



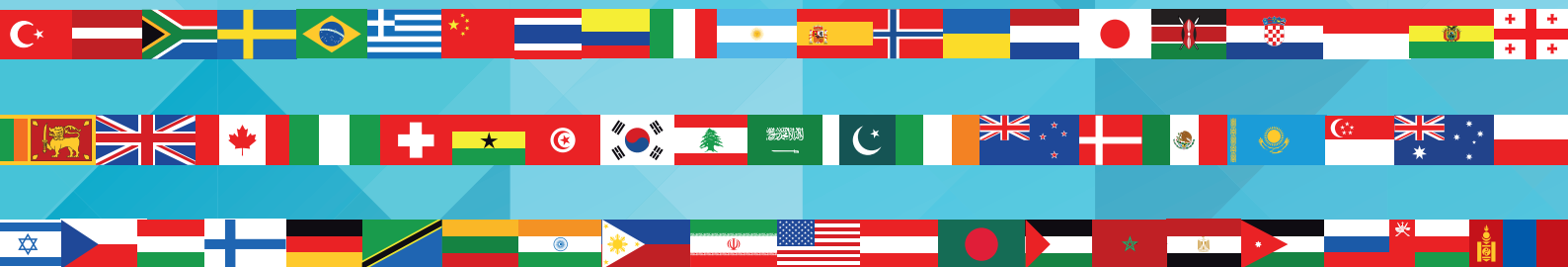
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Position Paper

# The world of Sustainability varies amongst WPO Members

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45 Members of the World Packaging Organisation (WPO) Board recently came together – albeit virtually – to discuss what has been happening around the world in the last 6 months.

As a part of the Sustainability & Save Food Working Group meeting 18 countries including the EU, Finland, Austria, Japan, Indonesia, Philippines, France, Spain, Italy, Turkey, India, Argentina, Australia & New Zealand, Kenya, the United States of America, the United Kingdom and Brazil showcased some of the key initiatives, regulatory updates and programs that are afoot in their country or region.

Whilst the common thread across all countries is a shift towards a more circular economy and the move to design out waste and pollution, every region and country naturally differs in approach.

It is encouraging to see that more Governments are establishing regulations, levies and pledges to achieve circularity, reduce problematic materials and unnecessary packaging and lower environmental impacts through circular and sustainable design.

The standout discussions focussed on Extended Producer Responsibility (EPR), Eco-Modulation, Deposit Return Schemes, Plastic Pacts, Single Use Plastic regulations, the European Green Deal, Certified Compostable Packaging and On-Pack Labelling programs.

## Extended Producer Responsibility (EPR)

Extended Producer Responsibility (EPR) for packaging is gaining global attention and adoption. This brings to the forefront the need to harmonise EPR across diverse regions, especially given the global interconnectedness of the economy and consumer packaged goods markets. There are many different approaches to the strategy, and many go beyond providing for end-of-life services to promote responsible product design, infrastructure improvements and market development. Effective EPR is often seen as a necessary piece of the puzzle in addressing the current recycling challenges and concern over single-use packaging waste.



Many WPO Member countries are following an Extended Producer Responsibility (EPR) practice and policy approach whereby the physical and/or financial responsibility for end-of-life disposal rests with the producers.

EPR schemes aim to encourage producers to change design at the start to ensure that the materials and packaging are truly recyclable and recovered at end of life.

The intergovernmental Organisation for Economic Co-operation and Development's (OECD) definition of Extended Producer Responsibility identifies two specific features: the shifting of responsibility for disposal 'upstream' from municipalities to producers and encouragement through incentives to make the design of products more environmentally friendly.

Within the **European Union (EU)** there are different national frameworks for EPR schemes that must be considered. In countries where informal workers or collectors are reclaiming the recyclables such as in the Philippines, Brazil, Thailand, Indonesia there is more work to be done in bringing all parties across the value chain together to ultimately improve the production capacity, increase the value of the materials collected, implement quality control processes for the workers, build the infrastructure to support end markets for the materials recovered and to ensure that the packaging is not ending up in landfill sites and waterways.

**Brazil** has a commitment to reduce emissions by 43% by 2030 and is seeking support to develop a sustainable green bond market. Green Bonds must have a positive environmental impact and governments and companies use the securities to finance sustainability projects such as renewable energy, sustainable water management, pollution prevention, green buildings and more.

## Eco-Modulation

In Europe particularly there is a move within Governments and Product Stewardship/EPR schemes to Eco-Modulation. So, what is Eco-Modulation? In the simplest of terms, it is a program that penalises the producers of problematic materials and difficult to recycle packaging and it provides incentives for materials that are recyclable and recoverable.

The UK Environment Bill enables eco-modulated fees, the CONAI scheme in Italy includes economic incentives and fee modulation and Germany is looking to launch the program in 2022. Eco-modulation is another piece of the puzzle for many countries.

## Deposit Return/Container Deposit Schemes

The introduction of more Deposit Return/Container Deposit Schemes around the world is a recognition that they play an important role for collection and recycling of beverage containers such as bottles and cans. Deposit Return Schemes enable consumers to be incentivised to recycle for an economic gain and to improve collection rates.



A Deposit Return Scheme (DRS) essentially focuses on the ‘polluter pays’ principle, where beverage suppliers are responsible for funding a refund for returned drink containers. If someone discards an empty container, they forfeit the right to the refund and someone else will benefit by picking it up and collecting the refund.

These schemes are also an example of product stewardship legislation in which the beverage industry takes greater responsibility for its packaging

after it has been sold. Beverage suppliers must ensure that a system is in place for the recovery and recycling of their empty beverage containers.

Eligible containers are taken to a collection depot or placed in a reverse vending machine to reclaim money for their drink container.

What are the benefits? Deposit Return Schemes provide a financial incentive to reduce litter, lead to cleaner beaches, waterways, parks and streets, and mean fewer recyclable materials are sent to landfill.

Across the **United Kingdom (UK)**, consumers go through an estimated 14 billion plastic drinks bottles, 9 billion drinks cans and 5 billion glass bottles a year. The UK Government for England, the Welsh Government and the Department of Agriculture, Environment and Rural Affairs in Northern Ireland have all made commitments to develop policy which work towards achieving these aims, not least through the development of producer responsibility proposals.

Introducing a Deposit Return Scheme forms a key part of these proposals, and has been committed to in various publications by the UK Government for England, the Welsh Government and the Department of Agriculture, Environment and Rural Affairs in Northern Ireland, including the manifesto on which the current UK Government was elected, the Resources and Waste Strategy for England, the Welsh Government’s Beyond Recycling, A strategy to make a circular economy in Wales a reality, and Northern Ireland’s Waste Prevention Plan.

In **Australia** every state or territory has now announced, or put in place, a Container Deposit Scheme.

In **Nigeria** RecyclePoints has developed the foremost waste recycling and social benefit venture in the country that motivates consumers to recycle by creating value from their everyday waste. RecyclePoints have a point-based incentive model where consumers can collect Pure Water Sachets, PET Plastic Bottles, Used Beverage Cans, Glass bottles, Old Newspapers and Brown Corrugated Cartons from registered partners. In return consumers are rewarded with points, which when accrued, can be redeemed for household items and cash.

**Austria** has a three-point plan against plastic that includes 1. the increase in recycled content for beverage containers, 2. Single Use Deposit schemes for plastic bottles and cans and 3. A manufacturer levy for plastic packaging with the ‘polluter pays’ principle and eco-modulation. Important measures in the next few years include the banning of oxo-degradable materials by 2021, Eco-Modulation by 2023, the fastening of caps and lids on all plastic beverage bottles by 2024, 25% recycled content in PET bottles and a single-use deposit system by 2025, achieving a 90% collection rate of all single-use plastics beverage bottle by 2029 and 30% reusable share for beverages by 2030.

**Rome, Italy** has seen 5 million plastic bottles recycled in exchange for bus tickets after the mayor Virginia Raggi introduced ‘plastic-eating’ machines in metro stations two years ago. Under the scheme, commuters who recycle plastic bottles at metro stations can accumulate credits for the purchase of bus and metro tickets through transport apps. There are now 8 subway stations with this program and commuters receive a credit of five cents for each plastic bottle, meaning if they recycle 30 bottles, they receive a free €1.50 ticket.

In the **Philippines** Coca-Cola recently signed an MOU with the City of Manila for plastic bottle collection and recycling. All clear PET plastic bottles, regardless of brand or manufacturer, that are deposited in contour bottle bins will be collected by Manila’s Department of Public Services and then transported by CCBPI to its PETValue recycling facility in Gen. Trias, Cavite. PETValue Philippines — a partnership between Coca-Cola and Indorama Ventures, a global leader in green tech and packaging solutions — is the country’s first, state-of-the-art, bottle-to-bottle, food-grade recycling facility.

**Brazil** is working on driving regulation on Chemical Recycling for food grade materials and the first two national chemical recycling facilities will be launched in 2022/23 by the private sector.

## Ellen Macarthur Foundation Plastics Pact Network



The ever-expanding Ellen MacArthur Foundation Plastic Pact Network connects national and regional initiatives around the world to implement solutions towards a circular economy for plastic.

Each Plastics Pact is led by a local organisation and brings together businesses, governments, NGO's and others in a specific nation or region behind a set of 2025 plastics circular economy targets, with annual public reporting on progress, to:

- Eliminate unnecessary and problematic plastic packaging through redesign and innovation.
- Move from single use to reuse where relevant.
- Ensure all plastic packaging is reusable, recyclable, or compostable.
- Increase the reuse, collection, and recycling or composting of plastic packaging.
- Increase recycled content in plastic packaging.

As an international challenge, Plastics Pacts address the transnational nature of the issues related to managing plastic by providing a consistent approach for global supply chains dealing with plastic waste travelling across our borders, moving from a linear approach to a circular economy for plastic, in which it never becomes waste or pollution.

There are currently 10 National Plastic Pacts in the world including: Canada, Chile, France, Kenya, Netherlands, Poland, Portugal, South Africa, United Kingdom and the United States of America.

There are also two Regional Plastic Pacts: ANZPAC Plastic Pact and the European Plastics Pact. ANZPAC, covering Australia, New Zealand and the Pacific Islands, is the first in the Oceania region.

The **India** Plastic Pact, which was collaboratively developed by WWF India and the Confederation of Indian Industry, was also launched in September. India has identified that they generate around 25,940 tonnes of plastic waste per day and 9.46 million tonnes of plastic waste annually, with 40% of the plastics uncollected and 43% all plastics produced are single use. The India Plastic Pact is a collaborative approach to reduce the problematic materials used in the country, reuse and recycle valuable materials for use in other products, keep materials in the value chain for as long as possible and to generate jobs and opportunities.

## Single Use Plastic (SUP) Regulations

40% of plastic that is produced globally is classified as Single Use where it is used once and sadly discarded. Governments around the world are trying to change the trajectory by establishing SUP regulations and directives. SUP regulations and bans was certainly a hot topic on most of the WPO country reports.

The reality is that consumers no longer want to see any



packaging placed on to the market that is used only once and then thrown away. Key items on most of the SUP banned lists include plastics bags, cutlery, straws, plates, stirrers, cotton buds, take-away containers, coffee cups and plastic water bottles.

The **European Union (EU)** SUP Directive was established reduce the environmental impact of certain plastic products to tackle and prevent marine litter. The directive aims to reduce consumption of SUP, encourage consumers to move toward reusable solutions and to establish higher collection rates and EPR schemes.

**India** has established an SUP regulation to phase out all problematic materials and packaging by 2022. The Ministry of Environment, Forest and Climate Change (MoEFCC) has introduced a new set of guidelines - Plastic Waste Management Amendment Rules, 2021. This will replace the existing Plastic Waste Management Rule, 2016 (PWM Rules, 2016) that was amended in 2018.

**Spain** is set to ban the sale of fruit and vegetables in plastic from 2023. This is one of the measures in a decree being drafted by the Ministry for Ecological Transition. The new regulation also contains measures to encourage the purchase of loose, unpackaged produce and purchase of non-bottled water. One of the main goals of the draft decree is to reduce the sale of plastic bottles for drinks by half by 2030, and for 100% of packaging on the market to be recyclable. The ban on fruit and vegetable packaging will apply to produce weighing under 1.5 kilograms, following similar legislation in France, which will go into effect in 2022.

**France** will ban the use of plastic packaging on around 30 fruit and vegetables from January 2022 to reduce the amount of problematic Single Use Plastic used in the country. The country identified that approximately 37% of fruit and vegetables are currently sold in plastic packaging and the ban will commence in 2022 covering a wide range of fresh produce. The government aims to reduce SUP by 20% by 2025. They will ban the use of plastic packaging on 30 fruit and vegetables from January 2022 and the new measure will eliminate around 1 billion unnecessary plastic packages. From January 2023, France will also ban throwaway crockery in fast-food restaurant for meals consumed on-site.

In **Australia** all states and territories have committed to SUP bans, with some enacted and others being launched in 2022/23. The Federal Government has also identified eight plastics for industry to phase out nationally by 2025 under the National Waste Policy Action Plan. These include lightweight plastic bags, oxo-degradable materials, straws, utensils, EPS consumer food containers, EPS loose fill and moulded packaging, microbeads in health care products. The Commonwealth Government has also committed to oversee a phase out of PVC packaging labels by end of 2022.

The WPO working group discussed the need for a more collaborative and harmonised approach for the nominated banned materials and SUP across the globe. In places such as Europe and Australia there are differing regulations between regions and states, which presents barriers for brands who sell into multiple markets. Another concern is that alternative material and packaging choices may potentially contaminate recycling streams and may not have a lower environmental impact. A balanced science-driven approach is needed when establishing SUP regulations and requires packaging technologists and engineers and polymer scientists to be involved in the discussions.

## Certified Compostable Packaging

While there is growing industry and consumer interest in the utilisation of compostable plastic packaging, there is also considerable confusion and misinformation in the market about materials labelled ‘compostable’, ‘degradable’ or ‘biodegradable’, and the correct disposal methods for these materials.

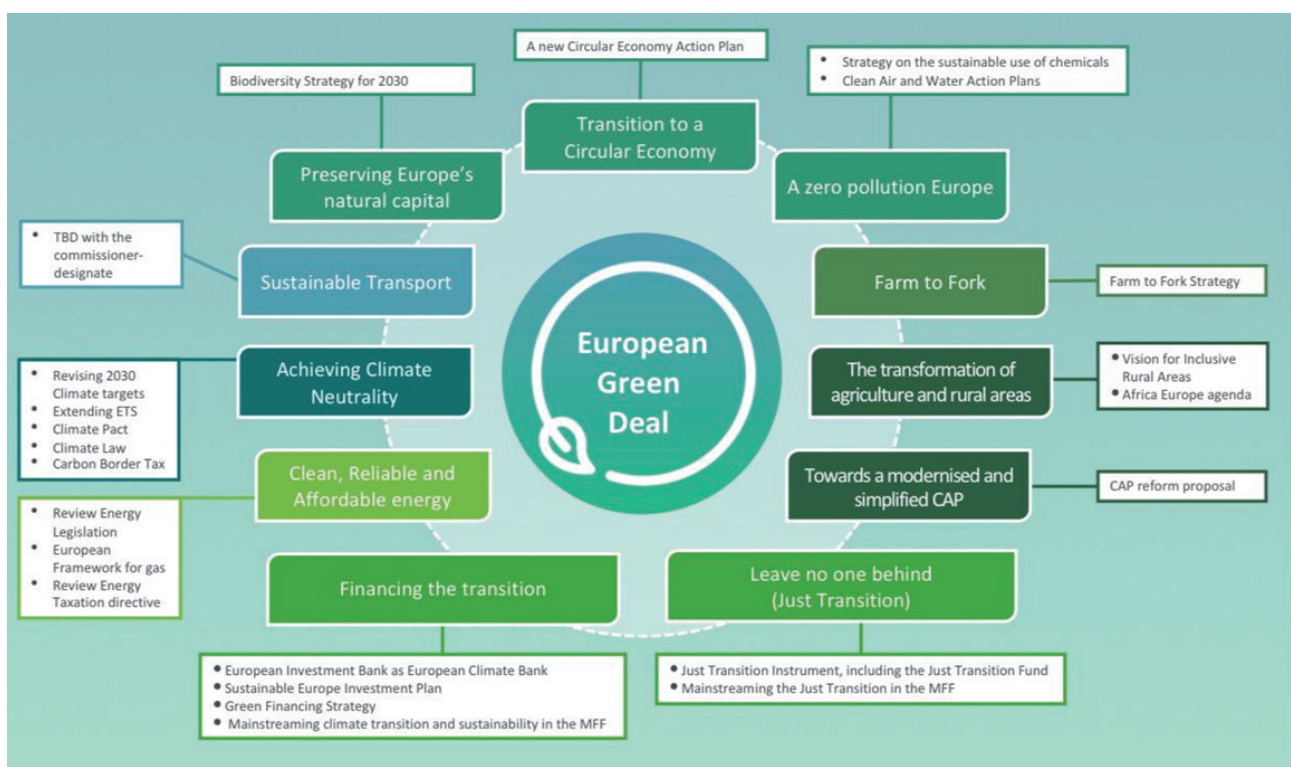
A claim of compostability should only be made if the packaging is certified to one of the relevant Standards and there is a system in place to recover it. The industry agrees that the terms ‘degradable’ and ‘biodegradable’ should be avoided and that only certified compostable logos that indicate compliance with country-specific standards, should be displayed on packaging. Any terms that are deemed as ‘greenwashing’, or misleading for consumers should be removed.



There is an agreed approach that only certified compostable packaging that is certified in the country in which it is sold should be placed on the market.

## European Green Deal

Within the European Union (EU) there is currently no law in place applying to bio-based, biodegradable and compostable plastics in a comprehensive manner. Therefore, in the European Green Deal and new circular economy action plan, the European Commission announced a policy framework on the sourcing, labelling and use of bio-based plastics, and the use of biodegradable and compostable plastics.



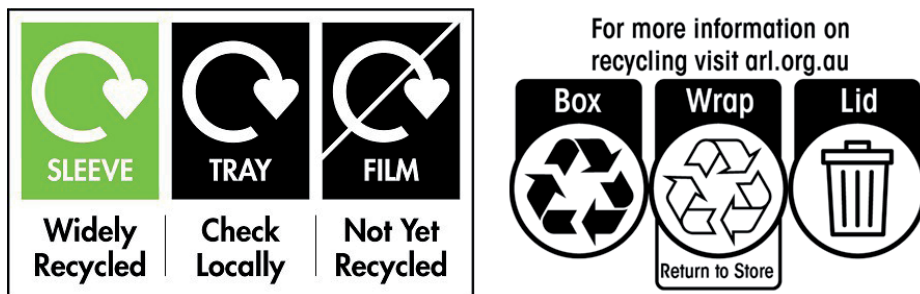


The Commission will assess where the use of bio-based feedstock leads to genuine environmental benefits, and not only reduces the use of fossil resources. It will also determine where using biodegradable and compostable plastics can be beneficial to the environment, and the criteria for these uses.

In **Austria** the government has developed a 2020-2024 Green Deal which will target the promotion of the Circular Economy, waste avoidance, the legal framework to promote innovative resource management, expansion of reusable systems with a focus on beverage packaging, packages of measures for the use of secondary raw materials including packaging, industry and building materials.

## On-Pack Labelling Program for Correct Disposal of Packaging

We are seeing more countries introducing On-Pack Labelling Programs such as How2Recycle in the **United States of America**, the Australasian Recycling Labelling program (ARL) in **Australia** and **New Zealand** and the On-Pack Recycling Label (OPRL) program in the **United Kingdom**. On-Pack labelling programs are evidence-based, standardised labelling systems designed to provide packaging designers and technologists and brand owners with the tools to inform responsible packaging design. On-Pack Labelling Programs are also to aid consumers to correctly dispose of packaging and the separable components in the right bin.



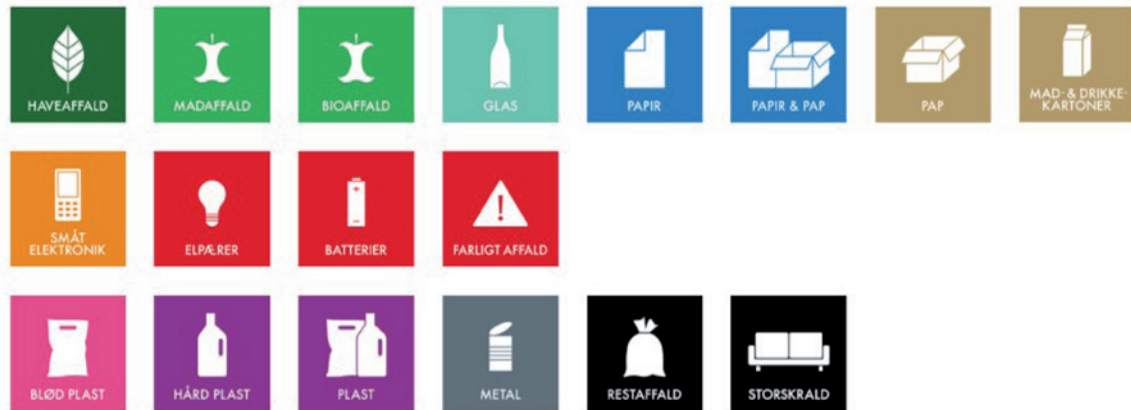
On-Pack Labelling Programs will assist waste reduction by:

- Delivering a clear, well understood label that will provide greater clarity about what packaging can be recycled.
- Helping brands to design packaging that is easier to recycle.
- Supporting businesses to inform consumers about the recyclability of their packaging.
- Increasing the recovery of recyclable materials and reducing contamination in the waste stream.

The **European Union (EU)** is also working on a harmonised model for consumer sorting instructions and how this should be implemented in a uniform way. EUROPEN is working with AIM (European Brands Association) and FoodDrinkEurope to develop a common position on an EU model for consumers sorting instructions for packaging waste. The objective is to establish a harmonised system in the EU that will provide consumers with understandable and clear sorting instructions for packaging waste.

The instructions will improve collection rates and achieve packaging recycling targets. The practical approach is to match the product identification symbol placed on packaging, with symbols on waste bins, and bins used by waste management/operators and municipalities so that the system is easy for consumers to use.

## Join in Nordic co-operation



The pictogram system was developed by Denmark and then introduced to Sweden, Finland, Norwegian and Iceland municipalities. In Finland the Ministry of the Environment is entering a national waste plan on the list of measures in the pictogram system. It will be interesting to see the roll out of this program in the region and see the uptake from consumers.

The WPO Sustainability working group discussions have shown that the world of Sustainability is ever-changing, dynamic and there is so much to learn from other countries. No country has all of the answers and it is clear that a collaborative approach to global discussions around circular and sustainable packaging design are paramount. Through the WPO, members have the opportunity to learn from each other, take elements from other country initiatives and apply locally, or help guide new members establish programs for their region. The true value of the WPO is knowledge-sharing and global harmonised collaboration across the members.

I look forward to reporting on the WPO Members Sustainability & Save Food initiatives in May 2022 as I have no doubt there will be many new, innovative and exciting programs to discuss.