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# European Parliament's Non-Legislative Report on the Circular Economy Action Plan

RPE reacts

## | Who we are

Reusable Packaging Europe (RPE) is the European association which represents the interests of companies active in the area of reusable transport packaging systems, primarily in the pooling of Reusable Packaging Containers (RPCs). Inspired by the EU Green Deal, it is RPE's mission to promote the pooling of reusable packaging as a circular service and as the most efficient and sustainable solution for the transport of food products in the European Union.

The RPC pooling business has been operating for several years with the ambition to **reduce the environmental impact** of (fresh food) **supply chains** by **reducing the use of natural resources** (virgin material) needed to transport goods within the EU, and by **maximizing the reuse of RPCs within these pooling systems**.

RPE believes that the use of reusable packaging as a circular service is essential for reaching a climate-neutral economy. Reusable packaging is the most efficient and sustainable solution for transport packaging. This **Product (or Packaging)-as-a-Service model** (PaaS) can achieve a truly waste-free and circular economy that facilitates the further sustainable development of the internal market and contributes to a climate-neutral economy.



## Key Recommendations

Reusable Packaging Europe (RPE) welcomes the [Non-Legislative Report by the European Parliament on the Circular Economy Action Plan](#). The report considers key principles for a fully circular economy, as advocated by RPE, and strongly encourages the European Commission to consistently apply the waste hierarchy in its upcoming policy initiatives.

RPE believes the report constitutes a good basis for policy action in key areas such as the sharing and circular economy, packaging and waste management and thus calls upon EU policy makers to integrate the recommendations by the European Parliament.

In RPE's view, specific consideration should be given to the following elements in the report:

### 1. Consistently apply the waste hierarchy in waste and packaging legislation



An **objective and consistent method of measuring environmental impact** is needed to ensure the correct application of new legislation. **The waste hierarchy should be applied consistently**, both in formulating harmonized circularity indicators and life cycle assessments based on objective criteria, as well as in developing specific policies for the waste and packaging sector. In line with the waste hierarchy, **reuse should be promoted over recycling of products**, for example by reducing the layers of packaging needed to transport products and/or by setting ambitious (reuse) targets, especially where reusable alternatives exist. Prime examples are Reusable Packaging Containers used in transport packaging.

### 2. Exempt RPCs for the transport of (fresh) food products from targets for recyclable content



RPE agrees that recycled content in packaging should overall be increased. However, when introducing targets, **the characteristics of each type of packaging should always be taken into account and the waste hierarchy should be respected**. Given its high environmental footprint and lack of reusability, single use packaging should strive for a very high percentage of recycled content.

**Reusable packaging for the transport of (fresh food) products**, such as Reusable Packaging Containers, should not be subject to targets given (a) its typical “reuse character” and its inherent strength in reducing packaging as a concept, and (b) the mere unavailability of sufficient single origin, pure and certified food safe regrind plastics to be able to achieve high recycled content targets within Reusable Packaging Containers.

### 3. Efficiently promote Product-as-a-Service models with closed loops



Product-as-a-Service models (PaaS) with closed loops, as operated by RPE's members, save resources, reduce environmental impacts and, at the same time, ensure consumer protection and food safety. **Burdensome administrative and fiscal hurdles (relating to for example VAT)** on circular businesses such as operated by Reusable Packaging Container pooling organizations, manufacturers and users of RPCs **hamper the free movement of goods** (including (fresh) food products packed in Reusable Packaging Containers) **throughout the EU** and therefore hamper the realization of an EU wide circular economy. Such burdens should be reduced and/or abolished to allow for a smooth free movement of Reusable Packaging Containers across the EU, as well as within the (fresh) food supply chain.

## | In detail

In developing a circular economy, RPE believes it is of the utmost importance that EU legislation is further modernized to increasingly promote reuse, to effectively apply the waste hierarchy and to improve on waste reduction. RPE believes that the legislative framework should reward packaging on the basis of its sustainability performance throughout the whole life cycle of a product, by linking high sustainability (and durability) performance levels to financial and regulatory incentives.

RPE believes that specifically **the (re)use of Reusable Packaging Containers (RPCs) should be promoted given that:**

1. RPCs (with its **inherent strength, durability and ventilation**) **substantially reduce food waste and avoid packaging waste**. Each RPC can be used for years before it is replaced due to irreparable wear or damage, or design changes;
2. RPCs have **minimal environmental costs compared to other packaging methods**, use relatively less raw materials, have a proven lower CO<sub>2</sub> footprint throughout their life cycle and are positively aligning with the principle of Extended Producer Responsibility. At the end of their lifecycle RPCs do not end up in any landfill or incineration plant but are scrapped for recycling and reuse (the resulting granulate is either converted into new RPC's or reused for other means);
3. RPCs are long-established in the packaging sector and have proven to be the **most versatile and efficient transport packaging system** across fresh food supply chains and to be the most cost efficient and sustainable (packaging) sharing business model;
4. The reuse and pooling of RPCs **maximizes the balance between utilization and environmental impact** (which is also high on the list of priorities of the European Commission).

### 1. Consistently apply the waste hierarchy in waste and packaging legislation

An objective and consistent method of measuring environmental impact is needed to ensure the correct application of new legislation. **Creating a harmonized standard for packaging Life Cycle Analysis (LCA)** will be effective, as it is the most unbiased and objective way of determining the impact of different types of packaging products. The waste hierarchy and added value of reuse over recycling should be taken into account in the LCA.

In order to incentivize packaging producers and handlers, **a broad and proper introduction and implementation of the principle of Extended Producer Responsibility (EPR)** is crucial. RPE thus believes that the EPR principle should be mainstreamed, primarily for manufacturing and use of one-way packaging. Reusable packaging such as RPCs should be exempted from EPR fees given its inherent strength in reducing packaging as a concept and its lower environmental footprint in comparison to other (single use) packaging methods.

In line with the waste hierarchy, **reducing the number of layers of packaging** where possible will reduce the volumes of both packaging in general as well as packaging waste in particular. For example, vegetables and fruits can be (and are) both transported and displayed in stores in the

same RPCs, without the use of additional layers of (primary) packaging. The same applies to other fresh food products such as bread, given the RPC's safe characteristics with regards to hygiene. At the end of each rotation, each RPC is thoroughly cleaned in accordance with a strict washing regime. This ensures a consistent source of clean trays that complies with the highest quality and hygiene requirements, also in times of COVID-19. Therefore, RPE believes that Reusable Packaging Containers, should (in line with the waste hierarchy) be promoted as the preferred packaging method in the (food) supply chain.

## 2. Exempt RPCs for the transport of (fresh) food products from targets for recyclable content

RPE embraces first and foremost “reuse” as a (sustainable) concept. Reuse is the essence of the circular RPC business model of the members of RPE (being a **“Packaging”-as-a-Service** business model). At the end of their lifecycle (after many years of reuse), these RPCs are either 1) recycled for reuse in new RPCs, being suitable for the transport of (fresh) food products or, to a larger extent 2) recycled for reuse in other (non-food) applications (such as garden furniture): **A clear distinction needs to be made between on the one hand plastic that can be recycled for reuse for “food applications” and plastic that can be recycled for reuse in non-food applications.**

- 1) Recycling for reuse in new RPCs, which are intended to be used for the transport of (fresh) food products, requires pure and certified food safe regrind plastic of single origin.
- 2) Recycling for reuse in other (non-food) applications does not require such pure and certified food safe regrind plastic of single origin.

RPE agrees with the Commission's position that the recycled content in packaging should overall be increased. However, **when introducing targets, the characteristics of each type of packaging should be considered and the waste hierarchy should be respected.** Single use packaging should strive for a very high percentage of recycled content, while reusable packaging such as Reusable Packaging Containers (RPCs) should not be subject to (and therefore exempted from) targets given (a) its typical “reuse character” and the RPCs' inherent strength in reducing packaging as a concept and (b) the mere unavailability of sufficient single origin, pure and certified food safe regrind plastic.

**An introduction of (stringent) recycling targets in reusable packaging (more in particular RPCs being used for the transport of (fresh) food products) will be detrimental to the reusable supply chain (transport) packaging sector for (fresh) food products and thus counterproductive to the goal of a fully circular economy.** The reason is that if such targets would be applied to RPCs used in (fresh) food supply chains, that would disincentivize manufacturers from producing such RPCs and thus poolers (in the (fresh) food supply chain) from building up their reusable and sustainable RPC pools. Currently and in the foreseeable future there is no mentionable (supply) market for single origin, pure and certified food safe regrind plastic which is required to build RPCs from recycled content (for (re)use in the (fresh) food supply chain).

The RPC pooling sector would thus be dependent on the number of damaged RPCs which is simply not feasible given their durable nature in a rapidly growing market: many millions of durable

RPCs are currently used in the (fresh) food supply chain across Europe. These RPCs will, depending on their individual age, continue to be used for many years. Moreover, RPCs which are reused and circulated for many years in the (fresh) food supply chains, will – depending on the type and size – require an important share of virgin (non-recycled) resin material to warrant durability and material flexibility.

As a result, **any specific RPCs being used for the transport of (fresh) food products should be exempted from any recycling target** for application in new RPC's for the transport of (fresh) food products. Imposing recycling targets with respect to such RPC's (having arrived (after many years of service) at the end of their lifetime) into other applications are however welcomed by the members of RPE: In principle all such “end of life” RPCs can (and are being) recycled.

### 3. Efficiently promote Product-as-a-Service models with closed loops

Product-as-a-Service models (PaaS) with closed loops, as operated by the members of RPE, save resources, reduce environmental impacts and, at the same time, ensure consumer protection and food safety.

**Burdensome administrative and fiscal (relating to for example VAT) on circular businesses such as operated by Reusable Packaging Container pooling organizations, manufacturers and users of RPCs hamper the free movement of goods** (including (fresh) food products packed in Reusable Packaging Containers) **throughout the EU** and therefore hamper the realization of an EU wide circular economy. Such burdens should be reduced and/or abolished to allow for a smooth free movement of Reusable Packaging Containers across the EU, also within the (fresh) food supply chain.

Increasing the reuse of packaging (and ensuring a smooth free movement of reusable packaging across the European Union) demands for the **implementation of harmonized tax rules** including to, for example, VAT and the reduction/abolishment of administrative burdens. The owners (and therefore the facilitators of the use) of reusable packaging should therefore be rewarded with the simplification or abolishment of administrative barriers and burdens.