



CIRCULARITY WORKS, LET'S ALL GIVE IT A CHANCE

UNESDA position paper on the new
EU Circular Economy Action Plan

Introduction

UNESDA Soft Drinks Europe and its members have been driving sustainability throughout their value chain for decades. Packaging has an important role to play for the beverage industry, keeping its products safe, transportable and convenient for consumers. UNESDA is also a firm believer that packaging is a resource that should never be wasted. That's why the soft drinks industry is taking numerous actions to achieve full circularity and support the Commission's agenda to accelerate the transition towards a green economy.

Our six key asks to move this agenda forward



Collection, collection, collection

Promote collection as the cornerstone of the circular economy to create closed loops



Defend the principles of circularity

Reduce, reuse, recycle – which also means that if a product is 100% circular, it should be considered as having a full role to play in a circular economy



Incentivise long-term investments into circularity

Send clear policy signals to economic operators to ensure common efforts and provide certainty to invest in circularity across the value chain



Boosting recycling innovation

Unleash the potential of innovation - for example by supporting mechanical and enhanced recycling techniques, while incentivising proven and established models



Develop a science-based EU approach to green labelling

Put together a common, modern European approach on the sustainability information about food and drink products that should be communicated to consumers, in order to avoid fragmentation



Promote a holistic and multi-stakeholder approach

Continue to involve all relevant parties in legislative and non-legislative discussions

Making Europe's society and economy circular

After the EU adopted the Circular Economy Package in 2018 and defined its goals and objectives to build a circular economy, the new Circular Economy Action Plan is the next step in this transition towards circularity. To support this agenda, efficient collection schemes to increase collection of all beverage containers are needed to ensure the availability of high quality rPET and continue to successfully recycle aluminium and glass in a sustainable way.

The transition has already started and is moving ahead at full speed.

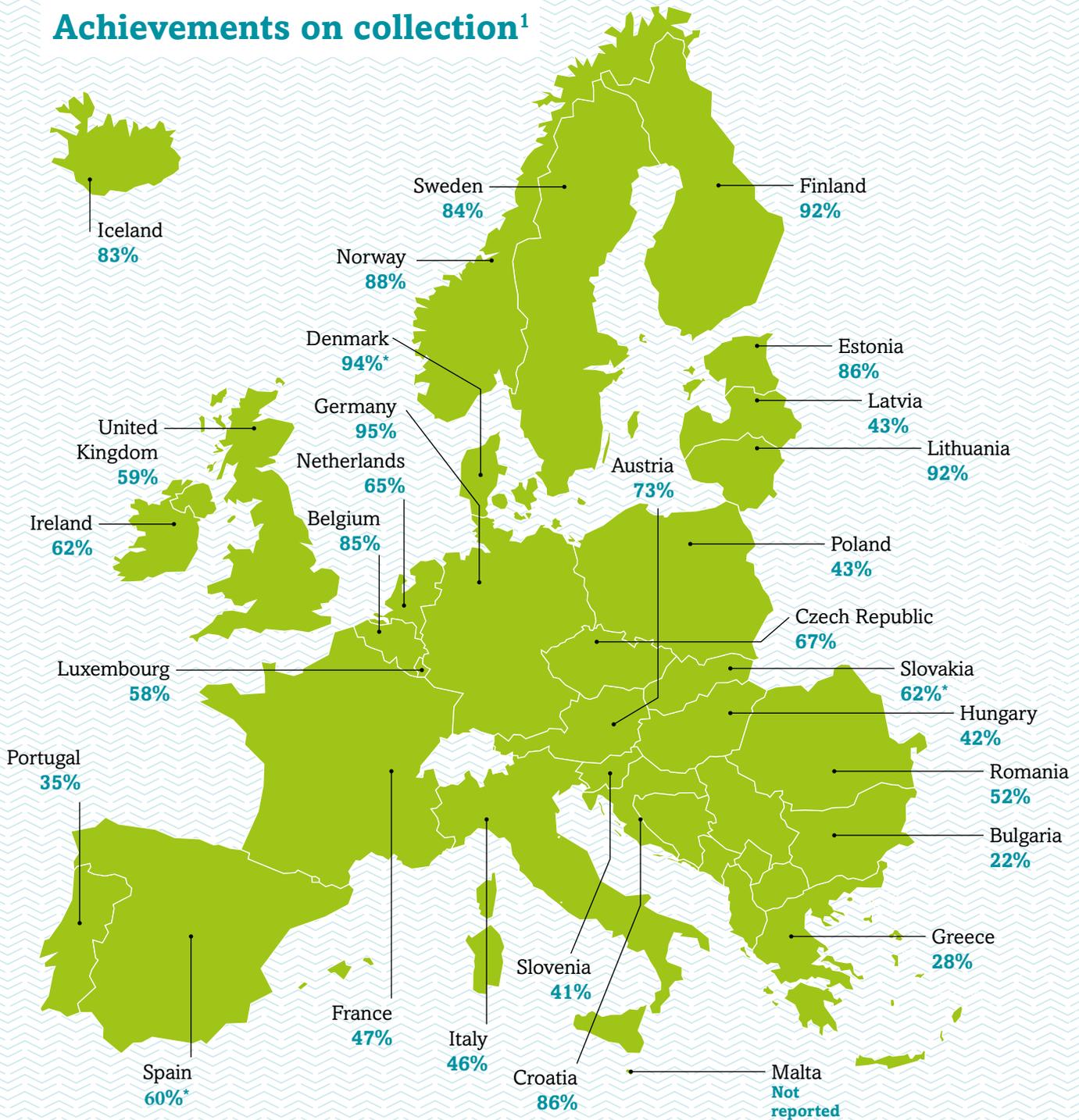


Targets for recycled content

- UNESDA members committed to use 25% recycled content in plastic packaging in the next five years and make all their packaging 100% recyclable. Some are already going further
- Coca-Cola launched the global World Without Waste ambition to: collect and recycle 100% of the bottles and cans it sells by 2030, accelerating that in many countries in Europe to 2025, create packaging that is at least 50% recycled material by 2030 (in many countries in Europe by 2023) and have all packaging recyclable by 2025
- PepsiCo has set a goal to use 50% of recycled plastics (rPET) in its beverage bottles for the European Union by 2030, with an interim target of 45% by 2025 - more than tripling the amount of recycled plastic they use. The goal covers all EU member countries and all the company's beverage brands in PET (the primary plastic used in their bottles). PepsiCo also set a goal to use 25 percent recycled plastic content in all their plastic packaging around the world by 2025
- Refresco targets 50% recycled PET content in its beverage containers by 2025 and supports deposit return schemes and closed-loop recycling
- By accelerating its existing efforts, and through supporting deposit return schemes across Europe, Suntory Beverage and Food Europe will initially use 50% sustainable plastic packaging (rPET) across primary packaging by 2025, and set out a roadmap to use fully recycled or plant-based materials across its entire portfolio by 2030

The SUP directive requires 90% separate collection of plastic beverage containers by 2029. Many countries around Europe, with the active engagement of UNESDA members, are taking action to achieve this PET collection rate before 2029.

Achievements on collection¹



Our key asks:

- Industry needs legal certainty, consistency & long-term vision to accelerate investments in collection, recycling & recycled content
- Policymakers need to send clear policy signals to economic operators to ensure common efforts to make long-term investments in circularity across the value chain

1. Source: Eunomia/EFBW/Petcore/PRE 2020, based on 2017 data.

*Slovakia – Source: Institute for Environment Policy report, November 2018

*Denmark – Source: 2019 data from Dansk Retursystem A/S

*Spain – Source: 2017 Ecoembes

A sustainable product policy framework

EU actions ensuring that only safe and sustainable products can be put on the market must maintain the original spirit of the 2018 Circular Economy package: achieving a genuine circular economy will only be possible when done in accord with industry and by introducing science-based measures. Considering reuse, repair and recycling as tools that differ in their approach, but each contribute equally, when optimised, to achieving circularity of the EU economy.

Packaging that is 100% recyclable, that is largely collected and recycled (e.g. at least 90% for PET), and that finds its way back into new packaging (e.g. a minimum 25% for plastic packaging), should be considered as circular and sustainable under a sustainable product policy framework.

EU authorities must provide producers with legal certainty on their definition of what constitutes a circular and sustainable product. Therewith, the industry can optimise its production processes and investments to ensure its packaging is fully circular. The transformation of entire production facilities will entail investments but also costs without accompanying revenues or cost-saving benefits to make a return on investment. This process requires a significant amount of time for a managed transition; therefore, EU authorities also have to provide sound policy measures to support this transition.

Using more recycled content – secure supply of food-grade quality rPET and supported recyclable packaging

It is very positive that the plan aims at using more recycled content in packaging. UNESDA members are committed to going significantly beyond the 25% recycled content target of the SUP directive provided that the supply of affordable food-grade quality rPET is secured.

Food safety remains the main priority. Therefore, industry should only make beverage packaging out of food-grade quality PET: EFSA² recommends that the input to be recycled originates from materials and articles that have been manufactured in accordance with EU legislation on food contact materials and that the proportion of PET from non-food consumer applications is no more than 5%. Food-grade quality PET is of the highest quality and if it is taken for use in non-food applications, it means it will be downcycled.

UNESDA asks for the preservation of food-grade PET recyclates for food-grade applications, and with a preferred access for the industry that provides most of the highest quality recyclate. Only then will it be possible to achieve the 25% rPET target and go further. Regulators must set the right legal framework so that PET bottles, e.g. in DRS systems, have to be recycled to beverage bottles as a priority.

Finally, where infinitely recyclable materials are already in use, UNESDA members are committed to including them within the suite of packaging materials in the framework. UNESDA asks for broad consideration of existing recyclable packaging to be included and endorsed in the framework, so that positive measures in place are recognised and supported.



Empowering consumers – avoid confusion on sustainability information and collection schemes

Empowering consumers is crucial. But a precondition for empowerment is access to information. A common European approach is needed for the streamlined scope and mode of communication about sustainability information of food and drink products to consumers. A proliferation of different labels carries significant risk of unclarity and confusion in the data-sensitive area of sustainability. UNESDA supports the Commission's actions to ensure proper calculation of the environmental footprint of products and calls for the development of a science-based approach to legislating around environmental claims.

Empowering consumers also means improving packaging recovery schemes' operability and use for consumers. The soft drinks industry has been heavily involved in the setting-up and running of waste recovery schemes across Europe for over a decade. The types of scheme in place in the future will depend on the situation – urban, semi-urban or rural – and on the national customs and experience; therefore sharing of information and good practice is crucial. To ensure efficiency of the different systems in EU countries, there is a need for common principles for well-designed Deposit Return Schemes (DRS), similar to the minimum requirements established for other EPR schemes, including for example eco-modulation of deposits and contributions, fair fees, and value-based pricing.

Our key asks:

- Build a sustainable product policy framework based on sound science
- Define as sustainable all packaging that is 100% recyclable, that is largely collected and recycled (e.g. at least 90% for PET), and that finds its way back into new packaging (e.g. a minimum 25% for plastic packaging)
- Define common principles for collection schemes to improve their operability and use for consumers
- Provide preferred access to food-grade quality recyclates for the beverage industry
- Promote an EU approach to environmental information for products

Key product value chains: packaging and plastics

Circularity for packaging and plastics

Specific sectoral actions should be taken at EU level to address challenges to circularity for packaging and plastics:

- UNESDA supports the review of the essential requirements for reuse and high quality recycling of packaging, hence the need to support sustainable products that are recyclable, recycled and - in the case of plastics - using recycled content. UNESDA supports the European PET Bottle Platform, which aims to ensure that PET bottles put on the market are as recyclable as possible
- Microplastics should first be addressed by developing an EU harmonised calculation method for measuring them

- A policy framework for bio-based plastics should be developed to enable industry to invest in bio-based plastics in a sustainable way
- The European Commission needs to ensure overall harmonisation of the Single Use Plastics Directive at national level, especially for the definitions, to avoid fragmentation of the internal market

Reducing (over)packaging and packaging waste

Some of the objectives of the new Circular Economy Action Plan need to be clarified:

- When calling for reducing (over)packaging and packaging waste, the industry needs to know whether the aim is to reduce unnecessary packaging, which the entire industry is committed to do providing there is a common understanding of what such a definition covers, or reducing packaging as a whole, which needs to be taken into consideration together with other issues – e.g. food waste and shelf lives of food and drink products, as well as food safety, supply chain constraints, etc

Achievements on light-weighting

In terms of reducing overpackaging, our industry is constantly looking for ways to light-weight its packaging:

- Coca-Cola introduced KeelClip™ packaging technology on multipack cans, a minimalist recyclable paperboard “topper” which replaces plastic shrink film
- In 2018, Coca-Cola European Partners invested €3.7m to light-weight its packaging portfolio. It resulted in a decrease of 1,983 tons of packaging, reducing the company’s carbon footprint by 4,663 tons of CO2 in Western Europe
- In 2018 PepsiCo introduced Sustainable from the Start, an innovation programme placing sustainability and lifecycle at the heart of PepsiCo’s innovation process. This programme enables their product development team to review each innovation with carbon, water and packaging impacts in mind when designing new products including their packaging
- In line with its Reduce & Recycle motto, Refresco works closely with its suppliers to reduce the total amount of material used and aims for a higher proportion of recycled materials in its packaging
- Coca-Cola Hellenic Bottling Company launched an ambitious PET bottle light-weighting programme which reduced the use of PET by 6,000 tonnes in 2019 compared with the prior year. They reduced the weight of their 33cl can by 4% during 2019, and expect to achieve a further 4% reduction by 2021



Achieving a circular economy is a complex task, where a number of different factors must be taken into account, requiring a multi-stakeholder approach and the full mobilisation of industry, governments, consumers, academia and civil society. The Circular Plastics Alliance and the European Circular Economy Stakeholder Platform are crucial forums to work jointly towards boosting collection, recycling and the uptake of recycled content, and more generally building a circular economy.

Our key asks:

- A science-based methodology to measure secondary microplastics should be developed
- Clarify what ‘unnecessary packaging’ means
- Involve all stakeholders of all packaging materials using the Circular Plastics Alliance as a model to replicate

Less waste, more value

The industry is committed to supporting the decoupling of waste generation from economic growth. A central element to achieve this is the acknowledgement of waste as a resource and the continued increase of re-using and recycling it. A key for success will be investment in the right infrastructures and technologies to boost collection and recycling – thereby enabling producers to use more recycled content in their packaging and closing the loop. The soft drinks industry has been a frontrunner in putting in place EPR schemes (as deposit systems or as curbside systems) throughout Europe and calls for governments to increase efficiency and capacity of beverage container collection and sorting systems.

DRS has proven to be highly efficient in many countries. Well-designed DRS should be introduced in more countries when existing alternatives have not been sufficiently successful. Existing curbside EPR schemes should be optimised when they have proven their efficiency in reaching high collection rates, and are suitable to meet the SUP collection targets.

Recycling techniques are another crucial element to make the European economy circular. Existing, efficient mechanical recycling schemes must be complemented by new, innovative technologies including enhanced recycling. By combining the use of mechanically recycled PET, enhanced recycled PET and renewable PET, it is possible to reduce the carbon footprint of packaging while delivering products in a safe and sustainable packaging. By supporting innovation and the use of all available technologies, policymakers can empower the industry to deliver on its circularity objectives.

In the future, with these technologies combined, it will be possible to have packaging that is progressively virgin plastic free and completely circular.

To go further and faster, EU authorities and policymakers must support the validation of new recycling processes and create the right conditions for alternative plastic recovery technologies like enhanced recycling and feedstock recycling to demonstrate their potential.

Our key asks:

- Support the setting up of DRS where no successful alternatives are in place
- Take swift action on authorising plastic mechanical recycling processes positively evaluated by EFSA
- Set a legal framework to prioritise access to food-grade PET/rPET for beverage bottles
- Create a supportive legal framework for alternative plastic recovery technologies like enhanced recycling and feedstock recycling
- Speed-up the process to establish the rules for the food-safe operation of these alternative recycling technologies as clarity on rules for their operation is a basic requirement for safe investments by industry
- Ensure that waste that is recycled via those new technologies (enhanced recycling, feedstock recovery) is still considered as recycled content
- Simplify and harmonise those processes to unleash the full potential of those new technologies under the REACH registration

Cross-cutting actions

UNESDA is fully supportive of the transition to a circular economy and our objective is to offer products in packaging that is 100% free from virgin material. To do so, Europe needs to invest in collection and recycling, improve access to recycled content, and allow the use of enhanced recycling.

A consistent approach on sustainability at EU level is required:

- Taking measures that encourage the reduction of the carbon footprint of packaging, e.g. by promoting light-weighting and other innovations to reduce CO₂ emissions. The efforts made by our industry to build a circular economy create direct gains for climate objectives and contribute to the climate neutrality target of the EU
- Avoiding sending contradictory signals which could lead to bans of products which are in fact recyclable, collected, recycled, and using high levels recycled content. For instance, the decision of the French government to reduce all SUP by 50% by 2030 and a complete phase-out all SUP by 2040 could imply that circularity for certain products should not be pursued. This not only cuts across sustainability initiatives at European level but could result in a distortion of common market principles
- Transitioning to other types of packaging may lead to unintended consequences in terms of carbon footprint or other environmental impacts as all types of packaging have their benefits and their disadvantages. For example, according to a UK parliamentary select committee report released in September 2019, non-plastic food-packaging alternatives — on average — increase energy use by 2.2 times, carbon dioxide emissions by 2.7 percent, and weight by 3.6 times

Our key asks:

- Avoid banning packaging which is both recyclable and uses a high level of recycled content
- Refrain from promoting one packaging against another, leading to unintended consequences on CO₂ emissions

Monitoring progress

The Monitoring Framework for the Circular Economy and the use of indicators on resource use, including consumption and material footprints to account for material consumption and their environmental impacts, will be central to be able to measure the success of this circularity policy.

UNESDA has already committed to having external third parties and auditors monitor whether its ambitions on packaging sustainability are fully achieved by 2025. They will look at the recyclability of our primary plastic packaging; measure the increase in recovery rates in all EU markets; compare the use of rPET by our industry between 2018 and 2025; and assess where reusable bottles have been used. Results will be shared with stakeholders in full transparency.

The Monitoring Framework will also be crucial to assess the speed and scale brought by the industry to the transition as well as to adjusting the policies to ensure the objectives of the Action Plan are met, e.g. on the uptake of recycled content into new products.

Conclusion

There are numerous examples across Europe that show that circularity works - see our experience and achievements here: www.unesda.eu/#sustainable. The soft drinks industry is a frontrunner in making its products and packaging more sustainable and remains committed to tackling waste. The European institutions now need to put in place the framework to fast-track the transition from a linear to a circular model in the years ahead.

We all need to give circularity a chance. It has the potential to deliver and make our packaging recyclable, collected, recycled and then find its way back into new products as recycled content. UNESDA will continue contributing to this agenda and bring both speed and scale to circularity.