

UNESDA SOFT DRINKS EUROPE - Position Paper on Re-use

Executive summary

Waste reduction in our industry can be achieved in three complementary ways: reduce (e.g. light-weighting), reuse, and recycle.

Offering more reusable solutions should be part of the EU strategy to reduce packaging and packaging waste, but this should not hamper the existing efforts being made to make beverage packaging more circular. The EU circular economy action plan and the single-use plastics directive have already led to major investments in recyclability, collection and recycled content.

The European soft drinks industry is committed to increase the share of reusable beverage systems offered on the EU market and to collaborate with EU decision-makers to develop the appropriate legislative framework to make the shift towards more reuse a success.

Given the significant investments and changes needed, this ambition can only be achieved if a series of conditions are met:

- 1. The level of the reuse targets should be based on a thorough environmental impact assessment, showing net environmental benefits and waste reduction, to ensure they make sense from an environmental viewpoint.**
- 2. The measures should be set at the European level and not offer the possibility for Member States to impose additional reuse measures:** Such approach will allow each sector with the greatest potential for reuse to direct the investments where they make the most sense. It will also avoid the development of a patchwork of national reuse measures, creating a fragmented market.
- 3. All sectors where the increased use of reusable packaging would bring net environmental benefits should be encouraged and incentivized to increase their use of reusable packaging** in order to shift consumer collective behaviour and increase the positive effects of the measures taken.
- 4. The measures should take into account the full scope of reusable solutions and promote innovation in the field of waste reduction by adopting a wide definition of reusable beverage systems.**
- 5. The calculation method to measure progress should work for the great diversity of reusable beverage systems. For return on-the-go and from home, it should also only be based on the materials where actual reuse potential sits (currently only in PET and glass).**
- 6. A sectoral approach should be taken when it comes to the responsibility for the achievement of the measures.**
- 7. The measures should be channel-neutral and material-neutral (for return on-the-go and from home),** meaning that it should not be prescriptive when it comes to how each packaging material or distribution channel should contribute to the achievement of the measures.
- 8. The transition should be well-managed** which means a transition period of minimum 10 years should be established, efficient collection schemes should be put in place, incentives and financial support should be made available, and measures should be taken to guarantee consumer uptake and convenience.

Introduction

At UNESDA, we believe that in Europe's path to Net Zero ambition, it is important to lower the environmental impact of packaging as much as possible. In this sense, offering more reusable beverage packaging solutions should be part of the EU strategy to prevent waste generation and reduce single-use packaging. Those solutions can complement the great efforts already made and still being pursued by our industry on recyclability, collection rates and recycled content.

In our [circular packaging vision towards 2030](#), we committed to a 90% collection rate for all our packaging and to advance our ambition of having our PET bottles made from 100% recycled and/or renewable material by 2030, where technically and economically feasible. We also committed to increase the share of refillable beverage packaging in soft drinks sold on the European market.

Those commitments will help us improve the sustainability of beverage packaging across the board and move to a society with less and less packaging waste.

We respect the EU ambitions aimed at increasing re-use in Europe, provided those ambitions don't hamper the efforts being made to make beverage packaging more circular and sustainable (e.g. in line with the Single-Use Plastics Directive (SUPD)), and provided that a life-cycle assessment has been performed and that a series of enablers are in place.

Indeed, a socio-economic study on refillable PET beverage packaging being carried out by PwC on behalf of UNESDA indicates that the shift towards more refillable packaging represents major investments and significant changes in the beverage packaging value chain, production, distribution, logistics and retail. In addition, the environmental impact of refillable beverage packaging, compared to its single-use circular alternative (optimised by the SUPD requirements and UNESDA collection and recycling commitments), may only prove to be positive in certain situations.

Here is a series of conditions and enablers that are paramount for a successful increase of reusable solutions in Europe:

- 1. Any EU action on reuse should be based on a thorough environmental impact assessment, showing net environmental benefits and no increase in waste:**

Some LCA studies have shown that refillable packaging doesn't always bring more environmental benefits than single-use packaging that is collected, recycled and made of recycled content.

For example, the report "[Carbon footprint of soft drinks packaging](#)" by the Carbon Trust shows that single-use PET has the greatest carbon reduction potential from today's values, by using recycled content and improving recycling rates.

Another study¹, commissioned by UNESDA and NMWE and performed by Quantis, also suggests that a low weight single-use PET bottle with already 11% rPET has a lower carbon footprint (>10% lower) than its reusable counterpart, and this difference increases as the amount of rPET increases. This is due to the significant impact of return transportation and washing operations.

¹ **Disclaimer:** This study is currently ongoing a peer-review. While the conclusions are expected to remain intact, we still advise to take those results with caution until the peer-review has been finalized.

A refillable PET system has additional environmental costs which depend on a great number of factors: through increased utility consumption from operating additional machinery and washing bottles, and higher fuel consumption from increased logistical complexity. To ensure a net environmental benefit, for example, the distance between manufacturers, bottlers and retailers needs to be minimised which is not always possible – meaning significant impacts on the supply chain and bottling line productivity.

We call on the Commission to carefully consider the environmental impact of the proposed measures on reuse and to demonstrate in its proposal how, and under which circumstances, the proposed measures will bring net environmental benefits. In particular, the kilometers travelled by the refillable packaging should be carefully taken into account and the environmental benefits should be compared with those achieved with fully circular single-use beverage packaging (collected and recycled into new beverage packaging). **The use of refillable beverage packaging should only increase when and where it makes sense for our environment. Any measure adopted at EU level should provide the necessary flexibility to allow this.**

2. The EU actions on reuse should:

2.a Be taken at the EU level

We believe that measures aimed at increasing reuse should be taken at the European level and not in each Member State. Such approach would allow each sector with the greatest potential for reuse to direct the investments in reusable systems where capacities allow it, and where they make the most sense for our environment, for the economy and for consumers.

Indeed, while at EU level the current share of refillable packaging for soft drinks is 7% (3% for glass and 4% for PET), this does not fairly represent the current share at national level. Indeed, in almost all EU countries the current share of refillable PET is 0%, while in Germany it reaches 17%. As the shift towards reusable systems requires significant changes in infrastructure, production, logistics, this means capacities in each Member State vary greatly.

Under such conditions, imposing identical objectives for reuse in each Member State would not take those national differences into account and would not guarantee the desired environmental benefits at the EU level. **We therefore call on the Commission to set objectives to be achieved at the European level.**

Furthermore, given that the overarching objective of any EU Regulation is to bring more harmonization and legal clarity to businesses and citizens, **the revised framework should be the only act of reference for reuse measures and any conflicting national measure (adopted prior or post the entry into force of this Regulation) should be avoided.** This will prevent the development of a patchwork of national reuse/refill measures, creating a fragmented market.

While we strongly recommend not providing Member States with the possibility to establish their own reuse targets, we believe that in such a scenario some safeguards should be put in place in the form of Commission's guidance which Member States will have the obligation to follow (see annex 1). Such guidance would limit the negative impact created by the diversity of national reuse measures, making any measurement very difficult, hindering the efficiency of the measures, and creating barriers to the EU single market.

2.b Take a collective approach to stimulate behaviour change and increase impact

Increasing the share of reusable systems in only one sector (i.e non-alcoholic beverages for example) will unfortunately never bring the desired effects. To really shift consumer collective behaviour and increase the positive effects of the measures taken, it is necessary to offer a variety of reusable/refillable products on the marketplace. Indeed, a wide collective approach also means wider environmental benefits.

All sectors where the increased use of reusable packaging would bring net environmental benefits should therefore be encouraged and incentivized to do so.

Furthermore, if the measures are to be truly achievable, the whole value chain of distribution, including downstream, needs to be working towards the same goal. **Therefore, all distribution channels (e.g retailers and Horeca channels) should also be covered by the scope of the EU measures on reuse.** The measures need to ensure the participation of the distributors, not only in producing their own reusable systems, but also in providing to their customers a diversified selection of the reusable systems made available by brands on the market. **An increase in reusable systems will only be possible with the participation and collaboration of distributors, and in particular retailers, which represent one of the main sale channels for reusable systems.**

The measures should however remain channel-neutral, meaning that it should not be prescriptive when it comes to how each channel should contribute to the achievement of the measures, leaving the flexibility to the different industry sectors to invest where it makes sense from an environmental and economic viewpoint.

2.c Cover the full scope of reusable systems (and not only return on-the-go)

All reusable systems will contribute to reduce the amount of packaging waste and to increase the rate of reuse in the coming years. **They should therefore all be part of the EU strategy to reduce and reuse packaging, and innovation in this area should be further promoted.**

For this purpose, the [Ellen MacArthur Foundation \(EMF\)](#) provides a useful overview of current available reusable systems:

- **Refill at home:** Users refill their reusable container at home (e.g with refills delivered through a subscription service or purchased directly)
- **Return from home:** Packaging is picked up from home by a pick-up service (e.g by a logistics company)
- **Refill on the go:** Users refill their reusable container away from home (e.g at an in-store dispensing system)
- **Return on the go:** Users return the packaging at a store or drop-off point (e.g in a deposit return machine or mailbox)

Concrete examples of all reusable systems are available in Annex 2.

Offering sustainable and convenient packaging solutions to consumers will be the key to change purchasing patterns and realize a circular economy in practice. By providing different options that are

convenient, circular, reusable and reducing single use plastic, our sector will maximize the potential to reach as many consumers as possible, in as many drinking situations as possible.

The revised PPWD should therefore include a clear and unambiguous definition which is broad enough to cover the four types of reusable systems identified by the EMF. Current definitions available in EU legislation (i.e in Directive (EU) 2018/852) unfortunately do not meet this objective and need to be broadened. We would therefore encourage the European Commission to use the following proposed definition:

“A reusable beverage system shall mean a beverage system which has been conceived, designed and placed on the market to allow reuse or refill (at home, in-store or in relevant filling facility) at least a second time in its lifecycle for the same purpose for which it was conceived and without compromising its quality and safety of usage.”

2.d Be accompanied by an efficient monitoring & reporting system

The monitoring of the measures taken should be clearly defined, and designed in a way that allows the European Commission to keep track of the progress made while preventing administrative burden. As much as possible, the data already collected by existing waste collection schemes and based on operators packaging declarations should be used.

A tailored calculation method should be developed in a secondary legislation (implementing act) and acknowledge the variety of reusable packaging systems. Indeed, only using sales units as a metric for reuse will not accurately reflect the multiple usages, the variety of volumes of sale units and the packaging reduction achieved with the different reusable beverage systems. A tailored calculation methodology should be developed, taking into account the different reusable beverage systems, reflecting the reality of their multiple usages and waste reduction potential, as well as promoting further innovation in the field of reusable systems.

The reuse metrics chosen should:

- represent all products and reuse systems,
- be fair to all products and reuse systems measured,
- be future-proof and anticipate solutions that today don't exist or are niche,
- decouple business growth from packaging use growth,
- give equal weight to different products regardless of value, packaging weight, etc.,
- be easy to report and demonstrate scale.

Concretely, for each type of reusable beverage system, a representative number of reusable units could be identified, reflecting the reusable capacity of each sales unit. For example, a single sale unit of certain reusable systems (i.e refill at home solution) should account for several reusable units in the calculation for the achievement of the measures.

2.e Place the responsibility at the sectoral level (for the soft drinks sector)

We believe that a sectoral approach (rather than a target set on each economic operator or at the retail level) is the way to go.

A sectoral approach based on collective responsibility has already proven its efficiency. The soft drinks sector has demonstrated its capacity and commitment to take ambitious sectoral actions to reduce the sugar content of its products or increase the recycled content of its plastic packaging, leading to great results surpassing the EU ambitions. **We believe that a similar approach where businesses in the European soft drinks sector would work together to increase the use of reusable packaging in Europe would bring the most benefits, and yet be realistic. This could be achieved, for example, via well-framed self-regulation. Taking the example of what is proposed in the Sustainable Products Initiative (SPI),** the Commission could, in a similar way, assess the self-regulation reuse measures proposed by our industry and be able to request a revised version of the measures whenever considered necessary. Where the Commission considers that a self-regulation measure does not fulfill or no longer fulfils the objectives set in the Regulation, it should be able to take mandatory measures.

In contrast with this sectoral approach, an approach based on mandatory objectives set for each economic operator would not take into account the great diversity of operators in terms of size, portfolio, use of materials, logistics and value chain. The investments required to start developing or increase the offer of reusable solutions are extremely high and probably unachievable for most SMEs. Furthermore, providing a threshold based on operators' threshold to grant exemptions would likely create a major competition issue, especially as the turnover is not the only element which may facilitate or hinder the development of reusable solutions and related infrastructures.

We also observed at national level schemes based on the responsibility of the retail and horeca sectors to reach reuse targets and we are concerned by the risks associated with such an approach. Indeed, it is well known that the relationships between producers and retailers are extremely complex. We are concerned such an approach could lead to unfair and unrealistic targets set on brand owners and lead to competition issues created by the additional control provided to retailers regarding the reusable solutions available in their premises.

For those reasons, we don't see mandatory objectives set for each economic operator or at the retail level to be viable solutions. We therefore encourage the European Commission to consider an alternative approach based on the responsibility of our sector as defined by category 14.1 in the EU additives legislation (excluding natural mineral water and spring water which have specific requirements as well as the sub-category 14.1.5 (coffee)).

2.f For return on-the-go and from home, include PET and Glass primary packaging in the scope & exclude small packaging

Soft drinks are packaged in a number of different materials and sizes to meet diversified consumer demand. Each type of primary packaging used with soft drinks has its functions and answers to different consumption patterns. They are not used in the same proportion by all soft drinks producers, in all Member States, and also all have a different environmental footprint.

The EU approach to reusable should be flexible enough to adapt to each producer's reality, and keep the environmental benefit as the core rationale of the measures. **For returnable refillable bottles the legislative framework should be material neutral, meaning that it should not be prescriptive when it comes to how each packaging material should contribute to the achievement of the measures, but it should also only focus on the materials where the most potential sits (currently only in PET and glass), acknowledging each material's potential in the short to medium term.**

Also, for consumer convenience and efficiency, we recommend for the scope of the measures to only cover packaging that is larger than 500 ml for the return on-the-go and from home systems (for example, as foreseen in the Austrian law). Due to the law of diminishing returns, the smaller the size the less environmentally efficient the refill model becomes. Furthermore, containers of less than 500ml are typically for on-the-go consumption. They need to be convenient for the consumers which means lightweight, unbreakable, and very easy to dispose of on-the-go in the most appropriate collection point. Requiring refill for smaller sizes would require manufacturers to move packaging towards formats that are capable of refill, such as glass, or heavy PET, which undermines both the importance of consumer convenience for on-the-go consumption, while also creating hazards and risks as smaller on-the-go formats are much more prone to breakage and collateral litter.

3. The transition should be well managed:

3.a The timing for transition should be realistic

Any measure, whether voluntary or mandatory, should be based on a thorough assessment and analysis of the changes required and of the amount of time necessary to make those changes.

Major investments have already been made in recyclability, collection and recycled content to achieve the targets set out by EU legislation. We believe it would lack coherence and vision to disrupt all these positive investments and ask businesses to change their sustainability strategy from one day to another.

Furthermore, with more time to transition, suppliers will have more time to invest in order to meet the increased demand for reusable packaging and the tooling to deliver what is necessary to build reusable systems (such as new production lines), helping to keep prices lower and reducing costs for bottlers and ultimately consumers.

In the case of refillable bottles for the return on-the-go system, the longer bottlers have to transition, the more they will be able to take advantage of the natural depreciation of existing single-use lines. **Given that bottling lines have an asset life of around 15 to 20 years, this can only be achieved by having a transition time of at least 10 years.** Furthermore, single-use bottling lines cannot be converted into refillable ones. **Provided the PPWD is adopted in 2023, it means any target shouldn't be applicable before 2033 at the earliest.**

3.b Efficient collection schemes for reusable should be in place in all EU markets

Efficient collection schemes is the condition sine qua non of any reuse success and should be put in place in all relevant markets.

Just like the further roll-out of well-designed Deposit Refund Systems (DRS) is necessary to achieve the required collection rates for single-use plastic beverage packaging, returnable refillable packaging collection systems are necessary to implement a return on-the-go system. Any return on-the-go system for refillable bottles will indeed require an industry-wide system that operates on the basis of a deposit.

Given the limited experience with such systems, flexibility on the design of such systems should be provided as long as they demonstrate their performance in achieving high collection rates for returnable refillable packaging. Similarly to DRS for single-use packaging, minimum requirements for efficient collection schemes for returnable refillable packaging could be considered at a later stage, once more expertise has been built. Potential synergies between DRS for recycling and DRS for reuse should be explored when relevant (based on the local context) to leverage existing infrastructure where possible and beneficial.

The other three recognized types of reuse do not necessarily need a returnable packaging collection system (e.g. refill at home) or may leverage an existing collection system (e.g. return from home). In all cases, all auxiliary products that are used in support of reuse systems, such as consumer-owned bottles or drinking containers for dispensers and fountains, must be either reusable themselves or recyclable and captured by a collection and recycling stream.

3.c The necessary measures should be taken to guarantee consumer uptake and convenience

A prerequisite for any returnable packaging scenario is good consumer uptake and high collection rate.

This requires significant behaviour change and buy-in from consumers, both to choose to purchase reusable packaging and to choose to return the packaging back into the system once consumed.

Without buy-in, consumers may either switch to more convenient packaging options or choose to not return it, threatening the sustainability of the system, and sector.

Therefore, any measure should be designed in a way that incentivizes consumers to return reusable packaging (in the case of a returnable packaging scenario). The obliged industry, the European Commission and Member States should partner to support public education of the reusable systems.

Consumer awareness campaigns through ongoing mass communications are necessary for the successful introduction and the success of more reusable solutions. In Sweden, the refillable PET bottles system failed because of the contamination created by the use of the refillable containers for non-food and drinks products such as petrol or pesticides, making their reuse in the food and drinks market unsafe.

2.d Support measures should be available

In order to maintain competition, **support measures including incentives and financial support should be available to all companies impacted by the measures.**

The increase of reusable solutions will require significant investments across supply chains. All companies, small and large, have a role to play in the increase of reusable solutions. SMEs in particular may be less able to comply with policy targets and potentially be pushed out of the market in a reusable system, due to the investment required. Smaller bottlers are also disadvantaged due to the large number of bottling lines needed to operate a reusable system and achieve the same number of packaging. Bottling lines need to be located nearer to retailers than in a single-use system, therefore requiring a higher number of lines to serve the same geographical region.

The European Commission should use available financial schemes to provide support to the sectors concerned. As an example, Austria dedicated €110 million of the EU recovery fund to support retailers and beverage companies for their investments in washing and filling lines for refillable packaging.

ANNEXES

Annex 1: Suggested minimum requirements for reuse measures

In line with the conditions and enablers detailed above, any national measure aimed at increasing the use of reusable solutions should include in its scope all industrial sectors having the possibility to use reusable packaging.

Regarding how those measures should apply to the non-alcoholic beverage sector, the following guidance (based on our suggested approach at the EU level) should be followed as enablers for the success of the measures:

- Be based on a national life-cycle assessment of the environmental performance of single-use versus refillable packaging (the level of any national target should be justified by an environmental impact assessment)
- Be channel-neutral and material-neutral
- For return on-the-go and from home, include PET and Glass bottles & exclude small packaging in the calculation for the achievement of the targets
- Be based on a wide definition of reuse, covering the full scope of reusable systems available on the EU market (on the basis of the Ellen MacArthur Foundation reuse models)
- Be accompanied by an efficient monitoring system, based on the calculation method set out at the European level
- Include a transition period of minimum 10 years
- Be conditional to the existence of efficient and well-performing collection schemes for the reusable systems requiring return logistics
- Be designed in a way that guarantees consumer uptake, by educating and incentivizing consumers to re-use or return the reusable packaging
- Include incentives and investment support for the targeted industries via available financial schemes

Annex 2: Examples of reusable systems

Refill at home: Users refill their reusable container at home (e.g with refills delivered through a subscription service or purchased directly)

Example 1: NIVEA Eco-Refill - NIVEA offers reusable PET hand soap bottles that can be refilled by the customer by adding warm water and a refill tab to generate hand soap. The bottle is made of recycled material and is especially designed to be re-used.



Example 2: SodaStream by PepsiCo – It allows customers to make sparkling water at home in reusable bottles. Flavours can be added as desired to make a range of fizzy beverages. Customers make a one-time purchase of the SodaStream appliance including special reusable bottles. The recurring purchase of compressed CO² in returnable cylinders happens either in store or online. In-store, customers bring back empties and receive a discount on their next purchase. Online, a deposit is paid for the delivery of filled gas cylinders and return labels, and customers ship back empties in exchange for the deposit.



Example 3: Coca-Cola syrups – Since March 2021 Coca-Cola Germany has been offering some of their most popular brands as soda syrups, allowing consumers to prepare their own drinks at home, simply by adding carbonated water. As part of this trial, Fanta Orange, Sprite and Mezzo Mix are available as a soda syrups for carbonated water for the first time. The soda syrups are available online and through select retail outlets. They are offered in a 0.33 L glass bottle, from which 5 L of ready-to-drink beverage can be made.



Return from home: Packaging is picked up from home by a pick-up service (e.g. by a logistics company)

Example 1: DabbaDrop - It is a ready-made meal service using reusable packaging. DabbaDrop transports ready-made meals to the doorstep in reusable packaging. Users subscribe to receive a DabbaDrop either once or twice a month. A one-time fee for the DabbaDrop container is added to the first purchase. At the next delivery, the empty container is picked up, washed, and reused by DabbaDrop.



Example 2: Loop - It is an online and physical store shopping facility developed by TerraCycle that features products in premium reusable packaging from well-known brandowners such as P&G, Nestlé, PepsiCo, Unilever, etc. The Loop platform streamlines returns for the user by offering delivery and pickup of products and empty packaging, and removes hassle for the brandowner by taking care of reverse logistics, cleaning, sanitation, and redistribution. Products can only appear on the Loop platform if they are reusable and can be recycled into the same products at their end-of-life. The Loop membership fee for brands is determined by the durability, washability, and LCA of the packaging.



Refill on the go: Users refill their reusable container away from home (e.g at an in-store dispensing system)

Example 1: LOVE NATURE AND KAUFLAND 100 % rPET reusable bottles -

Together with the Henkel brand "Love Nature", the German Grocer Kaufland is setting up stations where customers can refill bottles they have purchased over and over again. The bottle bodies are made of 100 % recycled PET and are fully recyclable. When making their first purchase, customers can simply take an empty bottle from the station, fill it, weigh it and then pay at the checkout. When refilling, the cleaned bottle brought from home is refilled and weighed - at the checkout, customers then only pay for the filling.



Example 2: DASANI PureFill -

Coca-Cola has developed a vending machine for water refills with the option of adding flavours and/ or carbonation for a small fee. The machine is built using existing Coca-Cola technology for dispensing, chilling and bag-in-box flavours combined with a user-friendly touch screen and a custom-built smartphone app for tracking DASANI PureFill locations and cashless payment. After an initial pilot on the Georgia Institute of Technology campus in 2017, DASANI PureFill stations are now in the process of being rolled out to several other university campuses, schools, hospitals and at-work locations.



Return on the go: Users return the packaging at a store or drop-off point (e.g in a deposit return machine or mailbox)

Example 1: Coca-Cola Reusable PET Bottles -

For Coca-Cola, refillable bottles already play a significant role in its packaging mix and will contribute to the Company's global reuse goal. In addition to the refillable glass bottles in many markets where the main brands are available, returnable and refillable PET bottles are also available in Germany, where they are returned to the producer via a refillable return system. The return rate for both glass and PET is around 97%.



Example 2: Hepi Circle -

It allows users to purchase small quantities of household products in reusable bottles. Customers purchase a small refillable bottle with a household product (e.g. detergent) from Hepi Circle through a warung (local family-owned convenience store). Once they have used the product, the empty bottle is exchanged at the warung for the purchase of a full bottle. The empty bottle is cleaned and refilled at a central location, and then redistributed to the warungs, by bike, ready for the next customer.

