Joint industry statement on harmonization of packaging labelling in the European Union

November 6, 2023

Dear Sir or Madam.

As associations representing the electrical and digital industry in the European Union, we support the ambitious objectives of the EU Green Deal and are committed to contribute to it. This also includes the continuous improvement of the environmental characteristics of our products and packaging. However, to achieve this, we need a supporting regulatory framework focusing on the well-functioning of the internal market.

We thus welcome the proposal for an introduction of harmonised European labelling in the European Commission's proposal for a Regulation on packaging and packaging waste (PPWR) in Articles 4 (3) and Article 11. These provisions ensure that packaging that is compliant with the PPWR can in any case be placed on the EU market. We call upon European legislators to maintain this essential cornerstone of the proposal as such. However, from our point of view, the proposal does not go far enough, as Article 4 (5) and Article 11 (8) still allow Member States to introduce national labelling systems for extended producer responsibility schemes. This current approach will lead to a regulatory environment that will be unworkable at best and crippling for whole sectors of the European industry at worst. Different time schedules in member states lead to enormous product maintenance efforts in the companies. Each product (= each material number) has to be processed several times in change management (in case of doubt for each country at different points in time), which is very inefficient and, with thousands of products, slows down change management in the companies extraordinarily. There are no resources earmarked for adapting labelling requirements again and again over the next few years. In addition, there is a large development effort to ensure that the targeted technical solutions are compatible for all markets. Currently, manufacturers must assume that a solution accepted for one country, e.g., QR codes, will not be accepted in all countries, which leads to additional implementation and product maintenance efforts.

Companies like the members of our associations manufacture products intended for distribution across the entire European market, a process that unexpectedly becomes complex due to the existing diverging national labelling regulations. The reason for this is that at the time of their production, it was impossible to predict which country they would ultimately end up in, as products are distributed as needed. This means that products often have to be re-labelled, shipped back to logistic centres and then shipped to their actual destination to comply with national labelling regulations. process mandates resource-intensive centres in various countries, significantly burdening SMEs due to the unforeseen financial and operational demands. Essentially, varying regulations transform a simple distribution process into a complex system of compliance and logistics, particularly challenging for smaller enterprises.

Furthermore, an entire new quality management check for the re-labelling must be implemented. This problem is even more exacerbated when supplying large retail customers, as they order products in advance rather than on demand to be able to ship products quickly from their central distribution centre, and then have to relabel the individual packaging accordingly. In the worst-case, for example if the symbols are not internationally recognised or even banned in some countries, it may even be necessary to completely repackage a product instead of re-labelling it.

Additionally, manufacturers source packaging in bulk from suppliers, which is complicated by national labelling requirements due to a lack of planning security. If new labelling requirements are adopted, packaging held in stock may no longer be compliant and may even have to be destroyed, creating additional waste.

Summarizing, national labelling requirements, such as those currently in place in France, Italy, or Spain, jeopardize the European single market, cause unnecessary greenhouse gas emissions, higher costs for consumers and, in the worst-case, additional waste.

To solve this problem, we propose to further strengthen the approach to harmonised European labelling rather than national measures by limiting the ability of Member States to introduce national labels for extended producer responsibility schemes. Informing consumers about the correct disposal of packaging materials can also be done successfully via standardized (digitalized) labelling. All labelling should be able to be designed in one colour, as colour printing would have a significant negative impact on the recyclability of packaging and its environmental impact. National colourful measures are not the right way to go about this. We call on the European legislators to address this critical issue and remain at your disposal for further dialogue.

Yours sincerely

Signatories



APPLiA represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 53 billion, investing over EUR 1.6 billion in R&D activities and creating nearly 1 million jobs.

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The European Tool Association CEO is the association of and for the European tool and fixings manufacturers. We represent the interests of our around 180 member companies with an estimated sales volume of about 4 billion Euro per annum. Our paramount aim is to create and maintain best conditions of competitiveness for the European tool manufacturers.

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The European Garden Machinery industry Federation – EGMF – has been the voice of the garden machinery industry in Europe since 1977. With 30 European corporate members and 7 national associations representing manufacturers for garden, landscaping, forestry and turf maintenance equipment, we are the most powerful network in this sector in Europe. Our members are responsible for employing 120,000 people in the EU, and in 2021 sold over 23 million units on the European Market.

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EPTA ***

THE EUROPEAN POWER TOOL ASSOCIATION

The European Power Tool Association represents European power tool manufacturers. Our 25 member companies represent approximately70.000 employees in Europe (170 000 worldwide) and 90% of all corded and cordless power tools sold on the European market. Power tools are used by professionals, skilled tradesmen and DIY consumers. The industry's annual turnover is about 7 billion Euro. EPTA members are committed to the highest possible standards of quality and safety of their tools. Innovation and advanced technologies as well as customer-friendly applications are key to our companies' economic growth, competitiveness and the creation of jobs.

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LightingEurope is the voice of the lighting industry, based in Brussels and representing 31 companies and national associations. Together these members account for over 1,000 European companies, a majority of which are small or medium-sized. They represent a total European workforce of over 100,000 people and an annual turnover exceeding 20 billion euro. LightingEurope is committed to promoting efficient lighting that benefits human comfort, safety and wellbeing, and the environment. LightingEurope advocates a

positive business and regulatory environment to foster fair competition and growth for the European lighting industry. www.lightingeurope.org

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Orgalim represents <u>Europe's technology industries</u>, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering and electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of €2,906 billion, manufacturing one-third of all European exports and providing 11.19 million direct jobs.

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ZVEI - Electro and Digital Industry Association represents the common interests of the electrical and digital industry and the associated service companies in Germany and at international level. The association has more than 1,100 member companies, and 170 employees work in the ZVEI Group.

The industry employs nearly 906,000 workers in Germany (as of April 2023). In 2022, its turnover was around 225 billion euros.

The electrical and digital industry is one of the most innovative economic sectors in Germany. One fifth of the industry's turnover is accounted for by product innovations. Every third innovation in the manufacturing industry as a whole gets its original impetus here. Almost a quarter of all R&D expenditure in the manufacturing sector in Germany comes from the electrical and digital industry. Every year, the sector spends around 20 billion euros on R&D and more than seven billion euros on investments.

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