



THE OPEN PALLET POOL.

European Pallet Association e.V. (EPAL)

Statement of EPAL

on the European Parliament vote on 24.04.2024 on the Packaging and packaging waste regulation (PPWR)

EPAL welcomes the compromise on the EU Packaging Regulation (PPWR)

Düsseldorf, 22 April 2024

The European Parliament will vote on the compromise proposal for the new Packaging and Packaging Waste Regulation (PPWR) on 24 April 2024. After many discussions in the Parliament's committees and controversial proposals from the Commission, Parliament and Council, an agreement was reached in the trilogue negotiations on 4 March 2024, which has now been submitted to the European Parliament for a vote. The European Pallet Association e.V. (EPAL) welcomes the agreement and supports the adoption of the proposed agreement, even though it involves numerous compromises, especially in the area of packaging reuse.

EPAL has accompanied and commented on the legislative process since the European Commission presented an ambitious and in many respects sensible and promising proposal on 30 Nov 2022. Together with other associations in the timber industry, EPAL has focused on correcting the structural disadvantage of wooden packaging.

Bernd Dörre, CEO of EPAL:

"The Commission's proposal of 30 Nov 2022 had the central objective of reducing the growing amount of plastic and consumer packaging and the associated waste and material consumption. This is correct and is supported by EPAL. The use of plastic can and should also be avoided in the field of transport packaging such as pallets, because wooden pallets have many advantages, from production to recycling."

However, the first drafts of the PPWR did not take into account the advantages of wood as a material, especially in the field of recycling. Instead, the uniform rules for all types of packaging would have resulted in packaging made from the renewable and sustainable material wood even being disadvantaged compared to packaging made of plastic, which would have run counter to the objectives of the PPWR. This was prevented by a great deal of educational work by the timber industry with the participation of EPAL.

Bernd Dörre, CEO of EPAL:

"EPAL pallets are used for an average of seven years. The pallet exchange between companies from all sectors and the repair with quality assurance of EPAL ensure a long service life of EPAL pallets. If EPAL pallets are recycled at the end of their life cycle because repair is no longer possible for technical or economic reasons, the wood chips can be used to



produce durable products such as chipboard or pallet blocks. There is no waste because the wooden parts and nails can be easily separated and the recycled materials can be reused. It would therefore have been incomprehensible if EPAL pallets were classified worse in the field of recycling than, for example, a plastic cup that was only used once. It is therefore correct that this error in the original draft of the PPWR has been corrected. I assume that the many advantages of EPAL pallets and other wooden packaging will also be taken into account in the implementation regulations that are still missing."

On the other hand, the provisions of the PPWR on the reuse of packaging have developed adversely during the approximately 16-month legislative process. In addition to sensible changes in the area of transport packaging with flexible formats, for dangerous goods or large machinery, many provisions for reuse quotas have unfortunately been completely repealed, significantly reduced or converted into voluntary provisions. The focus of the provisions of the PPWR is now on recycling. On the other hand, the original goal of reducing the generation of packaging and the associated use of resources by strengthening the reuse of packaging has been significantly weakened.

Bernd Dörre, CEO of EPAL:

"For EPAL, the reuse and exchange of EPAL pallets is at the heart of all its activities. They form the basis for sustainable pallet logistics and offer companies from retail, industry and logistics the opportunity to achieve their sustainability goals. It is true that the weakening of the target of reuse of packaging in the PPWR currently mainly affects the area of consumer packaging. However, individual exemptions may also have an impact on the transport packaging sector. EPAL takes a critical view of this, but is in favour of ensuring that industry and trade are not overburdened. To this end, EPAL will drive forward the expansion of EPAL's open pallet pool and product portfolio, as we are convinced that pallet reusability and thus the sustainability of pallet logistics will be the standard in the future, regardless of the quotas and exemptions in the PPWR."

The compromise draft of the PPWR, on which the European Parliament will vote on 24.04.2024, regulates a quota of 40% for transport packaging such as pallets used in the European Union from 01.01.2030. From 01.01.2040, the quota will increase to 70%, but only on a voluntary basis. However, pallets and other transport packaging used for transport in only one Member State or between premises of one company must be reusable in a reuse system such as the EPAL pallet pool within 18 months of the entry into force of the PPWR. This is an ambitious and correct goal, for which EPAL has been preparing since the publication of the first draft of the PPWR.

Bernd Dörre, CEO of EPAL:

"At first glance, the strict requirements for transport packaging combined with the weakening of the requirements in the area of consumer packaging are incomprehensible. However, the Commission, Parliament and the Council have rightly recognised that there is great potential in the area of pallets and other transport packaging to increase the reuse of packaging by relatively simple means. There is no doubt that the European bodies also saw the EPAL open pallet pool as a good example of a functioning reuse system, because the requirements for an open reuse system contain a very precise description of the EPAL open pallet pool. At the same time, representatives of the Commission and national governments have expressed the expectation that packaging and other products made of wood will be used for as long as possible,





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"thus ensuring the sustainable and responsible use of wood as a renewable resource. This is identical to the goals of EPAL and the entire timber industry and timber packaging industry. EPAL will therefore actively support this."

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