

**AIM POSITION**  
**EU CIRCULAR ECONOMY ACTION PLAN**  
**AND WASTE LEGISLATION REVIEW**

**MAY 2016**

## AIM POSITION

# EU CIRCULAR ECONOMY ACTION PLAN AND WASTE LEGISLATION REVIEW

### Brands support the circular economy

It makes both environmental and economic sense to manage resources carefully and, where feasible, to re-inject recovered materials into the economy. AIM member companies are integrating circular thinking into their business strategies through responsible raw material sourcing, efficient production processes and product design, inspiring more sustainable consumer behaviour (“Nudging for good”), promoting redistribution, and participation in Extended Producer Responsibility (EPR) schemes for efficient waste management and recycling.

### Brands innovate and design for a circular economy

Constant innovation to anticipate and respond to consumer and societal trends, including in product and packaging design, is what keeps a brand relevant. Incentives to integrate circularity into product and packaging design will help. Conversely, **prescriptive requirements would stifle the very innovation flexibility** needed to drive circularity and resource efficiency. A successful circular economy requires **value-chain thinking** in terms of life-cycle stages. EU policy measures aimed at product and packaging design solely in terms of recyclability at the life-cycle’s end would limit innovation for optimal solutions and could result in lock-in technologies. Similar individual measures by **EU Member States would in addition erode the Single Market.**

### Brands seek to source responsibly

**The vast majority of branded goods manufacturers have set targets for responsibly sourced ingredients, raw materials, and use of recycled materials in their packaging solutions, coupled with commitments to drive down material use where feasible and possible from a product safety point of view.** Through industry-wide collaborative initiatives, such as **AIM-PROGRESS<sup>1</sup> - AIM’s global responsible sourcing programme** - brand manufacturers seek to raise the bar for sourcing requirements in the branded goods industry, reduce unnecessarily conflicting demands on their common supplier base and deliver continuous improvements throughout the supply chain. We are therefore pleased to see that the Commission **recognises the value of voluntary horizontal and vertical industry collaboration for achieving circular economy goals.**

### AIM sees a strong need for a functioning market for secondary raw materials

**Secondary raw materials need to be available in sufficient quantity and quality at competitive prices** in a genuine internal market for secondary raw materials with relevant infrastructure for sorting and re-processing. In this context, the development of **end-of-waste criteria** for key secondary materials and appropriate incentive systems to drive demand for secondary raw materials is a necessary pre-requisite for market

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<sup>1</sup> [www.aim-progress.com](http://www.aim-progress.com)

development. In this context, plastics and other composite packaging materials are a valuable resource for a wide range of packaging applications; strategies which enable a better recovery and more circular use of plastics in particular are, in principle, supported by our industry.

## AIM supports the idea of waste prevention through redistribution

Waste prevention through redistribution is an integral part of the circular economy. The branded goods industry continues to innovate in this area and supports a policy environment which promotes trusted routes of redistribution, securing societal benefits.

## AIM believes in consumer behaviour change as a key driver towards a circular economy

Whilst consumer information and awareness campaigns are essential for consumers to take an active role in sustainability, there is often still a gap between consumers' stated intentions and actions<sup>2</sup>. The EU Commission is currently looking at how **behavioural science** can be used for smart policy-making, and the **opportunities for "nudging" consumers to change consumption habits**. The branded goods industry, with its consumer insights and marketing expertise, can play an active role in helping people adopt healthier and more sustainable lifestyles. The

AIM **Nudging for Good**<sup>3</sup> initiative is fostering such approaches in the industry, **making it easy and desirable for consumers to change habits**. **Preventing litter** from occurring in the first place through changes in consumer behaviour should be prioritised under the circular economy action plan.

**One joint multi-stakeholder platform** needs to be set up to foster dialogue, leverage existing knowledge and spur concrete actions between the parties involved in the circular economy. There seems to be a plethora of EU-funded project platforms dealing with circular economy topics emerging under Horizon 2020. It is important to ensure coherence between these.

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<sup>2</sup> June 2014 [Flash Eurobarometer 388](#)

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<sup>3</sup> [www.nudgingforgood.com](http://www.nudgingforgood.com) – helping people to adopt healthier and more sustainable lifestyles

## AIM's position on Packaging Waste Management

AIM advances the following comments, already submitted by EUROOPEN on the review of the (Packaging) waste management legislation<sup>4</sup>, notably support for:

- **The retention of the Internal Market safeguard** as the fundamental legal base of the Packaging and Packaging Waste Directive.
- **The Commission's intention to improve transparency of and rules for EPR schemes** to avoid cherry-picking of materials or by geographic scope and improve cost efficiency among all EPR schemes.
- **The introduction of the net cost principle** in the Waste Framework Directive review proposal. We also suggest that packaging waste EPR schemes should be required to be **transparent about the revenues received** from the sales of secondary raw materials.
- **The point of measurement for packaging recycling as the point of input to a final 'preparing for re-use' or recycling process**, after sorting operations have been completed.
- **The proposed targets and deadlines, which take account of the wide variation between Member States**; robust measurement and accurate reporting will be crucial to ensure transparent, comparable, high-quality statistics across the EU. A clear definition of 'preparation for re-use' and its role in a joint target with recycling is necessary to better understand the implications.

In line with EUROOPEN, we call for:

- **A clarification of shared responsibility in packaging waste management:** financial contributions by producers/importers must be consistent with and proportionate to their roles and responsibilities in packaging waste sorting and management. **An unlimited obligation for producers/importers to "cover the entire costs of waste management" is clearly disproportionate. Distributors (retailers) and consumers/citizens** are also supply chain actors, as well as **e-commerce platforms** where no producer/importer is identified.
- **A scientifically reliable, consistent, pragmatic and non-misleading methodology** agreed across all EU Member States when linking product design to **differentiated fees for EPR schemes** as an economic incentive to design for the circular economy to protect the Single Market.
- Retaining the **potential of waste to energy or thermal recovery** in an overall waste strategy<sup>5</sup>.
- Ensuring an acceleration of the circular economy through **legislative coherence and removal of barriers stemming from EU legislation**, in particular regarding classification of waste versus by-products.

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<sup>4</sup> Circular Economy : [EUROOPEN recommendations](#) on the EU legislative proposals for the Packaging and Packaging Waste Directive and Waste Framework Directive, 11 February 2016

<sup>5</sup> This is recognised in the recent « [Waste to Energy" policy roadmap](#), January 2016