

## UNESDA submission to the European Commission public consultation on reducing packaging waste – review of rules

### Overview of UNESDA

UNESDA - Soft Drinks Europe is the Brussels-based trade association for the non-alcoholic beverages sector, representing European producers of soft drinks including carbonates, still drinks (e.g. ice teas), energy drinks and fruit-based drinks.

The membership of UNESDA comprises 24 national beverages associations and 9 companies with operations in several member states.

The EU soft drinks sector is rooted in the European economy and society. It employs 1.7 million people throughout its €185 billion value chain with 424 soft drinks production and bottling plants across the EU.

**UNESDA fully supports the input provided to this consultation by its umbrella association FoodDrinkEurope. In this present submission, UNESDA places emphasis on some of the key aspects of major importance and relevance to the EU soft drinks sector.**

### 1. Taking realistic and resourceful measures on waste prevention

In the consultation on reducing packaging waste, the Commission makes a number of proposals as to appropriate policy measures to tackle packaging waste in the long term. The input below addresses a number of those proposals and elaborates the soft drinks industry's vision on circular packaging.

#### Waste as a resource

UNESDA members have always been supportive of reducing packaging waste and have therefore already taken several actions to that effect.

UNESDA considers it is crucial to continue protecting the very principles of circular economy, meaning that a packaging that is easily recyclable, sorted, collected and recycled, must be considered as a full and legitimate part of that circular thinking. UNESDA shares the Commission's perspective that too much packaging is not collected and recycled at the moment<sup>1</sup>, and we believe the expected results of the recently agreed requirements for beverage containers in the SUP Directive which, properly implemented, could lead to even higher recycling rates.

**This is why we favour avoiding packaging where possible, and when it has to be used, packaging waste must be considered a resource (product, packaging):** a beverage container that is designed to have the least environmental footprint and is recycled back to a beverage container or upcycled differently, is a resource because it prevents the use of virgin materials, in line with the Green Deal objectives of improving resources management.

We share the goal of the Commission to reduce litter and marine litter, and we believe this can be achieved through circularity, by collecting more than 90% of beverage packaging as well as boosting the uptake of recycled content in beverage bottles. We would not however support specific targets linked to consumption reduction or sales reduction, which would contradict directly the fact that packaging waste can and should be considered a resource for circular economic models.

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<sup>1</sup> According to recent reports, for example from Eunomia, there is about 12% recycled content on average in PET bottles around Europe.

### Packaging has functionalities

Our industry uses packaging as a way to safely deliver its products to consumers.

**UNESDA calls on the Commission to recognise as central to the functionality of packaging: that packaging serves a safety and hygiene purpose, but also has other roles to play. For example, packaging allows consumer information to reach consumers as required by EU and national legislation.**

UNESDA believes overpackaging should have one clear and prescriptive definition. Multipacks should not automatically fall under the ‘overpackaging’ category failing to consider their functionality. Multipacks are needed for product integrity during transport and distribution, to facilitate consumer experience, and to respect the recommended portion control measures that respect EU dietary standards.

Underpackaging is the other extreme that the revised Essential Requirements will have to avoid. There are no absolute references to define what should be the “right” amount of packaging and for a good reason: food and beverage packaging can only be assessed in relation to the product it contains therefore overpackaging and underpackaging should be defined as packaging that does not meet the functionalities expressed in the essential requirements.

UNESDA considers it is crucial to ensure minimum common requirements are respected across Europe to promote the use of only circular packaging. This will better help the sector pivot for innovative and circular solutions. Our members are also trying to find alternative delivery systems such as ‘in bulk’ soft drinks and the kind, but bringing such changes at scale require a major transition of business practices, consumer acceptance, as well as clear supporting public policies.

### Innovation is key

UNESDA calls on the Commission to ensure that the revision of the essential requirements for packaging can also leave room for the exploration of innovative design and new packaging solutions – in full respect of the objectives of reducing the environmental footprint of packaging. While having different objectives, the Directive will have to adapt to new packaging, new end-of-waste management options and ensure that it will be relevant for the next 10 years and beyond.

**In practical terms, this also means for EU authorities to take action to unleash recycling innovation by validating pending authorisations for mechanical recycling and providing a clear regulatory framework for enhanced recycling** and other innovative solutions (e.g. enzymatic recycling) to allow all players to move to the next level.

### Fiscal instruments must not fragment the EU market

UNESDA continues to believe that further fiscal measures – such as taxes on plastic packaging – are not the most efficient tool to prevent waste and to drive the innovation and investments needed to meet the intended policy objectives of the Green Deal - especially not at a time when European industry is trying to recover from a significant economic recession caused by the COVID-19 pandemic.

**UNESDA’s perspective is that taxation must be predictable, transparent, non-discriminatory, and designed in a way that limits substitution or distortion of competition.** The plastic packaging tax, as proposed at EU level, should be harmonized so as to respect the Single Market. Fundamentally, we disagree that such a levy will be dispersed into the general budget or recovery fund, while we believe that it should be earmarked for the necessary investments in infrastructure to collect (e.g. DRS and EPR schemes) and recycle more plastic packaging. Even if the rate of the levy differs from one country to another, we believe design elements and thresholds should be the same in all EU countries in order

to avoid fragmentation of the EU single market, and support the creation of a well-functioning secondary raw material market in Europe. As a matter of principle, a packaging tax should not be levied on recycled content.

*Deposit-return schemes are a way to prevent waste by leading to closed-loop recycling*

We also believe collection should continue to be considered central in transforming waste into a resource. In the case of beverage packaging, **UNESDA considers well-designed deposit-return schemes (DRS) an efficient recovery scheme for reaching the European collection targets for beverage bottles and for safeguarding the quality of recycled PET that our industries need.** In order to ensure their efficiency, we call for the European Commission to develop EU guidelines, by 2022, for minimum requirements for the functioning of new DRS around Europe and its cost-efficient implementation.

## 2. Making the recyclable choice the rewarding choice

*Recyclability is a condition of circularity*

UNESDA strongly commends the Commission's goal of making all packaging recyclable or reusable by 2030. Our members have been working for years to increase the use of recyclable packaging. **In 2020, more than 90% of the primary packaging used by the soft drinks industry is recyclable.** Only a few packaging formats are still striving for recyclability (e.g. pouches).

**UNESDA supports exploring measures that aim to strengthen the definition of recyclability and enforce it, as well as ensuring incentives through eco-modulation for recyclability,** but invite the Commission to build on existing achievements for PET recyclability in particular: UNESDA is a founding member of the European PET Bottle Platform (EPBP), which provides ambitious guidelines to ensure PET recyclability. EPBP guidelines should be used as the basis for the work the Commission plans on the recyclability of PET – just as it has been used in several EU institution reports and workstreams in the past (e.g. [JRC report](#), [PEF methodology](#), etc.). For other materials, we support working with all the actors from the value chain to strengthen the definition and enforcement of recyclability.

We also strongly believe a definition for recyclability needs to be harmonized across all EU countries. The definition should also be technology neutral.

Available and accessible waste infrastructure also plays a role in effective recyclability. This is why we support incentivising investments from all stakeholders to improve the design and the recyclability of packaging put on the market, and allowing the entire value chain to strive for the highest recycling rates.

## 3. Ensuring priority access to food-grade quality recycled content for the beverage industry, which is the obliged industry

UNESDA believes that, in order to boost the uptake of recycled content, there should be a competitive secondary raw materials market in Europe.

To date, the beverage industry is the only sector with mandatory targets for collection and recycled material use. However, the availability of food-grade quality rPET is not sufficient and competition for recycled content is rising within the sector and among sectors. **This is why we believe beverage**

**containers should be dedicated to closed loop recycling for the beverage sector to reach its mandatory targets, but also to avoid downcycling and ensure that high quality material continues being used for food-grade purposes.**

UNESDA is working towards new circular packaging commitments, based on simple principles: we want all of our packaging (glass, aluminium, PET) to be recyclable, to be widely collected, to use more recycled content, and to be reusable where and when it brings environmental benefits. But in order to achieve such goals, we need efficient collection schemes and high-quality sorting facilities to increase collection of all beverage containers to ensure the availability of food-grade quality rPET and continue to successfully recycle aluminium and glass in a sustainable way. We think it is crucial that producers are encouraged to strive for recyclability and that collection systems are optimised, in order to increase recycled rates for all packaging.

Deposit return schemes - where consumers return their packaging to collection points - can be an effective way to reach collection and recycling targets with the right conditions in place. We believe that the Commission should develop guidance on the matter to ensure the implementation and proper functioning of DRS across Europe.

UNESDA calls on the Commission to develop guidance to promote the circularity of materials and to set mandatory recycled content targets for other specific packaging formats as well as specific non-packaging applications, in order to foster the setting up of a well-functioning EU secondary raw materials market.

The beverage sector is currently the only industry with the legal obligation to use recycled content in its PET bottles, while many of its members are going beyond the legal requirements where the right conditions are in place. With this in mind, in order to improve the uptake of recycled content across the industry sectors, there needs to be enough good quality feedstock and enough scale. Extending the minimum requirements for recycled content to other types of packaging, while respecting each sector's specificities and needs means everyone will need to innovate and find new ways of increasing the uptake of recycled content, it will bring scale, and positively impact the affordability aspect. Interest in collection will also increase as an important source for clean stock.

**It also means EU authorities must take actions to secure priority access to recycled food grade PET for food grade applications, and to secure adequate supply without compromising safety standards for the food and beverage sector.** This will not only improve the availability of secondary raw material but will inevitably also have a positive impact on separate collection.

Our industry also believes that incentivising a stronger uptake of recycled content should come with long-term perspectives and legal certainty for economic operators: indeed, investing in recycling innovations, infrastructures, networks, requires long-term planning. We absolutely share the European Commission's vision of promoting sustainable packaging that uses resources wisely, has increased amounts of recycled material and has a life-cycle that serves the goal of climate neutrality. But to achieve that, it needs to be clear that all sustainable packaging can be part of and contribute positively to circularity and therefore it should not be banned. Hence the need for legal certainty and long-term vision.

When it comes to recycled content targets for all packaging, we think those should be applied across different packaging formats and materials. We also support the development of EU standards on the methodology to measure recycled content, in order to avoid fragmentation of the EU market through a multiplication of national standards.

#### **4. Any specific targets on reuse and refillable formats must be science-based and economically sound**

UNESDA is committed to using more reusable packaging – which, in the case of beverages, means refillable packaging – where it makes environmental and economic sense but any objective on reusable packaging is conditional on having the infrastructure in place along the entire supply chain like DRS. Hence a long transition phase is required to accommodate the systemic change that will be needed, as all the stages of the value chain would need to make major investments and changes to adapt to refillable processes.

**Our sector is aiming to use more refillable packaging by 2030 compared with 2020 when it makes economic sense and brings environmental benefits.** The sector is collecting further data in order to study the best environmental and economic pathway to increase the use of refillable models.

**Any discussions about refillable targets should be based on a sound environmental and socio-economic impact assessment and on clear lifecycle analyses.** This will avoid trade-offs such as increased emissions and water use compared to the improved end-of-life, and disproportionate environmental and economic consequences for businesses that could undermine consumer trust in choosing a certain brand for the quality characteristics they appreciate - ranging from functionality to environmental and social impacts.

Any potential shift towards mandatory reusable and refillable solutions for some types of packaging - such as transport packaging - should start with a clear definition of both ‘reusable’ and ‘transport packaging’ that resolves question such as the number of cycles needed for a packaging to be considered reusable.

#### **5. Labelling of packaging must help consumers and ensure waste properly sorted to stay a resource**

UNESDA fully support the Commission’s perspective that consumers must be at the heart of the green transition and that providing them with appropriate tools to contribute to this transition will be crucial, building a partnership between producers and consumers.

**UNESDA believes labelling of packaging should have two main objectives: 1) help consumers be informed in a clear manner on how to sort waste the best way possible 2) ensure no resources are wasted but that waste is properly sorted, collected and recycled.**

In practice, it means such labelling (to indicate that a packaging is recyclable, reusable, compostable, etc.) must respect a number of conditions:

- First and foremost, labelling must serve consumers – meaning helping them to make informed choices and actions, incentivise producers to transition to more sustainable packaging and practices, and ensure a responsible and wide consumer choice
- Actions at EU level is needed to avoid the risk of seeing a proliferation of different schemes across Europe from a variety of sources, such as retailers, national authorities and food producers, leading directly to further fragmenting of the EU market and confusion for the EU consumers

**While fully supporting consumer information and transparency, we believe it is crucial not to overload packaging with labelling information and avoid any risk to confuse consumers.** We call the Commission to conduct a thorough impact assessment on packaging labelling before proposing new

requirements, to ensure such rules would actually serve consumers and really result in more collection, not less collection.

It is also important to consider digital solutions to labelling, by enabling and incentivising the use of apps, scans, and QR codes to have information on how to sort the packaging they use.

It is essential that new rules around labelling continue to uphold the principles of circular economy, meaning that a packaging that is easily recyclable, collected and recycled, or that is reusable, must be considered as a full and legitimate part of that circular thinking – and presented to consumers as such to help them make informed and sustainable choices.

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