

Brussels, 14 March 2023

**Subject: Cross-industry coalition calls for a better impact assessment of the proposal for a Packaging and Packaging Waste Regulation**

Dear Permanent Representations,

Ahead of the EU Environment Council meeting of 16 March, the undersigned associations, representing the large majority of the European beverage industry, its packaging value chain and the hospitality industry, would like to share with you their common **concerns regarding the impact assessment accompanying the Proposal for a Packaging and Packaging Waste Regulation (PPWR)**.

In the absence of a proper impact assessment taking account of environmental, consumer behaviour and economic implications, there is no guarantee that the proposed measures will have the desired benefits. On the contrary, they could have a detrimental impact on our environment; on consumer access, choice and convenience; and on many companies in our sectors operating in the EU (including small and medium-sized enterprises).

Diving into the proposed reuse and refill targets, it is clear that **the Commission's impact assessment is not robust enough and needs further clarification**. The Commission's proposal aims to set reuse and refill targets that would apply to certain operators in each EU Member State and on different types of beverage categories. Yet, the impact assessment only presents EU aggregated numbers for which the source and legitimacy is unclear and does not allow a breakdown per country, product category or even per reusable solution.

First, the **economic impact of those targets** seems highly underestimated. Indeed, as an example, a study conducted by PwC concludes that the cost of a 10% refillable PET target at EU level would cost 16 billion euro to the soft drinks sector (costs related to the set-up of appropriate DRS excluded). Yet, the Commission's impact assessment only refers to capital and operating costs of 1.48 billion euro for all reuse schemes (including the costs related to DRS for refillables). Without any detail specifying what is precisely covered by this cost estimate, it is extremely difficult to understand those figures and discrepancies.

Then the Commission's **environmental impact assessment** refers to important CO<sub>2</sub> savings from a greater deployment of reuse systems while several reports point in another direction, including a [study by Carbon Trust](#). The reality is that a careful and targeted study is required before reliable decisions can be taken. There will be contexts where circular reuse systems make most sense, and others where circular single use systems are preferred to optimize sustainability, or, indeed, a combination of both. The environmental benefits of each packaging type depend on a wide variety of factors including the weight of the packaging and the material used, the distance to be travelled by the containers (in a return scheme), the electricity consumption, the average number of rotations of the package, the washing processes (including hot water and detergent consumption), the fuel consumption, etc.. The assumptions used by the Commission on logistics, among other things, are not representative of reality.

Furthermore, because of the numerous factors to take into consideration, the Commission's one-size-fits all approach to impact assessment (covering all Member States, all sectors, all product categories and all reuse systems at the same time) is not a realistic benchmark and does not bring the necessary granularity to properly assess the impact of the proposed measures.

As a result, companies may be forced to invest in setting up reuse systems (and delay or even stop investments in bottles and cans recycling streams) where fully recyclable circular single-use systems actually make more sense from an environmental perspective.

We would also like to draw your attention to **two crucial missing elements from the impact assessment**. A successful transition to more reuse – which we do not oppose, in principle, when well-founded and based on sound analysis – depends crucially on the **involvement and engagement of consumers**. Yet this aspect is considered nowhere in the Commission impact assessment. A vital element in promoting consumer “buy-in” is confidence in circular reuse systems. This will be critically impacted by consumer perceptions and experience around **hygiene and potential transmission of pathogens** (especially in a post-Covid world). There is no doubt that well-managed state-of-the art circular reuse systems will be able to provide this guarantee in many contexts but sweeping obligations to implement reuse in all situations will undermine this.

Finally, we wish to underline that rushing to adopt measures too fast will result in a **market influx of non-compliant reusable products** (often from third countries, as happened after the adoption of the Single Use Plastics Directive), putting European consumers at risk and undermining businesses in Europe before they can transition.

**We, therefore, urge you to call on the Commission to further assess all these elements before moving forward with the adoption of reuse and refill targets.**

Overall, we are most concerned by the rushed and incomplete preparatory work of the European Commission and the high speed at which the co-legislators are now asked to decide on this matter, without any certainty on the impact of the proposed measures.

We thank you in advance for your attention and respectfully request the opportunity to meet with you at your earliest convenience to discuss this matter further.

Yours sincerely,

**Signatories:**

360FoodService

AIJN – European Fruit Juice Association

The Brewers of Europe

EVA – European Vending & Coffee Service Association

European Aluminium

FEVE – The European Container Glass Federation

HOTREC

Metal Packaging Europe

NMWE – Natural Mineral Waters Europe

Petcore Europe

SMEUnited

Serving Europe

UNESDA – Soft Drinks Europe

