

Update for NWPCA members on the EU's Packaging and Packaging Waste Proposal

Background

After over a year of negotiations, the European Union has finalized new legislation called the Packaging and Packaging Waste Regulation (PPWR). The PPWR sets standard rules for all packaging placed on the EU market.

- **Goal:** Reduce packaging waste through both **recycling and reuse**.
- **Requirement: Reuse targets** for almost all packaging, **explicitly including pallets**.
- **Challenge:** The **definition of reuse is not straightforward**. One of the challenges is that the PPWR requires reuse systems to be actively managed such that each pallet is tracked, every rotation cataloged, and each pallet is repaired and reused a minimum number of times. Regardless of their location in the world or footprint in the EU, the pallet manufacturer would have to ensure each pallet entering the EU was subsequently entering a system and meeting these requirements. **This would place a costly burden on pallet manufacturers supplying pallets for shipment into and out of the EU.**

The European Commission published the **original PPWR proposal** on 30 November 2022. NWPCA assessed these obligations as a **significant risk and disruption to the existing pallet market**, negatively impacting **all wooden pallets entering and exiting the EU while in use**. NWPCA began engaging with EU decision-makers in the summer of 2023.

NWPCA's Ask

Wooden pallets entering and leaving the EU while in use must be exempt from the burdensome reuse requirement.

NWPCA's Win

NWPCA succeeds in securing an exemption in PPWR's final negotiated language that's a definitive win for wooden pallet manufacturers globally.

NWPCA's Advocacy

NWPCA extensively engaged the European Commission, the European Parliament, and member states in the Council of the EU.

- At the time that NWPCA began engagement, a significant portion of the legislation process was completed. This forced us to take a targeted approach to advocacy; we had to make a narrow ask that would fit within the existing text and fix the problem.
- We chose to focus our support on adding the words "**within the territory of the Union**" to exempt pallets while in use entering and leaving the EU from the burdensome reuse requirements for transport packaging.
- **We offered written language to support this result and were the only transport packaging sector building support for this language.**
- We succeeded in securing the inclusion of that language in the Parliament's version of the language but not in the initial text that the Council released. However, we continued engaging the Council, highlighting the potential disruptions of trade flows and supply of critical goods. We urged them to mirror the language we'd secured in the Parliament's version.
- We also briefed critical officials within the European Commission and explained why this exemption was essential and why they should support it during the final negotiations.



The outcome

We are thrilled to report that the “within the territory of the Union” is in the final negotiated language.

The three institutions - the Commission, Parliament, and Council - met multiple times to negotiate the text between January - March 2024. Going into these three-way (trilogue) negotiations, only the Parliament had officially proposed to add the “*within the territory of the Union*” language to the text. However, thanks to NWPCA’s advocacy and awareness building, the three institutions agreed to include the “within the territory of the Union” language in the final.

The agreed text now reads Article 26 (1): “*From 1 January 2030, the economic operators using transport packaging or sales packaging used for transporting products within the territory of the Union*”...

This exemption is a clear win for wooden pallet manufacturers globally. Any pallet manufacturer building pallets that ship goods into or out of the EU will be exempt from challenging, costly, and new reuse requirements. This will minimize disruptions to the supply chain and protect the pallet industry.

NWPCA’s success would not have been possible without the steadfast support, from the beginning, of its partners, including the international membership of the Global Wood Packaging Forum, the Canadian Wooden Pallets & Container Association, the UK Timber Packaging and Pallet Confederation, and our allies in the Canadian and United States governments who raised our concerns in their negotiations with the EU.

What’s next

The remaining steps are for each of the three branches of government to officially adopt the negotiated text, a formality expected to occur without incident. However, in politics and an election year, anything is possible.

After the final adoption of the text, it will become the law, and we will move into the implementation phase.

