

Brussels, 20th October 2023

Joint Statement: FEFPEB and European Panel Federation on High-Quality Recycling in Packaging and Packaging Waste Regulation

The European Federation of Wooden Pallets and Packaging Manufacturers (FEFPEB) and the European Panel Federation (EPF) share concerns regarding the compromise amendments from the ENVI Committee on the Packaging and Packaging Waste Regulation (PPWR). While we fully support the sustainability goals of the PPWR, we believe that the proposed 'one size fits all' approach is not suitable for the unique attributes of wooden packaging and pallets, and it fails to account for the significant contributions of wood to the circular economy.

Wood is an exceptional material, being renewable and environmentally sustainable for transport packaging. It stands apart from other packaging materials due to its inherent carbon capture properties and low environmental impact. Wooden packaging and pallets are made from a renewable material 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.

We have reservations about treating wood on par with plastic packaging materials, given the substantial disparities between the two materials.

Moreover, it is essential to recognize that a majority of wooden pallets and packaging are used within the business-to-business (B2B) sector rather than the business-to-consumer (B2C) sector. This industry-specific usage underscores the necessity for a more nuanced regulatory approach that considers the diverse applications and functions of wooden packaging.

Our primary concern relates to the definition of 'high-quality recycling' in the ENVI Committee Compromise Amendments. We propose that this definition should not enforce a closed-loop recycling system for all packaging materials. Such a mandate would disrupt the wood waste recycling industry, which successfully transforms wood waste into long-lasting applications and products, such as panel boards. **To prevent any conflict with the Waste Framework Directive, which covers all types of waste, we strongly recommend aligning with the definition of 'recycling' as outlined in the Waste Framework Directive¹.**

As per the ENVI 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** restricting the possibility of materials to be recycled into different products or applications than the material was originally used for.

Wood waste from wooden packaging and pallets is mainly recycled into panel boards. Wood waste acts as 'Grade A' raw material for the panel industry. Mandating a closed loop recycling approach would restrict raw material flow into a perfectly functional panelboard industry that uses a significant

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.

amount of recycled raw materials. In 2022, 9 million tonnes of recovered wood were used in Europe to manufacture particleboards, being 43% of the raw material used by this European industry².

Recycled wooden packaging, in the form of wood-based panels used in construction or furniture, plays a significant role in achieving carbon emission reduction targets in this critical sector as well. It also facilitates the replacement of fossil-based products with long-lived circular materials and products that contribute significantly to carbon storage and the circular economy, aligning with the European Forestry Strategy 2030.

Wood waste recycled into panel boards has significant potential for extending the lifespan of wood waste into long-lived products, with an average lifespan of 25 years. This approach ensures that the CO² stored in the wood fiber remains "locked up" within the board and does not contribute to atmospheric CO² emissions.

Additionally, wood packaging as a food contact material, including light weight packaging (LWP), must adhere to stringent food safety regulations³. In addition to this Regulation, all FCM must be manufactured in accordance with Good Manufacturing Practices (GMP)⁴. Thus, implementing closed-loop recycling for materials like wood will also not be feasible due to food safety concerns for food contact materials.

Hence, in the case of wooden packaging, a closed loop recycling system is not an option for the recovery of packaging waste. When comparing the recycling process of one material which in a closed loop (cardboard) and the other in an open loop (wood), it cannot be scientifically proven that the closed loop is better. Therefore, we suggest deleting the reference to *"in the same way or for a similar application"*.

We are also concerned with the ENVI Committee's proposed definition of recyclability, which adds the requirement of being compatible with 'recycling at scale', along with other criteria. Wooden packaging and pallets, by their nature, are inherently recyclable materials. However, this connection between recyclability and 'recycling at scale' introduces that wood packaging and pallet waste might be unjustly considered non-recyclable because there is not enough recycling infrastructure. The current absence of sufficient industrial processes for large-scale recycling should not undermine the perfectly functional market of an environmentally sustainable packaging solution. The concept of recycling at scale is already defined within the regulation and should not be linked with the core definition of recyclability as they are two different things. This crucial distinction must be upheld to ensure the continued recognition of wooden packaging's recyclability and its contributions to the circular economy.

In conclusion, **considering the distinct characteristics of wooden packaging and pallets, we urge the ENVI Committee to delete the requirement to recycle products to be used in 'the same way or for similar application' in the definition of 'high quality recycling' and delete mandating 'recycling at scale' in the definition of 'recyclability'.** Adopting a flexible approach to recycling definitions that allows for the unique qualities of wood packaging is essential to support the circular economy, carbon capture, and the broader sustainability goals. We look forward to engaging in further discussions and collaborative efforts to achieve these aims.

² [Advocacy Leaflet - European Panel Federation \(europanel.org\)](https://www.europanel.org/advocacy-leaflet)

³ Regulation (EC) No 1935/2004

⁴ Regulation (EC) No 2023/2006)

Signatories of this joint-statement:

▪ **FEFPEB: European wooden pallets and packaging manufacturers**

FEFPEB (TR 924074750032-19) is a trade association representing manufacturers, repairers, and traders in the field of wooden packaging and related institutions and organizations. FEFPEB's objectives include the promotion of timber packaging and representing the interests of the European wooden pallet and packaging industry. <https://www.fefpeb.eu/>

▪ **EPF: European Panel Federation**

EPF represents the European manufacturers of wood-based panels being particleboard, dry process fibreboard (MDF), oriented strand board (OSB), hardboard, softboard and plywood. EPF has members in 30 European countries. The EU wood panel industry has a turnover of about 25 billion euro every year and creates directly over 100,000 jobs. The production of wood-based panels in the EU-27 (+EFTA) in 2022 was an estimated 59.8 million m³. www.europanel.org