

FEFPEB REACTION ON PACKAGING AND PACKAGING WASTE REGULATION DRAFT COMPROMISE AMENDMENTS BY ENVI COMMITTEE

On behalf of the European Federation of Wooden Pallet and Packaging Manufacturers (FEFPEB), we express our concerns in the ENVI Committee's draft compromise amendments. While we support the objectives of the Packaging and Packaging Waste Regulation in ensuring sustainability of the packaging sector, we believe that this 'one size fits all' approach is ill-suited for the unique characteristics and contributions of wooden packaging and pallets to the circular economy.

Wood is one of the most economically viable and environmentally sustainable materials used for transport packaging. It is fundamentally different from other packaging materials in terms of its inherent properties. Hence, we have reservations about the ENVI committee's recommendations, which suggest treating wood similarly to plastic packaging materials, despite the significant differences between the two materials.

Additionally, it's worth noting that the majority of wooden pallets and packaging are used within the B2B sector rather than the B2C sector. This industry-specific use underscores the need for a more nuanced approach to regulation, considering the diverse applications and functions of wooden packaging.

In this position paper, we aim to highlight various aspects that challenge the suitability of these regulations for wood, a material that has consistently adhered to the principles outlined in the Waste Framework Directive for many years, demonstrating a commendable level of functionality and compliance.

Article 3: Definitions

Our Position: The definition of 'high quality recycling' should not mandate a closed loop recycling system for all packaging materials. It will disrupt the wood packaging recycling industry which recycles wood waste into long-lasting applications/ products such as panel boards, which ensures that the CO² stored in the wood fiber remains "locked up" in the board and not released into the atmosphere. Moreover, since the PPWR is only handling a specific stream of waste, it is not the right piece of legislation to define recycling which will affect all streams of waste generated. To avoid any conflict with the Waste Framework Directive which covers all types of waste, we strongly recommend using the definition of 'recycling' as used in the Waste Framework Directive.¹

▪ Closed loop recycling

As per the draft compromise amendments, a packaging material is considered to undergo "high-quality recycling" only when the distinct quality of the waste collected is preserved or recovered during that recovery operation, **so that it can be subsequently recycled and used in the same way or for a similar application, with minimal loss of quantity, quality or function. This definition is promoting a blanket closed loop recycling approach for all types of packaging.**

In the case of wooden packaging, a closed loop recycling system is not the most sustainable option for the recovery of packaging waste. Wooden packaging and pallets are made from a renewable source

¹ Directive 2008/98/EC: 'recycling' means any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations.

which serve as a CO²-neutral mobile carbon storage system. They store up to 27 kg of CO² per average timber pallet, contributing significantly to carbon capture and climate goals. Despite the type of product that wood is recycled to, the longer the material is used, the longer the amount of CO² is stored.

Additionally, food contact materials, including wooden light weight packaging (LWP), must adhere to stringent food safety regulations². Thus, implementing closed-loop recycling for materials like wood will also not be feasible due to food safety concerns for food contact material and it will not be possible to be recycled into panelboards (its main application).

- **Recycling of wooden packaging into different products:**

The impact assessment for the Packaging and Packaging Waste Regulation categorizes wood recycling for all applications (the panel board industry, pallet blocks, ground surfacing (e.g. equestrian, play areas, landscaping) as downcycling. This would mean that the main uses of wood waste will be considered downcycled and will not qualify as recycled packaging. This consideration is incorrect and contradicts legislations that are currently in place in different EU countries such as the [Netherlands](#).

Recycled wood waste has significant potential in extending the life of wood waste into long lived products such as panelboards with an average lifespan of 25 years. This ensures long term storage of CO² as well as reduces the demand for virgin raw materials. Recycled wooden packaging in the form of wood-based panels in the construction sector plays a significant role in achieving the carbon emission reduction targets of one of the most carbon critical sectors. Moreover, it will ensure substituting fossil-based products by long-lived circular materials and products that are of highest value for carbon storage and circular economy, as mandated by the European Forestry strategy 2030.

Amendment	
Proposal for a Regulation Article 3 - Paragraph 1 (32a)	
ENVI Draft CA Text	Suggested Amendment
(32a) 'high quality recycling' means any recovery operation, as defined in Article 3, point (17), of Directive 2008/98/EC, that ensures that the distinct quality of the waste collected is preserved or recovered during that recovery operation, so that it can be subsequently recycled and used in the same way or for a similar application, with minimal loss of quantity, quality or function;	(32a) 'high quality recycling' means any recovery operation, as defined in Article 3, point (17), of Directive 2008/98/EC, that ensures that the distinct quality of the waste collected is preserved or recovered during that recovery operation, so that it can be subsequently recycled and used in the same way or for a similar application for the production of products, materials, and substances in substitution of virgin ones , with minimal loss of quantity and/or quality;

Article 6: Recyclable Packaging

Our position: FEPPEB believes that there is a need to distinguish between industrial wood packaging and pallets and lightweight wood packaging, a food-contact niche application used mostly for fruits

² Regulation (EC) No 1935/2004

and vegetables and traditional products. We propose to include light wood packaging amongst the existing list of derogations.

For products protected under the Protected Designation of Origin schemes, wood packaging is an essential requirement. Current state-of-the-art recycling and sorting technologies in some countries do not allow to mix wood packaging with other packaging waste. As we read it, the PPWR proposal requires the creation of a new recycling infrastructure and collection method tailored to food-contact wood packaging. For a sector primarily composed of small, local businesses, the prospect of implementing such infrastructure becomes economically unfeasible. To give an example, considering the low volumes placed on the market in France (approximately 10,000 tons per year), setting up a specific recycling industry would be far too expensive - recycling one tonne of wood would cost 3,000 euros per unit, more than 1,000 times greater than glass recycling). Hence, if the PPWR mandates recycling requirements, food-contact wood packaging could struggle to fulfill these stringent criteria, potentially leading to a ban on this packaging category starting in 2030. FEFPEB is proposing that food-contact wood packaging is included amongst the existing list of derogations, expecting a sound assessment of the situation by the Commission by 2033. We believe that only this approach will ensure a rational way forward that actually ensures that this renewable packaging can be placed in the EU market.

Amendment	
Proposal for a Regulation	
Article 6 - Paragraph 10	
ENVI Draft CA Text	Suggested Amendment
<p>10. Until 72 months after the publication of the delegated act referred to in paragraph 6, this Article shall not apply to the following:</p> <p>(a) immediate packaging as defined in Article 1, point (23), of Directive 2001/83/EC and in Article 4, point 25, of Regulation (EU) 2019/6</p> <p>(b) contact sensitive packaging of medical devices covered by Regulation (EU) 2017/745;</p> <p>(c) contact sensitive packaging of in vitro diagnostics medical devices covered by Regulation (EU) 2017/746.</p>	<p>10. Until 72 months after the publication of the delegated act referred to in paragraph 6, this Article shall not apply to the following:</p> <p>(a) immediate packaging as defined in Article 1, point (23), of Directive 2001/83/EC and in Article 4, point 25, of Regulation (EU) 2019/6</p> <p>(b) contact sensitive packaging of medical devices covered by Regulation (EU) 2017/745;</p> <p>(c) contact sensitive packaging of in vitro diagnostics medical devices covered by Regulation (EU) 2017/746.</p> <p><i>(d) wood packaging covered by Regulation (EC) 1935/2004; '</i></p>
	<p><i>10a (new). By 31 December 2033, the Commission shall present a report assessing the need to extend the derogations established under paragraph 10 based on the state of scientific and technical progress, the availability of recycling infrastructure and a life-cycle assessment towards other forms of alternative packaging. On the basis of this report, and after consultation with relevant stakeholders, the Commission shall adopt a delegated act addressing the derogations in view of extending</i></p>

	<i>them. Where appropriate, the Commission may also consider addressing the recyclability of packaging materials in sector-specific legislation.'</i>
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Annex V: Restrictions on use of packaging formats

Our position: We support the compromise position that removes ‘single use packaging’, to avoid a complete restriction on all single-use packaging including wooden packaging, from the list of restricted formats for fruits and vegetables. Using light weight wooden packaging for fruits and vegetables is environmentally beneficial compared to other materials. Hence, single use light-weight wooden packaging should not be restricted from being placed in the market.

In the case of light weight packaging (LWP) for food items, the conclusions of the LCA conducted by the French Agency for Ecological transition (ADEME) comparing carton, plastic & wood packaging shown that single use wooden packaging is the best solution for fruit and vegetables in terms of environmental impact. By comparing a multi-rotation plastic packaging with two single use packaging made from renewable materials, under no circumstances can we say that reusable is better than single use in terms of environmental impact. It will depend on the material. Therefore, a renewable material, if managed sustainably, is ALWAYS better for the environment than a fossil-based material, regardless of the meritorious efforts made to reduce the use or the negative impacts of the latter.

Proposal for a Regulation			
Annex V - Row 2			
ENVI Draft CA Text			
2.	Single use plastic packaging, single use composite packaging for fresh fruit and vegetables	Single use packaging for less than 1 kg fresh fruit and vegetables, unless there is a demonstrated need to avoid water loss, greening, or turgidity loss, microbiological hazards or physical shocks, or unless these products are subject to PDO (Protected Designation of Origin) and PGI (Protected geographical indications) under Union legislation. The list of products concerned shall be established by the Commission in consultation with Member States and after receiving the opinion of the European Food Safety Agency no later than six months after the entry into force of this Regulation. It shall take into account the risks of spoilage and foodwaste, when these products are sold in bulk.	Nets, bags, trays, containers

Article 21: Obligations related to excessive packaging

Our position: FEFPEB does not support the calculation of mandatory empty space ratio without taking into consideration the shape of the product and product safety needs.

Industrial packaging is developed fit to purpose to ensure that the product is transported and delivered safely. In order to reduce the empty space, much more material will have to be used and the process to produce it will be more complicated and costly. In addition, they will be more complicated to handle in the in the logistics chain and the worker's safety will also be reduced as it is more prone for accidents (the most common way of handling is with forklifts and those will not be possible to use) and the environmental impact will increase substantially. The packaging is stacked while transporting products and this would also create empty spaces which is necessary for the safe transport of the product.

Amendment	
Proposal for a Regulation	
Article 21 - Paragraph 1	
ENVI Draft CA Text	Suggested Amendment
1. Economic operators who supply products to a final distributor or an end user in grouped packaging, transport packaging or ecommerce packaging, shall ensure that the empty space ratio is maximum 40 % in line with the provisions laid down by Parts 1 and 2 of Annex IV.	1. Economic operators who supply products to a final distributor or an end user in grouped packaging, transport packaging or ecommerce packaging, <i>except for packaging of products weighing more than 100 kgs</i> , shall ensure that the empty space ratio is maximum 40 % in line with the provisions laid down by Parts 1 and 2 of Annex IV.

Article 24 and Article 45: Obligations related to systems for Re-use

Our position: Economic operators making use of reusable packaging in closed loop systems as should return the packaging to the collection point(s) identified by the system participants and approved by the system operator.

PPWR provides a first element in the protection of the ownership of reusable assets in closed loops, as it includes the lack of change of ownership as a key criterion to defined closed loop systems (**Annex VI**). Although this is a very significant step forward, it needs to be refined.

The lack of protection and enforcement of ownership of reusable transport packaging assets, such as wooden pallets, is a significant barrier to the viability of circular economic models. The pallet pooling companies only rent out their pallets, allowing their customers to reuse 95% of their assets. Within a system of closed pallet pooling, companies retain the ownership of the pallets and act as a service provider, managing the pallets in the loop. However, some pallets leave the loop without the pool manager's consent or end up with unauthorized companies, raising concerns about theft, appropriation, and loss.

Therefore, to effectively safeguard the ownership of pooling companies over their assets and ensure legal certainty throughout Member States against third parties acting in bad faith to remove reusable packaging from the reuse models control, the following should be included in the PPWR text:

1. **Obligation on return of reusable assets:** For a legislative framework to effectively protect the ownership of reusable assets, it is necessary to ensure that all participants in a closed loop systems are required to return the packaging to the recognized system operators, and not

solely system participants which have paid a deposit to the system operator or are in a contractual relationship with the system operator.

2. **Obligation on Member States to secure effectiveness of return systems:** Secured legal ownership of reusable packaging is a key element for effective reuse, to ensure that no asset leaves the pool before it has reached the end of its life and cannot be reused anymore. Measures are needed at EU level to ensure a harmonized recognition of the ownership of reusable assets across Member States, ensuring assets owner legal certainty over their assets. For this to happen, the PPWR text should include an obligation for Member States to take measures to ensure the effectiveness of the reuse systems operating on their territory.

Amendment	
Proposal for a Regulation Article 24 - Paragraph 3 (new)	
ENVI Draft CA Text	Suggested Amendment
	<p>3 (new): 3. Economic operators making use of reusable transport packaging in closed loop systems as defined in Annex VI shall be required to return the packaging to the collection point(s) identified by the system participants and approved by the system operator.</p> <p>Failure to comply with the requirements of paragraphs 1 to 3 shall trigger the penalty mechanism included in Chapter XII, article 62 of this legislation.</p>
Proposal for a Regulation Article 45 - Paragraph 3 (new)	
ENVI Draft CA Text	Suggested Amendment
	<p>3 (new): 3. Member States shall take measures to ensure the effective functioning of re-use systems for packaging and systems for re-fill operating on their territory, in alignment with the requirements laid down in Articles 24 and 25 and Annex VI of this Regulation.</p>

Article 26: Re-use Targets for industrial packaging and stabilization and protection packaging

Our position: The PPWR should not include any targets on packaging whose impact on product, human and environment safety has not been assessed properly. Hence, it should remove mandatory re-use targets for industrial packaging and for packaging used for stabilization and protection of products or grouping products while transporting.

The re-use measures of the PPWR to reduce packaging should pay appropriate attention to aspects such as human safety, environmental performance, and logistic issues. These issues were not taken into consideration in the European Commission's impact assessment.

- **Re-use targets for industrial packaging:**

The delivery of goods makes it necessary to ensure that the goods are protected against the various handling challenges they will be subjected to during their time in transit. For Industrial Packaging and especially the transported goods, safety, integrity, and the assurance that the products arrive in a 100% condition is essential. These packaging materials cannot be reused due to their function and due to the fact that they are customized to the needs of the transported goods. The impact assessment has not done any analysis of the environmental or economic benefit of using re-usable transport packaging to replace the packaging formats currently in use. Mandatory targets should only be introduced if there are environmentally beneficial and practical alternatives, and we would ask to be involved in more detailed discussions regarding the reuse targets.

- **Re-use targets for packaging used for stabilisation and protection or grouping of products:**

To prevent any damage to the product during transport and storage, VCI-foils, desiccants, and other materials for protective measures are used. The safety risks for people handling the packaging with heavy goods should also be considered while mandating re-using targets for stabilization materials as there are currently no alternatives. Wooden pallets can carry products weighing up to 40 tons. Such products need to be packed properly to protect both the product as well as the labourers handling such products. The risks for people handling the packaging with heavy goods can be significantly increased with the mandatory re-use and packaging minimization targets, and in the worst cases lead to fatalities. Imposing mandatory re-use targets for stabilization packaging materials without conducting any assessment on the impact of such measures on human safety should not be included in the regulation.

Amendment	
Proposal for a Regulation Article 26 - Paragraph 7	
ENVI Draft CA Text	Suggested Amendment
7. Economic operators using transport packaging or sales packaging only used for transportation within the territory of the Union in the form of pallets, plastic crates, foldable plastic boxes, pails or drums for the conveyance or packaging of products in conditions other than provided for under paragraphs 5 and 6: (a) shall ensure that from 1 January 2030, at least 30 % of such packaging used is reusable packaging within a system for re-use; (b) shall aim to ensure that from 1 January 2040, at least 90 % of such packaging used is reusable packaging within a system for re-use.	7. Economic operators using transport packaging or sales packaging only used for transportation within the territory of the Union in the form of pallets , plastic crates, foldable plastic boxes, pails or drums, excluding wooden industrial packaging , for the conveyance or packaging of products in conditions other than provided for under paragraphs 5 and 6: (a) shall ensure that from 1 January 2030, at least 30 % of such packaging used is reusable packaging within a system for re-use; (b) shall aim to ensure that from 1 January 2040, at least 90 % of such packaging used is reusable packaging within a system for re-use.
Proposal for a Regulation Article 26 - Paragraph 9	
ENVI Draft CA Text	Suggested Amendment
9. Economic operators using transport packaging within the territory of the Union for	9. Economic operators using transport packaging within the territory of the Union for stabilization

<p>stabilization and protection of products put on pallets during transport, including, but not limited to, pallet wrappings or straps:</p> <p>(a) shall ensure that from 1 January 2030, at least 10 % of such packaging used is reusable packaging within a system for re-use;</p> <p>(b) shall aim to ensure that from 1 January 2040, at least 30 % of such packaging used for transport is reusable packaging within a system for re-use</p>	<p>and protection of products put on pallets during transport, including, but not limited to, pallet wrappings or straps:</p> <p>(a) shall aim to ensure that from 1 January 2030, at least 10 % of such packaging used is reusable packaging within a system for re-use;</p> <p>(b) shall aim to ensure that from 1 January 2040, at least 30 % of such packaging used for transport is reusable packaging within a system for re-use</p>
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In conclusion, we urge the ENVI Committee to reconsider the draft compromise amendments in a manner that accounts for the unique qualities and especially the environmental contributions of wooden packaging and pallets. We believe a more nuanced approach is necessary to ensure that the packaging sector's sustainability goals are met effectively. We would welcome further discussions to find balanced solutions that align with our industry's characteristics and sustainability objectives.