



**Position on the technical screening criteria for circular economy:
Manufacture of plastic packaging goods and of food and beverage products**

The Roundtable for Reusable Containers Trays and Pallets (RCTP) represents the European manufacturers of Returnable Transit Packaging (RTP). RTP is a type of reusable packaging predominantly used for transport and storage. This type of reusable packaging has a lifecycle of about 15 years, after which it will be recycled up to 100%. The foldable model of many crate types also reduces transportation space, resulting in the reduction of carbon emission. The environmental benefits of reusable packaging can be significant, especially for transport packaging, as research shows that RTP has a significantly lower environmental impact than a single-use equivalent¹. With supporting EU legislation and packaging market, the RTPs have the potential to replace single-use packaging in various applications significantly reducing packaging waste generation, and the environmental impact of packaging.

The RCTP welcomes the EU's ambition in directing investment towards sustainable economic actions via the [Taxonomy Regulation](#), and is convinced that sustainable packaging solutions can significantly contribute to the EU's objectives on achieving a fully circular economy by 2050 and decreasing carbon emissions across sectors. However, the RCTP is concerned that the draft recommendations of the Sustainable Finance Platform (SFP) do not include reusability criteria for the manufacture of plastic packaging goods (Section 2.5.) and for food and beverage products (Section 2.19).

1. Reuse is more sustainable than recycling

The RCTP is deeply concerned that the draft recommendations by the SFP exclude reuse of the technical screening criteria (TSC) for circular economy under sections 2.5. and 2.19. EU legislation and research both define reusability as a more sustainable form of waste prevention and management than recycling, for this reason, it certainly can't be missed in the TSC for circular economy. The EU [Waste Framework Directive](#) introduces a waste hierarchy, which defines reuse as the most sustainable type of waste management after prevention, and the RCTP calls for the waste hierarchy to be respected by the Taxonomy Regulation, hence the TSC on circular economy. The objective of a fully circular and waste-free economy can only be achieved by supporting reuse first and recycling after the product reaches the end of its life cycle. Moreover, the RCTP emphasises that the most sustainable packaging solutions should be determined on the basis of analysis focusing on the carbon footprint of the full life-cycle of a packaging product.

The RCTP would like to draw attention to the scientific evidence on the greater sustainability of reuse over recycling. Professor Walter Stahel, teaching at the University of Surrey and Tohoku and a pioneer researcher on circular economy and Founder of Product-Life institute with a background in architecture and spatial planning, declares that *"Recycling is the least profitable and sustainable strategy of the circular economy. The 2008 EU Waste Framework Directive is the better approach, with priority for reuse followed by service-life extension and preparation for*

¹ [Reducing packaging waste: choose prevention and reuse](#), Zero Waste Europe & Reloop (December 2020), Figure 26

*reuse before recycling.*² More specifically, a study by Zero Waste Europe shows that reuse is the most sustainable solution in the packaging sector³. Furthermore, a study by Fraunhofer Institute, comparing single-use cardboard boxes and reusable plastic containers, finds that the greenhouse gas emissions of reusable packaging systems are around 60% below the greenhouse gas emissions of the one-way system³.

2.1. Criteria on resource use: favourable towards single-use packaging

The RCTP is convinced that a criterion requiring sustainable packaging goods to be produced of a minimum of 95% recycled material or from fully renewable sources, is not the most effective in achieving fully circular economy and a waste-free packaging sector. The criteria included in the TSC on resource use favour single-use packaging as the inconsistency in quality of recycled plastics, especially when sourced outside of the RTP sector, impact the durability of the RTPs. In order for the TSC on circular economy to be aligned with the waste hierarchy, the RCTP calls for other criteria on reusability to be established:

- 1) A product with a lifetime expectancy of 5 years within an established reuse system should be considered sustainable.
- 2) A sustainable product should then fulfil the criteria on either reuse or resource use and the two criteria should not be applied simultaneously.

In other words, the criteria on resource use should only be applied to single-use and other packaging products that do not fulfil the reuse criteria. The RCTP reminds that when plastic is applied in reuse systems and durable forms, it is often more sustainable than single-use alternatives produced of other materials. In fact, a study by Fraunhofer Institute finds that concerning the transport of 1,000 tonnes of fruit and vegetables, the reusable system causes around 14.5 tonnes of CO² equivalent, while the one-way system causes 37.7 tonnes of CO² equivalent³.

2.2. Criteria on resource use: cradle-to-cradle system & material availability

The RTP manufacturers commit to full takeback of their products and the recycling of those products into new RTPs within a cradle-to-cradle system. In other words, RTPs are designed to be fully recyclable, and consist entirely of materials that are recyclable to their origin⁴. A requirement on minimum recycled content for the RTPs is not feasible, and can even be counterproductive for reusable packaging for the following reasons:

- a) Currently, the RTP manufacturers can only benefit from carefully selected sources of recycled material outside their own sector, due to the inconsistency in the quality of the available recycled material. Inadequate quality of recycled material impacts the durability of the RTPs.
- b) The RTP sector is growing and therefore the supply of recycled material is not sufficient, nor is it feasible to define a requirement for recycled content for the RTPs. The RTP manufacturers are already using all the recycled material that is available for them and

² [Expert interview](#), European Commission, (2014).

³ [Carbon Footprint von Verpackungssystemen für Obst- und Gemüsetransporte in Europa](#), Fraunhofer-Institute, (February 2018) pp. 7 & 38.

⁴ The customer must commit and be incentivised to handling the packaging product in a way which precludes contamination with substances that are hazardous or cannot be definitely removed by cleaning, as such substances will lower the quality and safety of the recycled material. Using low-quality recycled material compromises the quality of the RTPs such as durability, hygiene/safety, and strength. The producer can guide the customer on the use of their product, but not oversee the customers' actions. Thus, it is necessary to consider the role of each player involved in the supply chain when setting up EPR schemes.

increasing the use of such material would require greater availability of high-quality recycled materials. The RTP manufacturers may be forced to recall products before the end of their lifecycle.

The RCTP emphasises that although the use of virgin plastics is necessary for the sector, the material that enters the cradle-to-cradle system remains in the system. In fact, the material that enters the system today is still reused and recycled within the system for more than 100 years, thereby allowing to decarbonize supply-chains. Furthermore, all the RTP products can be taken back and reproduced to new products by all manufacturers. As a result, the industry's carbon footprint can be significantly reduced by recycling the material from old RTPs.

3. Circular economy and the European packaging sector

In March 2020, the Commission published the [New Circular Economy Action Plan](#), one of the pillars of the European Green Deal. The Action Plan sets an objective of a fully circular economy. The RCTP is convinced that this objective can only be truly achieved by embracing reusable solutions. As in the circular economy materials are maintained as long as possible and waste is minimised⁵, the use of single-use packaging should be minimised. Therefore, investments and resources should be directed towards reusable products. The RTPs have the potential to expand into other sectors and to replace single-use packaging in several applications. However, the current legislation, as well as packaging and waste management systems in place, hamper the uptake of RTPs by making single-use alternatives more convenient, and therefore, preferable for packaging users. The Taxonomy Regulation can level up the playing field between reusable and single-use packaging by directing investments to reusable packaging, and thus, accelerating innovation in the sector.

The RTPs could significantly contribute to the transition to the circular economy, not only through their lower carbon footprint and long durability, compared to alternative packaging solutions, but also by reducing carbon emissions of the sectors that use RTPs along the supply chain.

Recommendations:

- 1) Setting the TSC on circular economy in line with the Waste Hierarchy, hence placing reuse over recycling.
- 2) Establishing a criterion on reuse under sections 2.5. and 2.19., which is preferred or equal to the criteria on resource use.
- 3) Recognising the sustainability of cradle-to-cradle based reuse systems compared to single-use packaging systems.
- 4) Aligning the TSC on circular economy with the principles of maintaining materials as long as possible and minimising waste generation.

⁷ [Circular Economy – overview](#), Eurostat