



THE OPEN PALLET POOL.

European Pallet Association e.V. (EPAL)

PRESS RELEASE

The proposal from the EU Parliament's Environment Committee to define recycling in the PPWR disadvantages sustainable packaging made from natural materials such as wood

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The definition of high-quality-recycling in the report of the ENVI committee of the European parliament on the Packaging and Packaging Waste Regulation (PPWR) favors plastic packaging over wooden packaging. This will lead to more plastic packaging and therefore contradict the goal of the PPWR to reduce plastic packaging and plastic waste.

EPAL and the European timber industry share deep concerns regarding the definition of high-quality-recycling in the ENVI report on the Packaging and Packaging Waste Regulation (PPWR), dated 18 Oct. 2023 which will be the basis for the decision of the European Parliament planned for 20 Nov. 2023.

Bernd Dörre, CEO of EPAL:

"EPAL fully supports the sustainability goals pursued by the European Commission with the draft PPWR. EPAL pallets are made from wood, a natural and renewable raw material that meets all the requirements for sustainable packaging, including zero-waste recycling. With more than 650 million EPAL Euro pallets in circulation the open EPAL pallet pool is a prime example of the reuse of packaging in a functioning circular economy. This means that EPAL already fulfils most of the requirements of the PPWR. However, the proposal of the European Parliament's Environment Committee (ENVI) puts wooden packaging and transport packaging, including EPAL pallets, at a disadvantage."

EPAL criticizes the definition of "high-quality recycling" in the ENVI Committee's report

According to the report of the ENVI report, a packaging material is only considered "high quality recycled" if the recycled material can be used in the same or a similar way. This definition restricts the use of recycled packaging material to the production of new packaging. In contrast, wood chips obtained from the recycling of wooden packaging such as pallets can only be partially used for new packaging material such as the chipboard blocks of pallets. The majority of wood chips, on the other hand, are used for the production of particleboards, which are used in the construction and furniture industry.

This "upcycling" through the conversion of wood recycling material into long lasting applications and products is in line with the cascade principle of wood use in accordance with the European Green Deal and the EU Forestry Strategy 2030. It is therefore all the less understandable that the ENVI Committee's proposal restricts this fundamental principle of sustainability.





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Bernd Dörre, CEO of EPAL:

"Particleboards are important components for the production of furniture and building materials. In 2022, 9 million tons of waste wood were used to produce particleboard in Europe, representing 43% of the raw material used by the particleboard industry. This is already fully in line with the goals of the PPWR and the European Green Deal. The ENVI Committee's proposal would massively restrict and disrupt this perfectly functioning flow of raw materials into the particleboard industry."

Cross-industry and cross-product use of recycled material is better than limiting recycling to closed-loop recycling

Promoting the recycling of packaging materials is the right thing to do and EPAL fully supports this. It is important that packaging design already takes into account that there is a concrete need for the recycled material in the industry (design for recycling). Only if there is a demand for recycled material will it be requested and used as a secondary raw material. This demand must therefore not be restricted, as is the case with the restriction to closed-loop recycling.

Bernd Dörre, CEO of EPAL:

"Circular economy systems and closed-loop recycling systems are only successful and sustainable if the products or secondary raw materials can also be used in other industries or for other products. The open EPAL Euro pallet pool is the best example of this. The high quality and standardised dimensions of EPAL pallets allow them to be used in the logistics systems of all companies and sectors in industry, trade and logistics. This universal possibility of using EPAL Euro pallets is the basis for the great international demand and thus for the exchange of EPAL Euro pallets that has been established for many years."

Closed-loop recycling penalises wooden packaging. This will lead to more plastic packaging!

The definition of high-quality recycling is of central importance for the future assessment of packaging fees. According to the definition of high-quality recycling in the ENVI report, wood packaging can at best achieve performance level C. This results in higher packaging fees for wooden packaging compared to plastic packaging and therefore favours the use of plastic packaging.

Bernd Dörre, CEO of EPAL:

"The ENVI committee's idea that packaging waste should be used for the production of new packaging is understandable when it comes to plastic and consumer packaging. However, EPAL Euro pallets are already 100% recycled today, so that no packaging waste is produced. In the area of transport packaging, the impending additional financial burden on wooden packaging will therefore only lead to more plastic packaging instead of reducing plastic packaging and plastic waste. It is obvious that this runs counter to the central objective of the PPWR: the reduction of plastic packaging and plastic waste."



Lack of consideration of specific packaging properties in the PPWR

The definition of high-quality recycling in the ENVI Committee's report does not take into account the specific properties of wood for the protection of the environment and for the sustainability of packaging logistics. The reason for this is the "one-size-fits-all" approach of the PPWR, which does not take into account the purpose and the material of the packaging. When determining the quality of recycling, it is also not taken into account whether the packaging was previously part of a reuse system.

Bernd Dörre, CEO of EPAL:

"The lack of consideration of the sustainability of the material in the definition of high-quality recycling penalises natural and sustainable materials such as wood. The restriction of high-quality recycling to closed-loop recycling further exacerbates this disadvantage. At the same time, the lack of consideration of years of reuse of EPAL pallets directly penalises the open EPAL Euro pallet pool as one of the oldest examples of a functioning circular economy. All of this contradicts the objectives of the PPWR and in particular the objectives of the European Green Deal."

Reuse is better than just recycling

Following the definition of high-quality recycling in the ENVI report, it is better to recycle plastic packaging after each use than to reuse wooden packaging for years before other products are made from the recycled wood material. This obviously incorrect result can easily be avoided if the definition of high-quality recycling includes an open material cycle and also takes into account the reusability of the packaging.

Bernd Dörre, CEO of EPAL:

"Together with many associations of the European wood, furniture and paper industry, we call on the European Parliament, the European Commission and the European Council to regulate an open material loop for the recycling of packaging instead of a closed product loop. Only such a flexible approach to the use of recycled material as a secondary raw material will ensure the use of natural and sustainable packaging and the reduction of plastic packaging and plastic waste."

The EPAL statement, which was sent by EPAL to the Members of the European Parliament, can be found here: https://www.epal-pallets.org/fileadmin/user_upload/documents/pdf/EPAL-Statement_PPWR-ENVI_13112023_EN.pdf

About EPAL:

As an international non-profit organization, the European Pallet Association e.V. (EPAL) manages the open EPAL Euro pallet pool. There are currently more than 650 million EPAL Euro pallets and approximately 20 million EPAL Box pallets in circulation making the EPAL Euro pallet exchange pool the biggest open pallet exchange pool in the world. EPAL Euro pallets are the cornerstone of industrial and retail supply chains in Europe.

The open EPAL Euro pallet pool, with its principles of reuse, pallet exchange, repair and recycling, has been a prime example for a sustainable circular economy for more than six decades. Wooden EPAL Euro pallets make a significant contribution to protecting the climate. They store CO₂, prevent waste, reduce the need for wood and thus improve the carbon footprint of users in industry, trade and logistics.





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EPAL was founded in 1991 by national pallet associations that have been active since the 1960s. EPAL is currently represented in more than 35 countries. More than 1,600 EPAL licensees produce and repair EPAL Euro pallets and other EPAL load carriers. In 2021 and 2022, more than 100 million new EPAL Euro pallets were produced each year. More than 1.55 billion EPAL Euro pallets have been produced since 2000.

The basis for the success and the functioning circular economy of the open EPAL Euro pallet pool is the strict standardization and high quality of EPAL pallets. EPAL's comprehensive and independent quality assurance guarantees the effective and safe use and exchange of EPAL pallets in all supply chains of industry, trade and logistics. The EPAL brand stands for quality, safety and sustainability in logistics.

For further press information:

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