

### INDUSTRY ARTICLE

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## "Green Deal": Circular economy now an EU goal

Regulatory pressure on the packaging industry is growing, thanks to the EU's "Green Deal" and regular amendments to the Packaging Act (Verpackungsgesetz). What are the new requirements?

Shortly after she took office as President of the European Commission in 2019, Ursula von der Leyen proclaimed a "Green Deal" for Europe, under which the Community would have to become climate-neutral by 2050. At the heart of these measures is the circular economy, with only reusable or recyclable packaging permitted to be manufactured in the EU by 2030. In addition, a new legal framework for biodegradable and organic plastics will have to be established. If it is not possible to avoid waste, its economic value must be recovered and its impact on the environment and climate change must be prevented or minimized.

This direction has essentially been set by other EU Directives already in place. The <u>Circular Economy Action Plan</u> in March 2020 announced new, binding requirements for packaging admissible in the EU market, which included "reducing (over)packaging". The per-capita volume of packaging waste calculated by the EU amounts to <u>174 kg</u>. Either this volume must be reduced, or it must be ensured that this material can be reused or recycled in an environmentally friendly manner.

The EU has therefore set itself the task of promoting recycling-friendly packaging design. This expressly includes the option of limiting the use of packaging materials for particular applications, especially in cases where alternative reusable products or systems are possible, or where consumer goods can be handled safely without packaging. Lastly, the complexity of packaging materials, including the quantity of materials and polymers used, must also be reduced as appropriate.

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The Association of German Chambers of Industry and Commerce (DIHK) warned that, while this could encourage some businesses to invest in more climate-friendly energy supply systems or production processes, others could face the challenge of not yet having the technological facilities in place, or that it would be uneconomical to introduce them. The latter situation applies especially to businesses in competition at a global level. In its position paper, however, the Commission showed itself to be firmly of the view that these ambitious goals are technologically feasible using state-of-the-art recycling methods and alternative materials.

#### German government follows suit with amendment to Packaging Act

The pace set by Brussels via the European Waste Framework Directive is already having a concrete impact at a national level. In January 2021, for example, the German cabinet passed new regulations under the Packaging Act, partly based on the EU Directives. These amend the <u>Packaging Act</u>, which came into effect in early 2019, giving it a greater focus on reusable packaging.

With effect from July 2021, single-use plastic products such as disposable cutlery, cotton buds, drinking straws and swizzle sticks will be prohibited. The sale of to-go cups and disposable styrofoam containers will also be banned at that point. The Regulation enacting these provisions will go into force on 3 July 2021. From 2023, caterers, suppliers, and restaurants will be obliged to make available reusable containers for food and drink that customers can take home, in addition to the current disposable items. There will be an exception for small operations, such as snack bars, which have no more than five employees and a sales area no larger than 80 square metres. These will also be able to offer their customers food and drink in the customers' own containers. These businesses must expressly draw their customers' attention to this opportunity.

In an interview with Packaging 360, however, Sonja Bähr, Packaging Analyst at TILISCO Verpackungsmanagement and a lecturer at Beuth University of Applied Sciences in Berlin, made it clear that the environmental impact of packaging cannot be determined simply based on whether it is disposable or reusable. And in a current opinion piece, Kim Cheng, Managing Director of the German Packaging Institute (dvi), comments that reusable solutions could be beneficial in terms of the circular economy, but that whether they really produce environmental benefits must be reviewed on a case-by-case basis. "After all, reusable packaging has to





be cleaned after use. This can bring transportation into the equation, along with the use of power, water and potentially also chemicals. The impact of these factors will determine whether a reusable option is worthwhile – or not. Decisions therefore need to be based on facts, preferably as part of a lifecycle assessment for the relevant area of application. In every case it is essential to ensure the packaging is compatible with the circular economy and uses as much recycled material as possible."

# Deposit system and proportions of recycled materials must have a regulatory effect

In addition to the focus on reusable packaging, there has also been a revision to the deposit system. Starting in 2022, disposable plastic drink bottles (up to three litres) must be part of a deposit scheme as a matter of course. Drink cans will also require deposits, without exception. And from 2024 the deposit requirement will also extend to plastic bottles used for milk drinks.

In addition, from 2025 disposable PET drink bottles must contain at least 25 per cent recycled plastic. This figure will increase to at least 30 per cent for all disposable plastic drink bottles from 2030. For comparison, PET drink bottles already contained an average of 26 per cent recycled material in 2015. The Federal Ministry for the Environment considers the technical preconditions for producing drink bottles from 100 per cent recycled material are in place. "Although drink packaging is a high-volume product area, by far the bulk of the packaging we need on a daily basis relates to foodstuffs. This is where there would be particular environmental value in using recycled materials suitable for the circular economy. But we still lack the basic political preconditions for that to happen," says Cheng, commenting on the new regulations.

In other words, the new Directives and laws at a national level are far from perfect. But given the complexity of the subject, we could not expect otherwise. Thanks to the system of regular amendments that is already in place, however, it should be possible to respond more quickly and more flexibly to current developments and thus come closer to the common goal of a sustainable circular economy for packaging.

The fact the sector is prepared to apply innovative ideas to rethink packaging from the perspective of sustainability is amply demonstrated by the exhibitors at FACHPACK, where the <u>key theme</u> since 2019 has been "Environmentally friendly packaging".





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