Welcome to spiritsEUROPE Webinar

More than just a pretty wrapping: the essential role of packaging for spirits

FA

21 September 2021 💓 # SpiritOfSustainability



More than just a pretty wrapping: the essential role of packaging for spirits

#SpiritOfSustainability



OPENING STATEMENT Ulrich Adam Director General - spiritsEUROPE



More than just a pretty wrapping: the essential role of packaging for spirits

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INTRODUCTION Sarah Melina Siebel Director Internal Market - spiritsEUROPE





INTRODUCTION

- For spirit drinks, packaging is an indispensable part of the product there is no way to separate the drink from the packaging.
- Packaging for us has many more functions than acting as container to store, protect and transport liquid
- Packaging is an integral part of spirit drinks that:
 - Conveys important consumer information
 - Serves the premiumization and brand elevation trends of fine spirits
 - Helps to promote a culture of responsible drinking and portion control.
- Improving the sustainability of spirits drinks across the value chain, including packaging as well as its end-of-life phase, is one of the key topics for spiritsEUROPE and its members
- spiritsEUROPE and its members are therefore fully committed to engaging in the future in the discussions on the PPWD's revision



More than just a pretty wrapping: the essential role of packaging for spirits

SPEAKERS OF THE DAY



14h20 | FRANCESCA STEVENS Managing Director EUROPEN



14h35 | ADELINE FARRELLY – Secretary General, FEVE – the European Container Glass Federation



14h50 | MIKE TURNER - Managing Director, ECMA - the European Carton Makers Association



15h05 I DAVID BUHE - Policy Officer for Packaging and Packaging Waste Directive – European Commission DG ENV (B.3)







15h35 I EMILY LIN - Global Packaging Sustainability Program Manager -Diageo



15h50 | ROBERT-JAN TER MORSCHE

- European Director Product Stewardship & Packaging Policy, Ardagh Group & Beverage Executive Committee Chair, Metal Packaging Europe



More than just a pretty wrapping: the essential role of packaging for spirits

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EUROPEAN PACKAGING POLICIES: CHALLENGES AND OPPORTUNITIES, WHAT IS AT STAKE FOR THE INDUSTRY?

FRANCESCA STEVENS, Managing Director EUROPEN



EUROPEN IN NUMBERS



64

Members representing the entire packagin value chain

Founded in

1993



5

Packaging materials: glass, metal, paper and cardboard, plastics and wood



OUR MISSION AND GOALS

EUROPEN aims to achieve a fully accessible European market for packaging and packaged products, while protecting the product and the environment.

- 1 Continuously improve the environmental performance of packaging and packaged products all along the supply chain
- 2 Promote the role, functionalities and benefits of packaging within all relevant EU policies
- 3 Strive for a harmonised policy framework and a functioning EU internal market for packaging and packaged products



OUR VISION

Packaging enables the transition to a climate neutral, circular and competitive EU economy while ensuring goods are delivered safely to EU citizens and businesses

(Committed to climate neutrality by 2050	Protecting natural resources	Accelerating Circularity	Strengthening EU competitiveness
of the provi cart	e towards carbon neutrality packaging value chain and vide solutions to reduce the bon footprint of packaging and packaged products	Develop optimal packaging solutions that prevent resource depletion, food and product waste and packaging entering the environment	Drive the uptake of innovative packaging design for increased reuse and recycling and contribute to the development of new sorting, collection and recycling technologies	Advocate to achieve a strong and resilient single market for packaging and packaging goods and drive investments in innovation



Well-designed packaging should







Be fit for the product it is protecting

Minimise economic and environmental impacts of both the product and its package Use only as much of the right kind of material as necessary to perform this task



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PPWD Review Translating ambition into reality



CEAP 2.0 EXPANDED SCOPE OF PPWD REVIEW

Art. 9.5 of the PPWD mandates the European Commission to assess the feasibility of reinforcing the Essential Requirements with focus on:

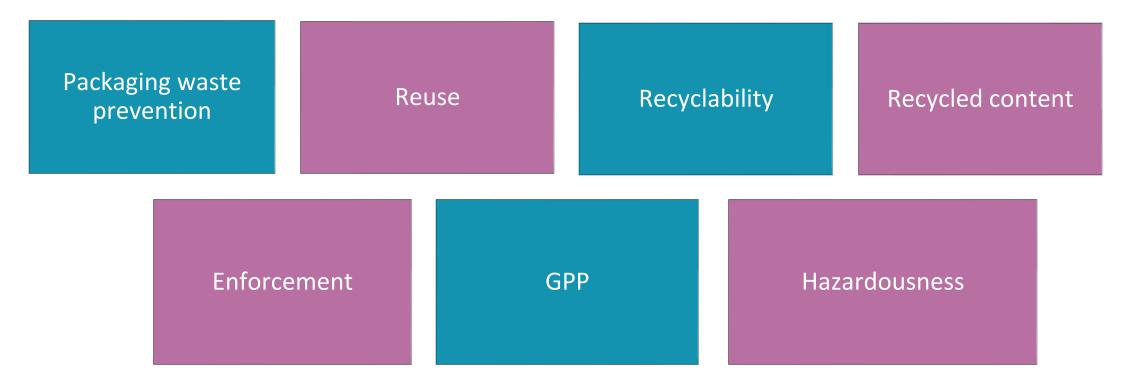
- improving design for reuse
- promoting high quality recycling
- strengthening ER enforcement

CEAP 2.0 expanded the scope of the PPWD review with the aim to:

- •Reduce packaging waste generation
- •Make all packaging reusable or recyclable by 2030



INTERVENTION AREAS OF THE PPWD REVIEW





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Waste prevention



WASTE PREVENTION

Potential options:

- Definition of overpackaging/unnecessary packaging
- Updating list of minimisation-limiting criteria
- % reduction targets by packaging material type
- Best-in-class limits (weight limits and void-space thresholds)



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Reusable packaging



REUSABLE PACKAGING

Potential options:

- % reuse targets (bottom-up or top-down)
- Standardisation of reusable packaging and reuse systems
- Harmonised labelling for reusable packaging



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Recyclability



RECYCLABILITY

Potential options:

- Updating Essential Requirement (all packaging to be reusable or recyclable by 2030)
- Defining recyclable packaging
- Harmonisation of EPR fee modulation
- Harmonised labelling for recyclable packaging



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Recycled content

20



RECYCLED CONTENT

Potential options:

- Recycled content target(s) for plastic packaging
- Harmonised recycled content definition and measurement method (



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Overarching measures



ENFORCEMENT – HAZARDOUNESS - GPP

Potential options:

- Strengthening market surveillance, harmonisation of EPR reporting, packaging registries
- Reporting and/or restrictions of hazardous substances in packaging under PPWD
- Developing packaging criteria for Green Public Procurement



WHAT LIES AHEAD FOR PACKAGING?



Address overpackaging / eliminate unnecessary packaging



PACKAGING DESIGN

Design packaging to ensure reusability and recyclability



Ensure all packaging is reused and recycled



PACKAGING 4.0

Leverage opportunities from digital innovation



A POTENTIAL TURNING POINT FOR PACKAGING SUSTAINABILITY

Striving for an ambitious and coherent legislative review

- Recognising the purpose of packaging
 - Advancing packaging sustainability must go together with preserving packaging functionalities and the resilience of essential activities
- Coherence with the EU environmental and climate objectives
 - Pursuing the EU Green Deal's objectives requires embracing a life-cycle approach to circularity
- Future-proof legislation to support innovation
 - Future targets, definitions and design requirements need to provide sufficient visibility to drive investments into new packaging solutions, reuse schemes and waste management technologies
- A functioning Single Market for packaging and for secondary raw materials
 - The review must address barriers and bottlenecks resulting from insufficient harmonisation and weak enforcement of existing EU provisions at national level



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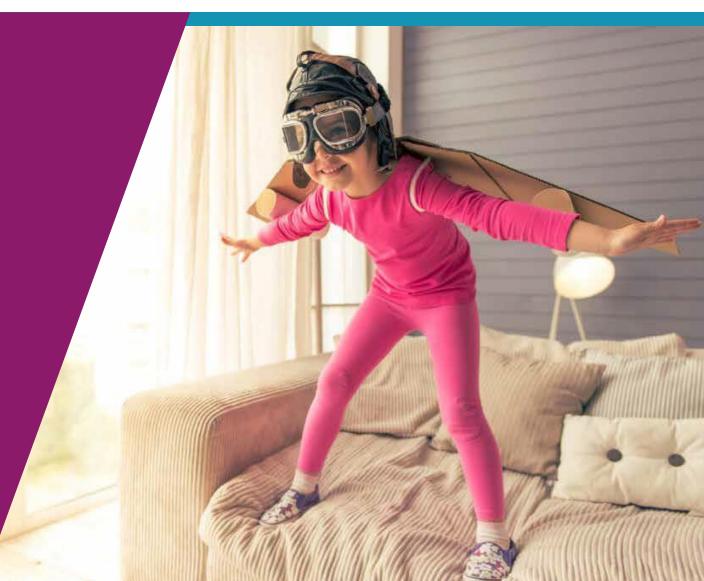
Thank you!

THE EUROPEAN ORGANIZATION FOR PACKAGING AND THE ENVIRONMENT (EUROPEN) AISBL

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INTRODUCTION FEVE



More than 90% of spirit drinks are packed in glass bottles



More than just a pretty wrapping: the essential role of packaging for spirits

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CLOSE THE GLASS LOOP: THE EUROPEAN AMBITION TO COLLECT GLASS MORE AND BETTER, TOGETHER

ADELINE FARRELLY- SECRETARY GENERAL, FEVE – the European Container Glass Federation



Distilling a Sustainable Future The Glass Packaging Recipe

21 September 2021





THE EUROPEAN CONTAINER GLASS INDUSTRY

Our industry in numbers:

- 125,000 jobs (40,000 direct)
- 162 plants in 23 countries
- >80 billion products
- >60% of the total EU glass production
- **€600 million** invested annually in energy efficiency, decarbonisation and upgrades
- Products packed in glass: €250 billion contribution to EU trade balance

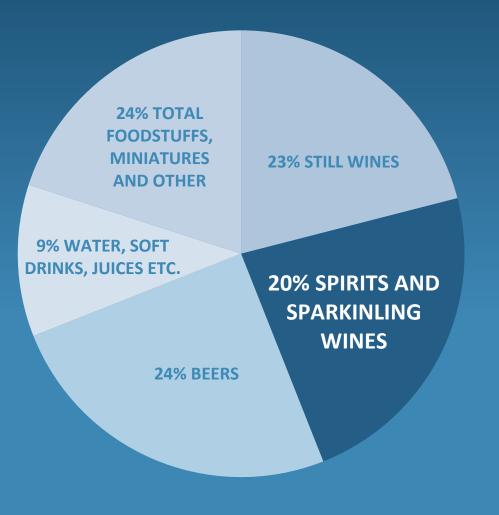


FEVE MEMBERS



SPIRITS AND GLASS PACKAGING

- Spirits is one of our leading customers
- More than 90% of spirits are packed in glass (spiritsEUROPE)
- 84% of European consumers say they prefer spirits in glass packaging *(InSites Survey 2020)*



Glass Sales Figures Year 2020 FEVE members data

WE PRODUCE GLASS WHICH IS:

- made from raw materials abundant in nature
- non-toxic and inert
- a single-layer material
- one of the most effective packaging materials for protecting food
- versatile it can be a one-way (Recycled) or returnable (Reused) packaging solution
- 100% and infinitely recyclable in a local closed loop system, making recycled glass a vital resource for new production
- on average, a glass container made in Europe contains 52% recycled glass
- design, transparency, shapes, and colours often make glass an integral part of the product



WHAT HAS BEEN DONE COLLECTIVELY SO FAR?

Shift to more environmentally friendly sources of energy

CO2 emissions reduced by 50% in the last 50 years Recycled glass content increased to 52% on average in Europe

Weight of glass bottles reduced by 30% on average in the last 20 years

76% of glass packaging is collected to be recycled

TOWARD A CLIMATE NEUTRAL AND FULLY CIRCULAR PACKAGING SOLUTION







Achieving a climate neutral and circular economy



A vision for climate-neutral packaging

'Close the Glass Loop'

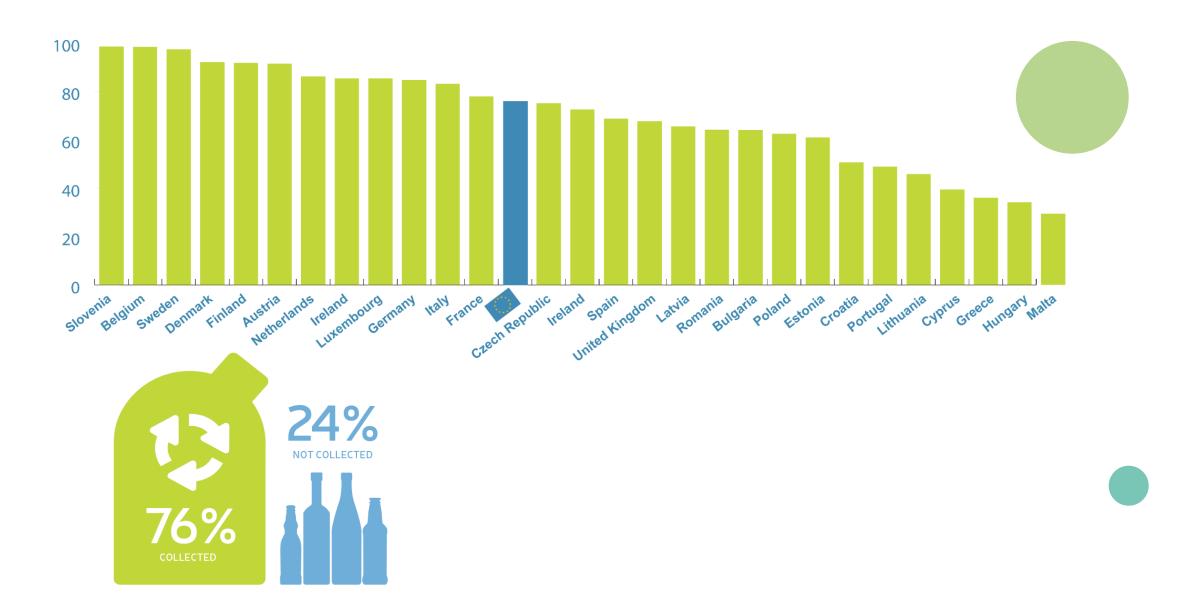


The European ambition to collect glass more and better, together



A Glass Hallmark to help raise awareness among consumers

CLOSE THE GLASS LOOP: TOWARDS FULL CIRCULARITY



CLOSE THE GLASS LOOP: TOWARDS FULL CIRCULARITY



close the glass loop



Glass is a great example of a circular material. You are already achieving outstanding results in waste collection and recycling. But today you show that you want to do more, that you are determined to bring levels up across the EU and seek the room for improvement all along the chain.

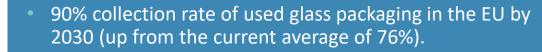
> I am confident that you will complete your mission and make the Close the Glass Loop Platform the springboard to the higher levels of the waste hierarchy.

> > Virginijus Sinkevičius European Commissioner in charge of Environment, Oceans and Fisheries

VISION

Our vision is to achieve full actual recycling of collected glass packaging, by uniting the glass collection and recycling value chain to make sure our Circular Economy works better.

GOALS



 Better quality of recycled glass, so more recycled content can be used in a new production loop.

LEARN MORE

+90%

www.closetheglassloop.eu info@closetheglassloop.eu

CLOSE THE GLASS LOOP: PARTNERING TO COLLECT GLASS MORE AND BETTER



- Addressing common challenges in circularity and innovation
- Promote exchanges of best practices & knowledge between National Platforms
 - **Communication and awareness-raising,** to promote best practices

FURNACE FOR THE FUTURE (F4F): A FUNDAMENTAL MILESTONE TOWARDS CLIMATE NEUTRALITY

THE F4F PROJECT HAS SEVERAL UNIQUE FEATURES:



Will be developed by and benefit the whole European container glass sector, as a collaboration between 19 companies (>90% EU production). Co-financing vs knowledge sharing.



FURNACE FOR THE FUTURE: A FUNDAMENTAL MILESTONE TOWARDS CLIMATE NEUTRALITY

Will be **developed by and benefit the whole European container glass sector**. Co-financing vs knowledge sharing. Will significantly reduce CO₂ emissions, by replacing 80% natural gas with renewable electricity.

Will be the world's first large scale hybrid furnace for reduced glass using recycled glass – built by Ardagh in Obernkirchen, Germany.

Will directly produce glass containers for the commercial markets from 2023.

THE NEW GLASS HALLMARK: ENGAGING WITH CONSUMERS

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choose

today

tomorrow,



Glass is natural

 \odot

Glass is infinitely recyclable

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Glass preserves product quality

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Glass is caring

- The container glass industry is committed to enabling the transition to a resource-efficient and low-carbon economy
- We launched major sustainability projects: Furnace for the Future, Close the Glass Loop, the Glass Hallmark
- To enable our industry to make this transition, we need the cooperation along the value chain and the support of policymakers

Circular Economy Action Plan and upcoming review of the Packaging & Packaging Waste Directive

"All packaging on the EU market is reusable or recyclable in an economically viable way by 2030"



THANK YOU





INTRODUCTION ECMA



Gift Boxes Special Editions



More than just a pretty wrapping: the essential role of packaging for spirits

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PPWD, EGD, CEAP, XYZ – WHAT DOES IT MEAN TO ME?

MIKE TURNER - Managing Director, ECMA - the European Carton Makers Association



Folding cartons

Inform & Protect



Mike Turner & ECMA - introduction

- Mike Turner ECMA Managing Director with 30-year background in fibre packaging in Europe, USA, China and Middle East
- ECMA represent 500+ folding carton converters and cartonboard mills in 22 countries
- 70,000 staff / 82% of the European market
- Core focus is to promote and defend cartonboard and folding cartons
- We engage with the European Commission and National Governments...and work closely with other industry stakeholders





Fibre packaging sustainability – the facts

 Between 2005 – 2020 European forests have been growing by the equivalent of 1500 football pitches per day

 Fibre packaging is the most recycled packaging type – 85% is recycled in Europe

Over 10% of carbon emissions in Europe are sequested by European forests

Fibre packaging can be recycled over 25 times



The essential role of packaging for spirits

- Product protection, waste prevention & facilitates efficient distribution risk from underpackaging
- Anti-counterfeit and theft prevention capability
- Reduced product contamination / increased consumer confidence
- Communicates brand values
- An intrinsic part of the product and its heritage / brand appeal
- Health & consumption advise



Secondary packaging & the PPWD

For spirits, folding cartons are considered secondary packaging – what is the future outlook considering the aims of the PPWD?

○ Reduce over-packaging

• Reduce packaging consumption per capita

• Focus on "packaging that is unnecessary and serves no essential function"

• On-shelf appeal cannot be a key justification for packaging



Secondary packaging & the PPWD

Reminder of the value of a spirits folding carton

- ✓ Counterfeit reduction (5-9% of global trade is counterfeit)
- \checkmark An intrinsic part of the product and its heritage / brand appeal
- ✓ Health & consumption advise

 Eunomia (consultants preparing the PPWD recommendations) have indicated...

- $\,\circ\,$ They do not regard folding cartons as an offender for overpackaging
- $\,\circ\,$ Fibre packaging's low carbon cost and high recyclability is recognised
- Focus is on other materials...glass and multi-polymer flexibles
- But updates to the Waste Framework Directive / modulation of EPR schemes will see multi-material / complex primary and secondary packaging penalized.





What's next...

- The race to climate neutrality degrowth is seen as a realistic / desirable outcome
- Almost all legislation related to the fibre-based industry is changing
- The European Green Deal is the #1 objective of the Ursula von der Leyen Commission the political landscape is changing
- ECMA support the aspirations of the European Green Deal, the Circular Economy, the PPWD but urge legislators to consider the cost of underpackaging and that packaging "fit for purpose" should be introduced as a new measure
- ECMA are requesting that legislators consult effectively and in detail with industry and despite the political pressures, give due respect to scientific study which challenges their thinking...
- The fibre packaging value chain has joined to create the 4evergreen Alliance to increase the circularity of fibre packaging and increase the recycling rate to 90% by 2030







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THE REVISION OF THE EU PACKAGING AND PACKAGING WASTE DIRECTIVE

DAVID BUHE - Policy Officer for Packaging and Packaging Waste Directive – European Commission DG ENV (B.3)

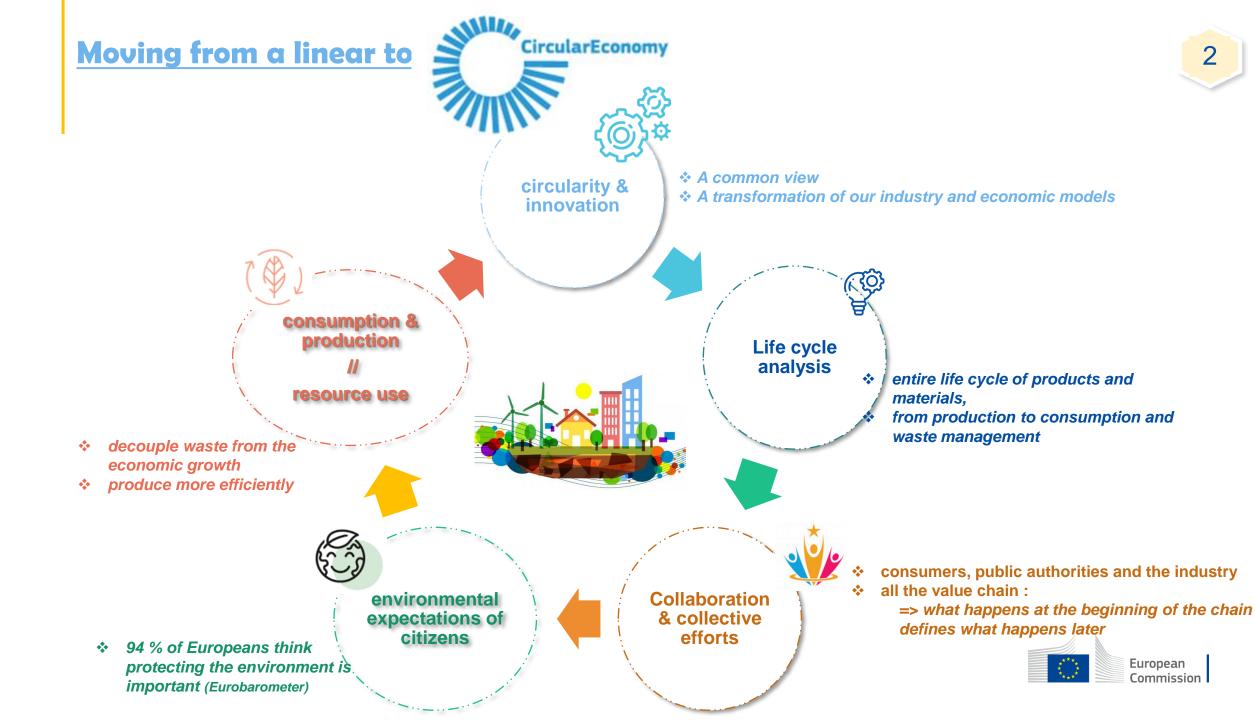
PPWD 94/62/EC : - packaging design & waste prevention -

spiritsEUROPE – 21 september 2021

"More than just a pretty wrapping: the essential role of packaging for spirits"

> David BUHE Policy officer (DG Environment)

> > ****

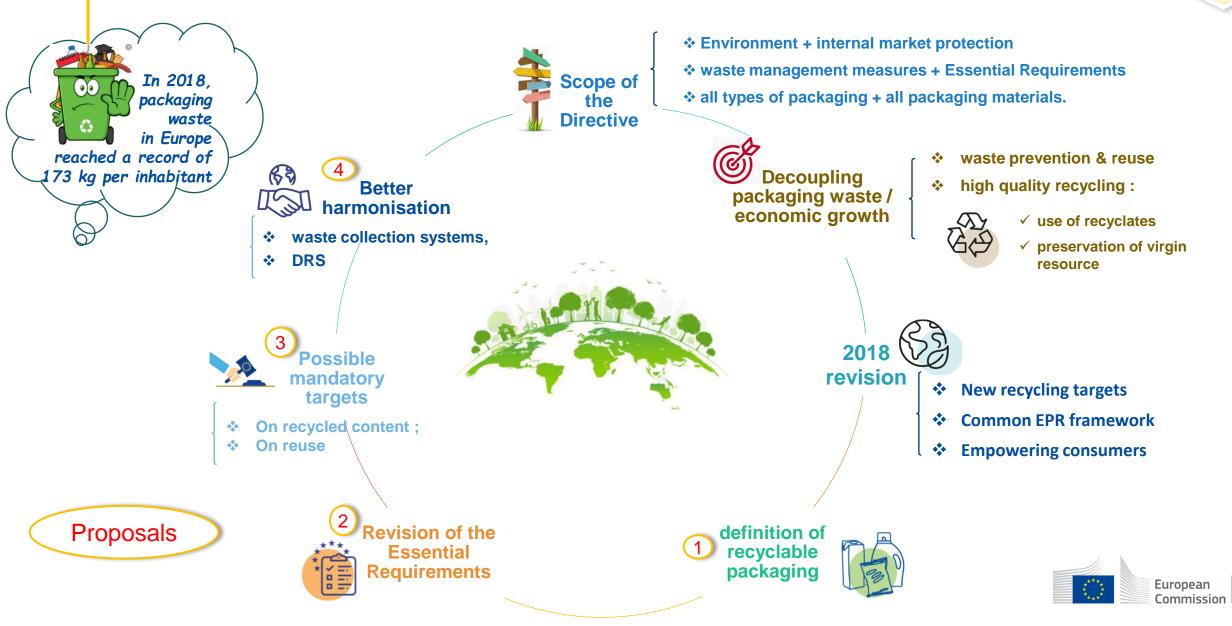


Let's look at a broader picture

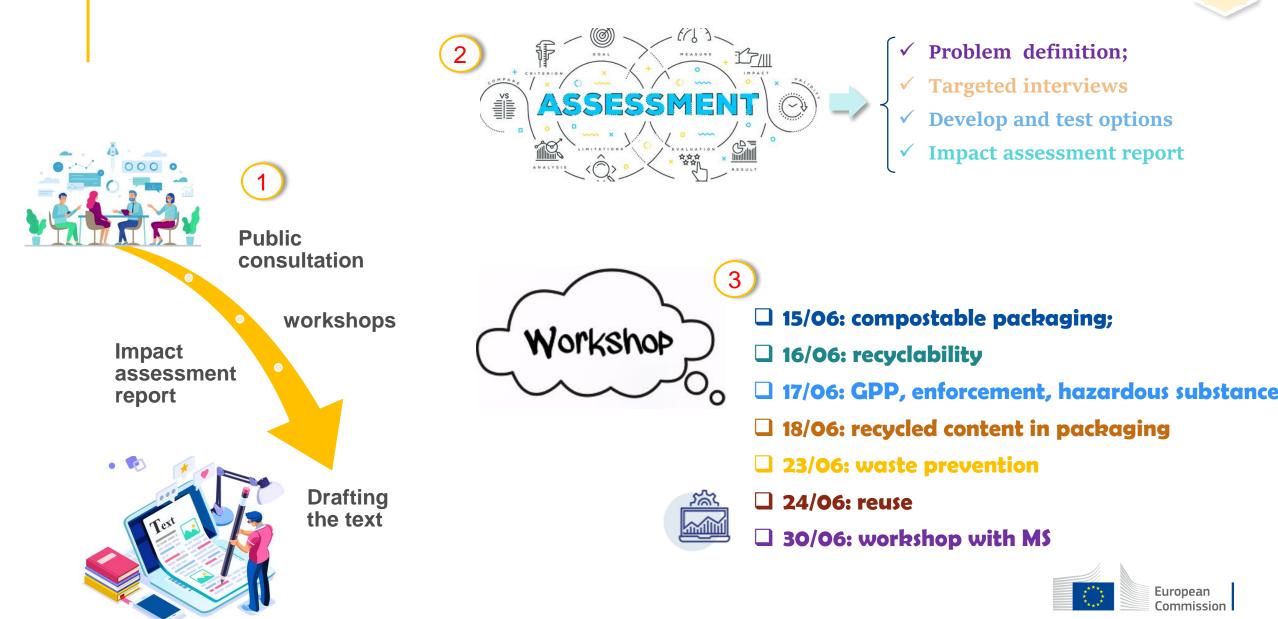


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Focus on the ongoing revision of Directive 94/62/EC



Process of the review



Thank you



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Transport Safety



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TRANSPORT PACKAGING IN THE FRAME OF THE PPWD REVIEW

KRASSIMIRA KAZASHKA - Technical Director at FEFCO - The European Federation of Corrugated Board Manufacturers

FEFCO = corrugated cardboard packaging





Production: 48 billion m2

FEFCO facts and figures





Protects 75% of goods in Europe

100.000

employees



MEMBER PLANTS LOCATION

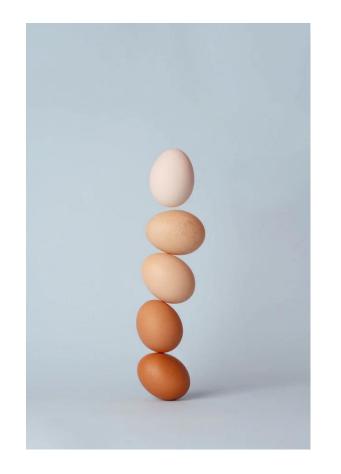




We need packaging!



A world without packaging









Essential role of packaging

PROTECT



PRESERVE

PROMOTE





We need packaging that is reused or recycled and do not exhaust natural resources!



Corrugated cardboard = circular by nature!



2018 Packaging recycling rate

80.1 41.8 82.9 Paper & board **Plastic** Metal Glass

Paper & board is the **most recycled** packaging material in Europe!

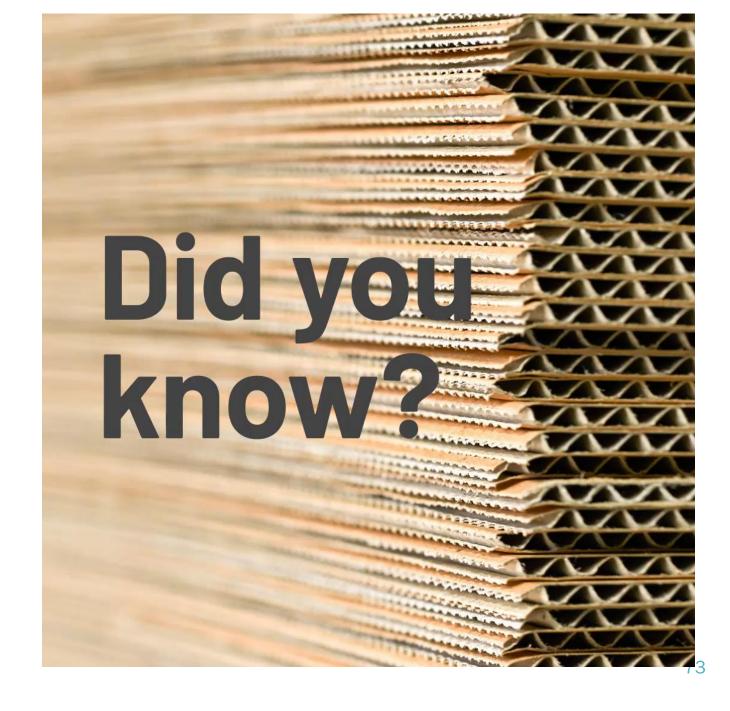




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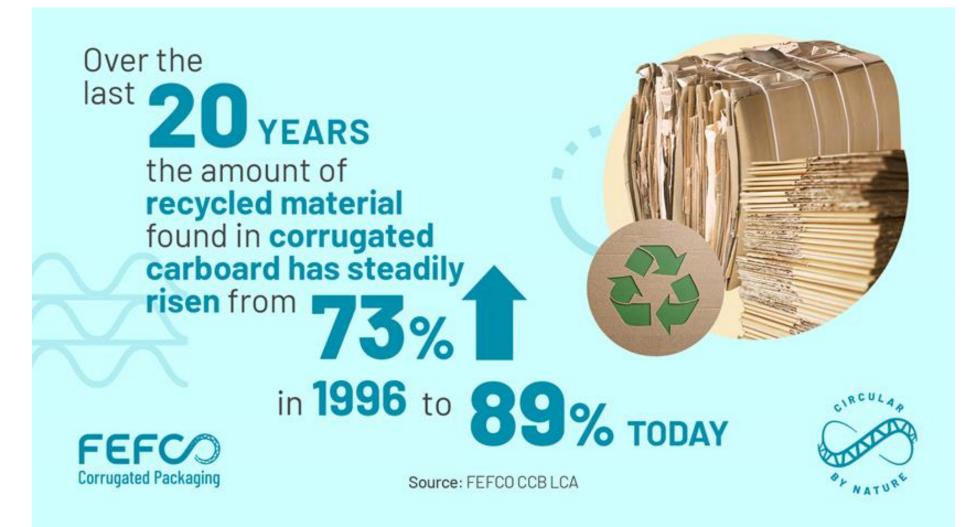
Packaging Recycling Rates

Corrugated is recyclable and recycled in reality!



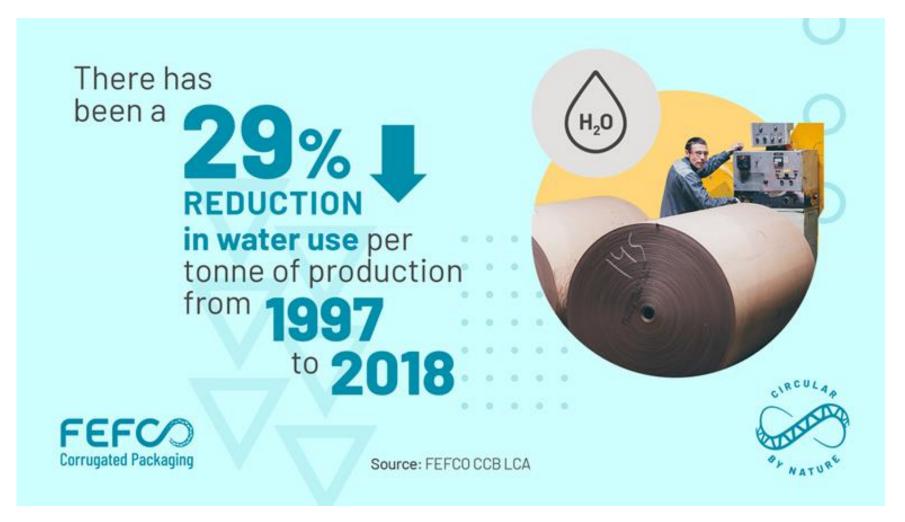


Corrugated uses recycled content!



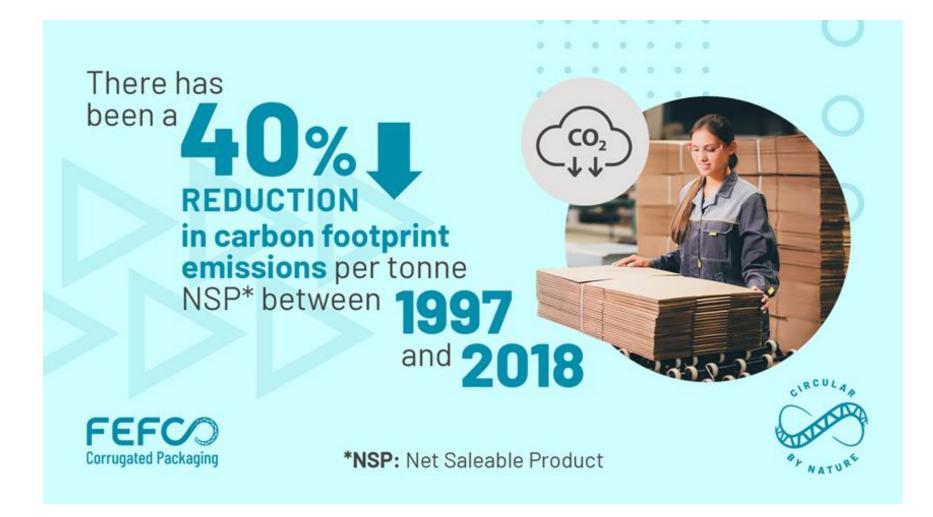


Corrugated protects natural resources!





Corrugated contributes to climate neutrality!





Challenges and opportunities from PPWD review with a focus on Transport packaging



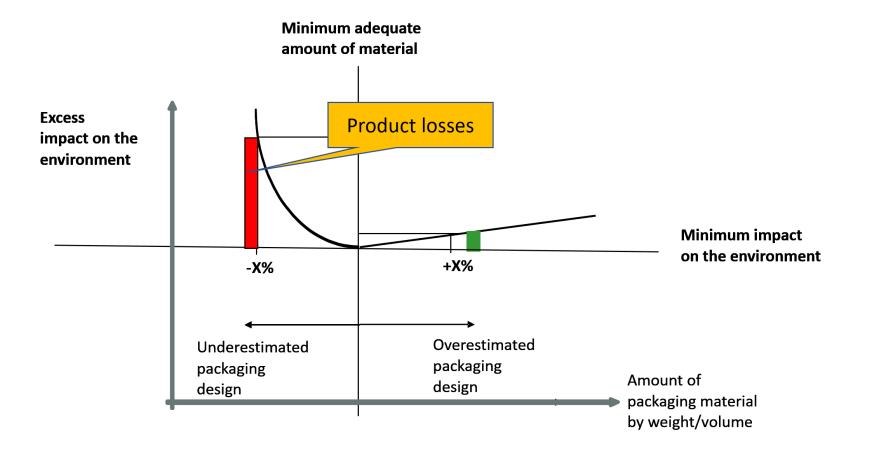
Reuse, reuse, reuse



Hygiene, safety, environmental impact?



Overpackaging: 40 % void space "Fit for purpose"











PAPER-BASED PACKAGING RECYCLABILITY GUIDELINES

"How to specify and design paper-based packaging in a way to ensure high quality recycling by the paper industry"



Unit weight reduction









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MAINSTREAMING REUSE FOR A CIRCULAR FUTURE

EMILY LIN - *Global Packaging Sustainability Program Manager - Diageo*



Mainstreaming Reuse for a circular future

Emily Lin Global Packaging Sustainability Program Manager



CONSUMERS WANT CHANGE

61% of consumers say they're likely to switch to a brand that is more environmentally friendly than their current brand Consumer demand for sustainable packaging holds despite pandemic

Why a sustainable supply chain is critical to the future of consumer products

New Report Finds Overwhelming Majority of Consumers Are Willing to Pay More for Sustainable Packaging Regulators around the world are adopting various approaches for minimizing & managing packaging waste



REFILL

RETURN



REFILL

RETURN





OBSTACLES TO OVERCOME













TLACH

George Cowies for

RT



OBSTACLES TO OVERCOME





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Challenges to implementing a mainstream **reuse** model

Efficient manufacturing hubs supplying markets around the world • Local bottling to minimize carbon & financial impact of reverse logistics • Local suppliers supplying many more manufacturing sites







GLOBAL SUPPLY CHAINS



Challenges to implementing a mainstream **refill** model

Leverage this model for region-specific products unable to make around the world & maintain similar manufacturing footprint

Challenge creating value at-home refill for premium products \rightarrow need further innovation

Need to be mindful of end-of-life value packaging







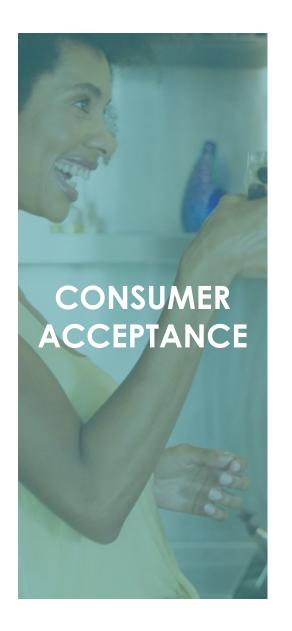


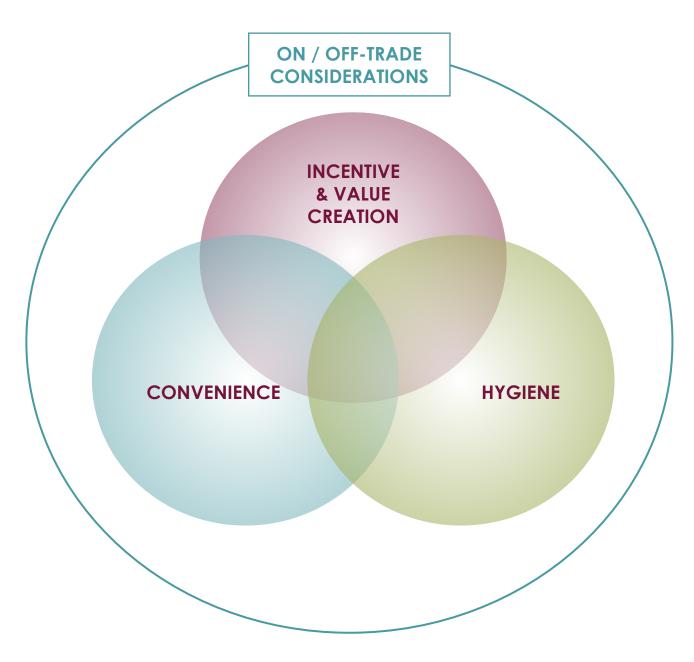


















PUBLIC POLICY



Need to ensure control at refill stations

- 1. Confirm LDA at point of sale
- 2. Prevent over-consumption
- 3. Ensure correct taxation



Encourage legislation that can nudge consumers & producers into making more sustainable decisions

- 1. Promote eco-modulation for packaging EPR
- 2. Support set-up of effective & efficient return schemes to drive consumer participation



REASONS TO BELIEVE







Small scale trials underway around the world, long been utilized in developing markets Time is now to nurture existing work, get creative, and educate consumers Need to partner across the value chain to mainstream reuse for a circular future





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INTRODUCTION MPE



Portion Sizes Convenience



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CIRCULAR CANS: OUR VISION TO INCREASE REAL RECYCLING BY 2030

ROBERT-JAN TER MORSCHE - European Director Product Stewardship & Packaging Policy, Ardagh Group & Beverage Executive Committee Chair, Metal Packaging Europe



Circular Cans: Our vision to increase real recycling by 2030

8 Robert-Jan ter Morsche, Beverage Executive Committee Chair

Spirits Europe, 21 September 2021



METAL PACKAGING EUROPE

- Voice of Europe's rigid metal packaging industry
- Brings together manufacturers, suppliers, and national associations
- Our Beverage Commission proactively positions and supports the positive attributes and image of the beverage can relative to other beverage packaging alternatives



SUPPLIERS OF SUSTAINABLE & INNOVATIVE PACKAGING

- Lightweight, unbreakable, fast and easy to cool
- Available in a **wide range of sizes for consumers**
- Innovative with a large surface for customizable printing designs for brands
- Made from a permanent and high value material
- Infinitely recyclable without loss of its inherent properties
- Recycled with 95% less energy compared to that needed for primary production





EVERYCANCOUNTS.EU

SUSTAINABILITY ACTION

Some of our Bev Can members' most recent initiatives:

- Under the 'Every Can Counts' Initiative, in Summer 2021 they ran an inspiring 'on the go' can recycling campaign simultaneously in 15 countries and 19 locations across Europe to celebrate outdoor spaces and promote a more circular economy.
- In September 2021, they ran an online comms campaign on the promotion of the sustainability benefits of the can – true recycling, resource savings, portion control, versatility etc.
- Continuously promoting the use of the 'Metal Recycles Forever' Logo to effectively communicate the infinite recyclability of the can to consumers thereby incentivizing them to place them in the right recycling bin!



CONSUMERS' PERCEPTION OF THE CAN

Consumer Survey on the Can and the MRF Logo in 7 countries

- More than 75% of consumers in BE, FR, IT, ES and the UK cite can's infinite recyclability as a reason for their positive opinion of the can
- 88% of consumers across all 7 countries state that seeing the Metal Recyclers Forever logo on packaging would positively influence their purchase decision
- Informing, educating and engaging consumers about effective can collection, sorting and recycling is crucial!

More and more brands use our logo to communicate on the infinite recyclability of their canned beverages!





ALUMINIUM BEVERAGE CAN RECYCLING ROADMAP

To achieve our **2030 Vision for a fully Circular Beverage Can** we need to:

BY 2030

- Minimise resource use and carbon footprint (e.g. material, water, energy) impact
- Harmonise kerbside and on-the-go PMD & household waste collection systems
- Support modern and balanced Deposit Return Systems
- Improve sorting and recycling infrastructure
- Capture informal can recycling through partnerships
- Recover metal from non-separated waste

ALUMINIUM BEVERAGE CAN RECYCLING ROADMAP

We need everyone on board

- Brand owners, fillers and retailers
- Consumers & Local Authorities
- Packaging Recovery Organisations, Deposit Return Schemes

BY 2030

- Waste management operators
- Sorting technology companies
- Recycling: scrap dealers, aluminium refiners and recyclers

Thank you for your attention!





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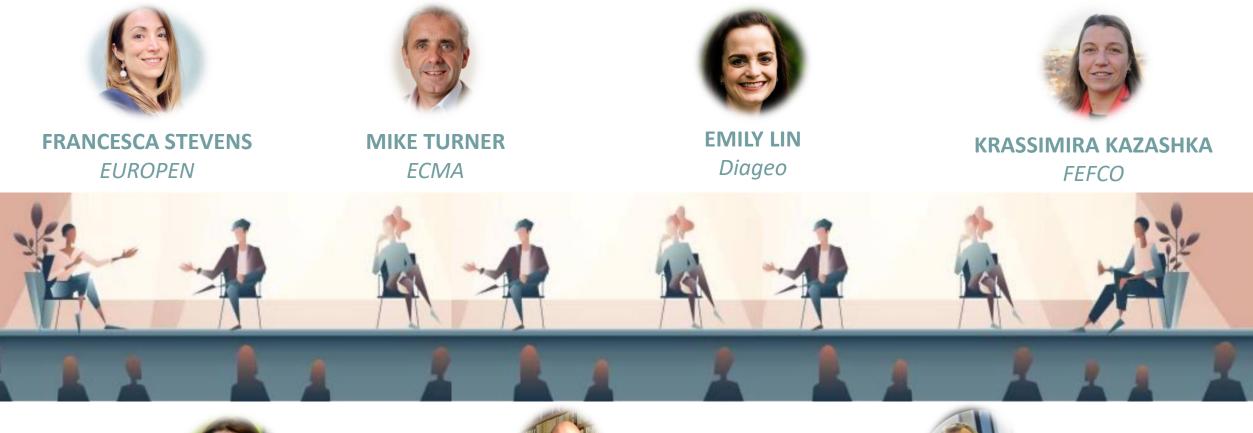
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PANEL DISCUSSION



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PANEL DISCUSSION





ADELINE FARRELLY FEVE

DAVID BUHE European Commission



ROBERT-JAN TER MORSCHE *Metal Packaging Europe*



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THE WAY FORWARD Closing remarks by Ulrich Adam

Thank you for your participation!



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