).

Updates were also provided on developments in France and Belgium, and on moves to develop global packaging and environment standards (see article page 4), as well as the results of the audit of EUROPEN's communications with our members (see article on page 7).

EUROPEN Internal Communications Audit Results

EUROPEN consulted its members in June on how they receive information from EUROPEN.

Overall the results were positive, finding that internal communications were positively viewed by members and that they rated EUROPEN staff highly and found them to be responsive.

Respondents to the audit suggested that better organisation and search functions are needed for the EUROPEN website, and requested that presentations and videos be made available in the member area of the site. The full results were reported to EUROPEN members at the 22 October Council of Members.

Events

Event	Location	Date
EUROPEN Council of Members	Brussels	21 April 2010
Total Processing & Packaging	Birmingham	25-27 May 2010
ProPack China	Shanghai	14-16 July 2010
EMPACK	Brussels	September
Tokyo Pack	Tokyo	5-8 October 2010
EUROPEN Seminar	Brussels	20 October 2010
Emballage	Paris	22-25 November 2010

Bulletin Subscription

To subscribe to the EUROPEN Bulletin, send an e-mail to packaging@europen.be with the message "subscribe to EUROPEN Bulletin" in the subject field. To unsubscribe from this list, send an e-mail to packaging@europen.be with "unsubscribe to EUROPEN Bulletin" typed in the subject field.

Join EUROPEN

For information about how to join EUROPEN, contact our Managing Director, Mr. Julian Carroll: packaging@europen.be