















New Packaging and Packaging Waste Regulation

German Reuse Alliance calls for a strong position on reuse

About the Reuse Alliance & general evaluation of the proposal

The Reuse Alliance (Mehrweg-Allianz) is a coalition of Deutsche Umwelthilfe e.V. (DUH), the Association of German Beverage Wholesalers (BV GFGH), Private Breweries in Germany (Private Brauereien Deutsch-<u>land</u>), the Association of German Retail of Beverages (<u>VDGE</u>), Foundation for Reuse (<u>SIM</u>) and the Initiative for the promotion of reusable packaging (Pro Mehrweg). The Alliance, together with the Cooperative of the German bottled water companies (Genossenschaft Deutscher Brunnen), unifies decades of experience in operating the world wide biggest reuse system for beverages in Germany.

The Reuse Alliance assesses the draft of the packaging and packaging waste regulation (PPWR) as an important step towards reducing unnecessary packaging waste. The Alliance appreciates that binding reuse quotas are set at EU level for the first time which gives a strong signal to the packaging and beverage industry that well-managed reuse systems allow for maximised environmental and economic benefits. However, we want to point out that the current draft falls short in terms of level of ambition especially for the reuse quotas for beverage packaging. Moreover, we want to raise our concern that existing and well-functioning reuse systems must not be disregarded or even jeopardised when setting regulations that affect these systems.

Comments on certain provisions of the Draft Regulation

First and foremost, it is of utmost importance that the German translation of the proposed regulation uses the common and therefore correct terminology of re-use as opposed to single-use. The German term 'Mehrweg' is replaced throughout the translation by the paraphrase 'wiederverwendbare Verpackung'. This creates a softening of the term at its root, making re-use not a matter fact but a matter of interpretation. Against the background that the term 'Mehrweg' is a long-established commitment of quality in Germany, the softening of that term would represent an unacceptable step backwards for the reuse industry – not least because some of the signatories entail 'Mehrweg' in their names.

Definition of re-use

We welcome that the EU-Commission has defined 'systems for re-use' in Article 3, paragraph 26, meaning the organisational, technical /or financial arrangements, which enable the re-use either in a closed loop or open loop system. At the moment, however, we not only see inconsistencies between the English and German versions, but also miss the particularly important incentive to return reusable packaging in Art.

3 as we do not consider the reference in Annex VI part A to be sufficient. Incentives for reuse are essential to ensure the efficiency of systems and avoid "pseudo" reusable packaging.

In this way, we strongly support the definition set in the German Packaging Act: "Reusable packaging is packaging that is intended to be reused several times for the same purpose after use and whose actual return and reuse is made possible by adequate logistics and promoted by suitable incentive systems, usually by a deposit."

Additionally, we propose to set an average number of minimum rotations for reusable packaging in **Article 10 b)**. If an economic operator has to set up systems to guarantee at least 15 rotations, operators want to save even more costs by making their packaging as durable and thus economical as possible. Furthermore, setting a minimum rotation rate prevents the risk of greenwashing. According to a comparison of 32 life cycle assessment studies, 10-15 rotations for all packaging materials already brings the environmental benefit wanted compared to single-use packaging¹.

Moreover, the terminology of open and closed systems is confusing as the terms from recycling are transferred to reuse systems. The correct terms widely used in the reuse packaging industry are pool systems and individual systems.

Labelling of packaging

The requirements to tag packaging with a label as well as a QR code or other form of digital data carrier set out in Art. 11(4) do not sufficiently take existing reuse systems into account and may therefore cause major problems for reusable beverage bottles that are already circulating in functioning reuse systems. The indelible application of a label and a QR code/digital data carrier on a beverage bottle cannot be transferred into practice as the bottle labels are washed off before refilling. Easily removable labels is an important requirement for pool bottles to be reused by several economic operators as only the label indicates the filler's brand. This is why the signatories demand an exemption for reusable bottles that are already circulating on the market. Otherwise this requirement can lead to high additional costs that make reuse systems less competitive to single-use packaging and, in the worst case, lead to reusable bottles being taken off the market prematurely and having to be recycled earlier than necessary.

Reuse targets

The introduction of mandatory reuse quotas is progressive and provides investment security for the packaging industry. However, the reuse quotas in Article 26 must be increased significantly. In particular, the reuse quotas for beverage bottles for non-alcoholic and alcoholic beverages (except wine and spirits) are far too low at 25 percent for 2040. In Germany, the Packaging Act sets a target quota of 70 percent for reusable beverage packaging, while the beer sector exceeds the quota with more than 80 percent reuse and quotas of over 40 percent have been achieved in the overall sector for decades. The fact that the draft PPWR is based on Article 114 TFEU on the functioning of the EU's internal market, in conjunction with the currently unambitious formulation of the reuse quotas in Article 26 of the draft, must under no circumstances lead to Germany's ambitious quotas having to be lowered. This could be ensured by explicitly allowing Member States to set more ambitious quotas through an opening clause in Article 26.

Furthermore, it must be guaranteed that the general requirements for systems for reuse in **Annex VI**, particularly the requirements regarding a governance structure for reuse systems, **do not threaten already existing reuse systems by allowing derogations if they already exceed the proposed reuse quotas and if an exceptional economic burden can be proven. Germany has had well-functioning reuse systems**

¹ Reusable vs. Single-use Packaging. A review of environmental impacts. Downloadable at https://zerowasteeurope.eu/wp-content/uploads/2020/12/zwe-reloop-report-reusable-vs-single-use-packaging-a-review-of-environm

for decades, whose existence could be at risk from restructuring in line with the governance structures outlined in Annex VI.

Recycled content

Reusable packaging should not suffer any disadvantages with regard to the recycled content targets in **Article 7**. So far, the proposal does not differentiate between single-use and reusable packaging. However, reusable packaging has a significant longer lifespan. Beverage crates, for example, circulate on the market for up to 20 years. Crates that have already been put on the market would have to be taken out of the system prematurely and sent for recycling, if they do not (yet) meet the corresponding quotas for 2030. In order to avoid this, a transition period for reusable packaging of at least 5 years needs to be integrated in the proposal. Alternatively, the targets should only apply to reusable packaging that is made available on the market for the first time.

Deposit and return systems

The reuse alliance welcomes the obligation to establish deposit and return systems (DRS) for single-use plastic bottles and beverage cans. This will drastically reduce littering. So far, however, according to Art. 44 (6), it remains voluntary to enable the return of reusable packaging via reverse vending machines installed for the take-back of single-use beverage packaging. In order to leverage synergy effects and save costs, it should be mandatory for reverse vending machines to be designed to accept reusable containers from the outset.

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