

EUROPEAN CIRCULAR ECONOMY – MAKING IT WORK

The Alliance for Beverage Cartons and the Environment (ACE) position on the Circular Economy action plan and waste proposals

ACE and its members welcome the European Commission's new Circular Economy proposal and see its broadened scope as an opportunity to secure Europe's access to raw materials.

The European beverage carton industry is committed to contributing to the circular economy at all stages of the product life cycle, from sourcing materials responsibly to increasing recycling.

MATERIALS MUST BE SOURCED RESPONSIBLY

Responsible sourcing and management of primary raw materials is necessary to ensure that the EU, as one of the world's largest markets, promotes the global shift towards more responsible sourcing of raw materials¹, as laid down in the United Nations 2030 Agenda for Sustainable Development.

The EU must sustain its access to raw materials and ensure that competitive advantage is given to materials sourced from socially and environmentally acceptable sources. The industry can play a key role in supporting a policy that builds on existing examples², while the EU should set a level playing field for business frontrunners committed to responsible sourcing.

Proposed measures:

- Establishing an **EU platform for responsible sourcing** to identify actions/sectors/pilot projects;
- Mandating material sectors to develop **credible responsible sourcing rules and voluntary standards** for key material commodities on the basis of international best practice;
- Including **responsible sourcing as a criteria in non-financial reporting** within EU company accounting and financial reporting rules.

THE USE OF RENEWABLE RESOURCES MUST INCREASE

Increased use of renewable materials is key to reduce Europe's dependency on finite raw materials and ensures sustained access to primary raw materials. With this, it supports growth and the goal to achieve a low carbon economy. Measures that incentivize their use will stimulate deployment and scale of solutions available today and innovation in product development.

¹ Responsible sourcing, also referred to as supply chain responsibility, is a voluntary commitment by companies to take into account social and environmental considerations when managing their relationships with suppliers. This strategy is now an integral part of effective supply chain management (International Chamber of Commerce (ICC)).

² Such as Forest Law Enforcement, Governance and Trade (FLEGT) policy and the proposed regulation on responsible sourcing of conflict minerals.



The European beverage carton industry operates within the existing and growing bio-based economy and continues to be a front-runner in terms of the use of renewable resources. The sector is committed to further increasing the use of such materials by seeking and applying the latest innovative technologies.

A circular economy policy should therefore not only promote the use of secondary raw materials but also incentivise the use of renewable and/or bio-based materials where possible. Given that there are solutions available, packaging would be a good sector to start.

Proposed measures:

- **Member States to recognise and incentivise the use of materials from renewable and/or bio-based sources** in the Packaging and Packaging Waste Directive (94/62/EC);
- **Develop measures to facilitate the increased use of renewable materials for packaging.**

WHAT CAN BE RECYCLED MUST BE RECYCLED

1. A landfill ban on packaging materials by 2030

The European Commission proposes a landfill target of maximum 10% of municipal waste by 2030. ACE proposes a landfill ban for packaging materials by 2030, since for most packaging recycling solutions already exist. Such a ban contributes to further deploy these solutions so that more materials will be recycled in future. It also sets strong incentives to develop new recycling solutions and improve existing ones to capture as much value as possible of the materials collected.

2. Extended producer responsibility (EPR) schemes must ensure collection of all obliged³ materials

Ensuring effective, separate collection of all used packaging materials through EPR⁴ schemes is crucial to guarantee a level playing field and fair competition among producers and value chain actors. A harmonized mandatory set of minimum requirements for collection schemes must prevent 'cherry-picking'. This is a prerequisite that all what can be recycled⁵ is actually recycled and the potential for new recycling solutions can be explored.

The various directives should establish a consistent approach to meet the above objectives.

³ Obligated packaging means packaging which obligated producers are placing on the market and for which they pay fees to EPR schemes.

⁴ With reference to the OECD definition, EPR is "an environmental policy approach by which a producer's responsibility for a packaging put on the EU market is extended to its entire life cycle, including recycling and recovery at their post-consumer stage".

⁵ An ISO (ISO 14021 on self-declared environmental claims) definition of 'recyclable' exists: "Recyclable' shall mean a product, packaging, or associated component that can be diverted from the waste stream through available processes and programmes and can be collected, processed, and returned to use in the form of raw materials or products".

**Proposed measures:**

- **Ban packaging materials from landfill by 2030** under the Packaging and Packaging Waste Directive (94/62/EC) with adequate reference in the Landfill Directive (1999/31/EC);
- **Require EPR Schemes to collect all obliged packaging materials** under the Packaging and Packaging Waste Directive (94/62/EC) with adequate reference in the Waste Framework Directive (2008/98/EC).

Date: 18 February 2016

About ACE

ACE members include beverage carton producers Tetra Pak, SIG Combibloc and Elopak; they develop, manufacture and market systems for the processing, packaging and distribution of food, and produce packaging material at 20 plants in Europe. About 98% of the paperboard used by ACE members in beverage cartons in Europe is produced by Stora Enso in Skoghall (Sweden) and Imatra (Finland), and BillerudKorsnäs in Gävle and Frövi (Sweden), who are also members of ACE. These paper mills and the beverage carton manufacturers in ACE together employ close to 30,000 people worldwide.