

Consultation on the future action plans on sustainable consumption and production and sustainable industrial policy (SCP)

On behalf of APEAL, Association of European Producers of Steel for Packaging

APEAL welcomes the Commission's efforts to contribute to and promote sustainable development. The Steel for packaging industry has always been supportive towards the establishment of a clear and scientifically based framework for sustainable consumption, taking into account not only the environmental but also the social and economic aspects.

Leveraging Innovation / leaner and cleaner production / global markets

Reaching an environmentally sound production, as well as developing cleaner and greener technologies have always been important concerns to our industry. Throughout the years, the steel industry has continuously aimed at reducing its use of natural resources and its impact on the environment. Continuous research on steel process optimisation has led to improved energy utilisation and yields, as well as a considerable reduction in the use of resources. During the last 40 years, the amount of primary energy needed for the production of 1 tonne of steel has been reduced by 40% (see graph 1 in the annex). Increased recycling of steel packaging (+300% over the last decade) and continuous weight reduction of steel packaging (40% less for a drinks can over the last 30 years) have also contributed to reduce the global environmental impact of steel packaging.

We feel supported by the recent Commission Report on the implementation of Directive 92/64/EC¹ and its impact on the environment as well as on the functioning of the internal market, which concluded that “recycling can be classified with a relatively high degree of certainty among the most cost-efficient options to reduce CO2 emissions and other environmental impacts”.

In Europe, some 66% of steel packaging is recycled and this figure has doubled over the past 10 years. Thanks to its magnetic properties, steel is particularly easy and cost effective to sort for recycling (see graph 2 in the annex). Steel loses none of its strength or inherent properties, no matter how many times it is recycled.

This unlimited lifespan and the potential for unlimited recyclability gives steel a huge environmental advantage. It means that natural resources are saved for future generations, energy use and CO2 emissions are significantly reduced (see graph 3 in annex), and there is no issue with disposal of waste.

Due to the intrinsic characteristics of steel for packaging steel packs offer an energy efficient way of food delivery while upholding safety, conservation and nutritional value. They offer excellent performance in terms of:

- Transport: steel packs are compact and stackable and need little packaging;
- Storage and shelf life: steel packs can be stored over a long period at ambient temperatures and don't need refrigeration
- Eco-efficiency: steel food packs retain essential vitamins and nutrients, and independent studies have attested - in comparison to alternative packaging systems - their top performance in terms of eco-efficiency and reduced energy consumption.

Further improvements in resource and material efficiency need to be considered along the supply chain, investigating where potential gains can still be done at an

¹ COM (2006) 767 final

affordable cost, taking into account the efficiency gains already achieved in the past. Setting too ambitious targets could be counter-productive.

The industry remains strongly committed to the reduction of CO2 emissions by further promoting the recycling of steel and further packaging optimisation (e.g. light-weighting), which positively contributes to both waste prevention and sustainable resource use

More information on www.apeal.org:

([Click here for direct access to the relevant section on website](#))

Better products / smarter consumption

The Commission intends to further promote “eco-design” by developing a strong product policy. Incentives could be of economic nature, such as taxation policy or subsidies for consumers buying better performing products, streamlining European product labelling, enhancing the use of market-based instruments, differentiating VAT-rates, more standardised European Environment Product Declarations and supporting retailer driven initiatives.

We believe that replacing the existing European Platform for Life-Cycle Assessment and pooling, in a Data Centre, the relevant knowledge on the best performing products on the market and the environmental impacts of products in general would be a dangerous precedent. Instead, we would encourage the EU Commission to further work on streamlining LCIA (Life Cycle Impact Assessment) methodologies and developing tools enabling to consider all 3 pillars of sustainability.

All packaging products have their own weak and strong points regarding environmental impact. In order to achieve a true and fair eco-analysis, all relevant criteria (recycling rate, shelf life, weight, etc...) should be taken into account. By limiting these criteria, one risks a discriminatory outcome which

might be counter-productive in meeting the sustainability objectives. Therefore, selecting the relevant and scientific-based criteria (as an example for steel: the recycling rate influences the environmental profile, **not** the recycled content) is key to achieving a fair and balanced viewpoint and ensures the sustainable goals are met.

More information available on APEAL's Environmental Briefing brochure:

[\(Click here for direct access\)](#)

Shared responsibility and uniform measures

We believe that in order to achieve a high level of sustainable consumption, all partners in the production and supply chain have a role to play, and co-operation and interaction are indispensable factors for developing a useful and workable framework for sustainable development. The European Commission has an important role to play in stimulating this clarity and uniformity.

Many of the current initiatives on sustainability are Retail driven, although often being developed at an early stage without consultation and interaction with brand owners, industry,... creating a confusing and complex situation as product and/or packaging requirements become more and more differentiated and diffused. The lack of uniformity and harmonisation at EU-level will further stimulate this scattered approach which is more likely to slow down rather than enhance the promotion of sustainable consumption.

Shared responsibility and co-operation throughout the supply chain, legal transparency and uniformity are indispensable factors for achieving a high level of sustainable consumption. We are confident that in the future this dialogue will take place throughout the whole supply chain, resulting in more uniformity and harmonisation. On the legal side, the European Union should seek on how it can support this process by stimulating harmonisation and limiting Member states' scattered approach.

Life Cycle Assessment as a regulatory tool.

Although the steel for packaging industry believes LCA is an effective analytical tool for making continuous improvements within an industry and for its applications, it does not produce an absolute truth but provides orientation and insight, In addition, this tool only takes account of the environmental repercussions and leaves aside the other, equally important objective of the Treaty, namely the proper functioning of the internal market. Recent national initiatives (Denmark, Belgium) to use LCAs as a basis for eco-taxation in the packaging area should not be encouraged as leading to disruption of competition.

LCAs are a useful tool for industries and economic actors willing to assess where in the production and distribution process the environmental burden can be the most efficiently reduced. On the other hand, the results of LCAs are highly dependent on parameters chosen, the functional unit, the scope of the study, the choice of environmental indicators and many subjective criteria such as transport distances. Consequently, LCA results are always limited to a defined geographical area and are only valid for a period of time because the parameters used for the study are likely to change.

For more information on TNO's report on LCA Sensitivity and Eco-Efficiency analyses of beverage packaging systems, visit

www.apeal.org ([Click here for direct access to the report](#)).

In spite of this, some Member States have been using LCA studies in order to justify regulatory - often dogmatic - choices in the packaging sector. For example, several EU Member States have justified on the basis of LCAs, the adoption of regulatory measures allegedly designed to protect or promote refillable drinks packaging (e.g. eco-taxes, refill quotas, or deposit refund obligations).

The legislator cannot use the LCA tool to discriminate between packaging types. By discriminating on a fallacious basis, one could well be reaching erroneous

conclusions and making erroneous decisions, resulting in decreased competition and possibly eventually lead to monopolistic situations that are detrimental both to the consumer and to the environment.

This is why LCAs are not suitable for serving as justification to regulatory choices affecting the competitiveness of competing packaging types and materials.

The use of Market Based Instruments (MBI) to drive packaging policy

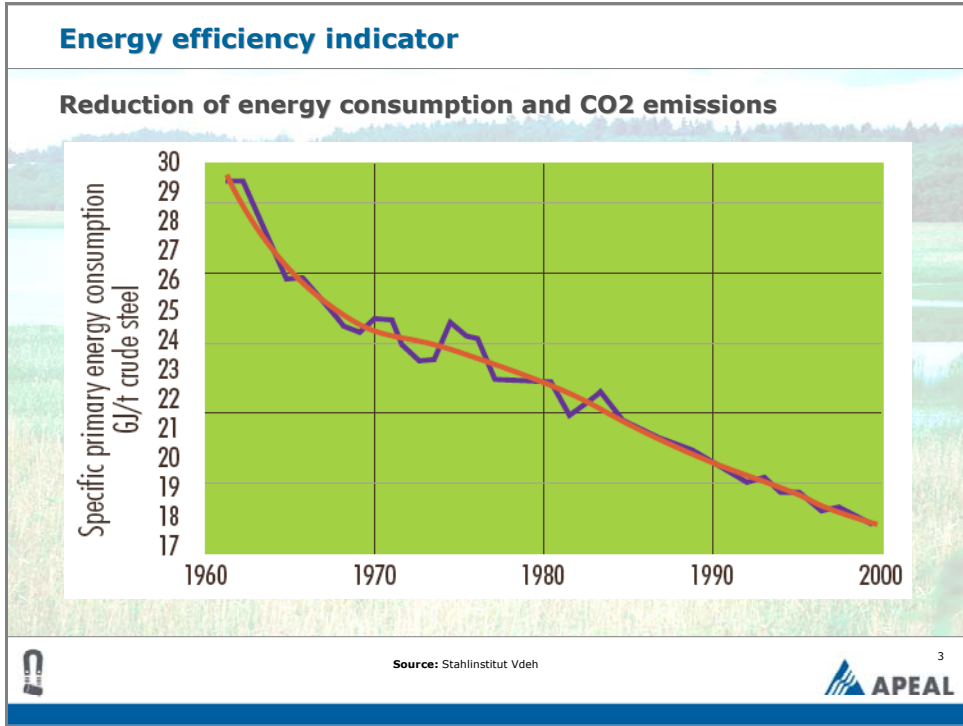
The Commission Report on the functioning of the Packaging Directive stressed that despite the directive's aim to contribute to the good functioning of the internal market and to reduce trade barriers, the use of taxation to drive packaging policy can potentially disrupt the internal market. The report concluded that the Commission should therefore clarify the limits for national initiatives.

APEAL fully supports this conclusion and believes that the scope for national MBI for packaging is currently too wide and lacks a proper EU scrutiny. Tax measures fall outside the three months standstill obligation, distortions of competition on national markets cannot be challenged and there is no control on tax levels, risking high tax measures on packaging for purely budgetary reasons. Facilitating the application of national MBI in the specific field of packaging policy without expanding EU-scrutiny will result in the creation of new discriminatory treatments and hindrances to the internal market in the packaging sector. See APEAL's input to the EU Commission's communication on the use of Market based Instruments.

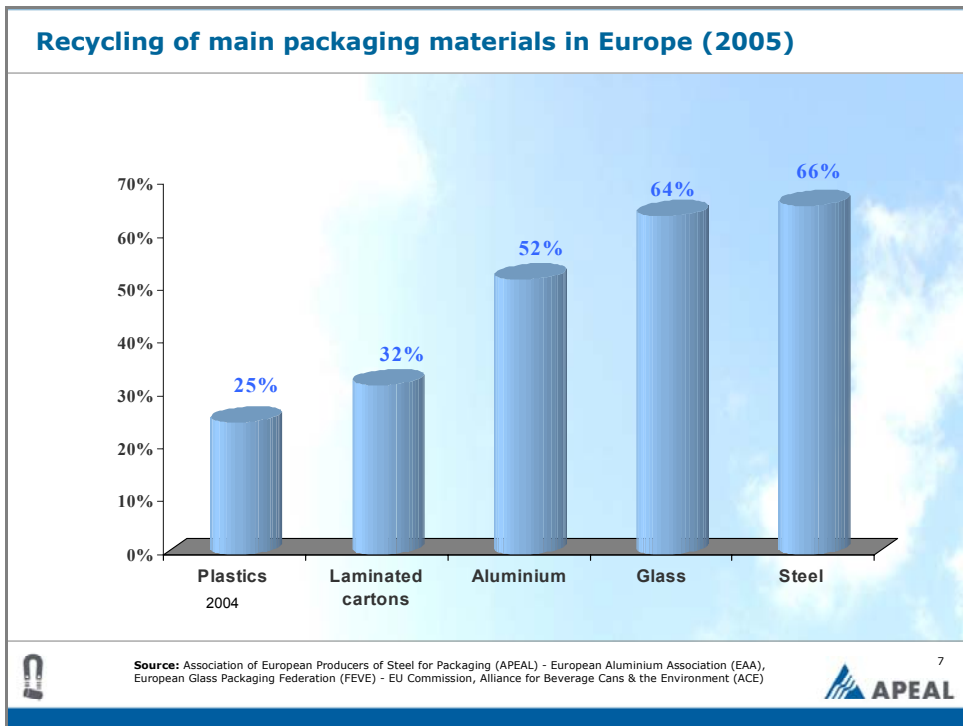
Further information on www.apeal.org
([Click here for direct access to the Position Paper](#)).

ANNEX:

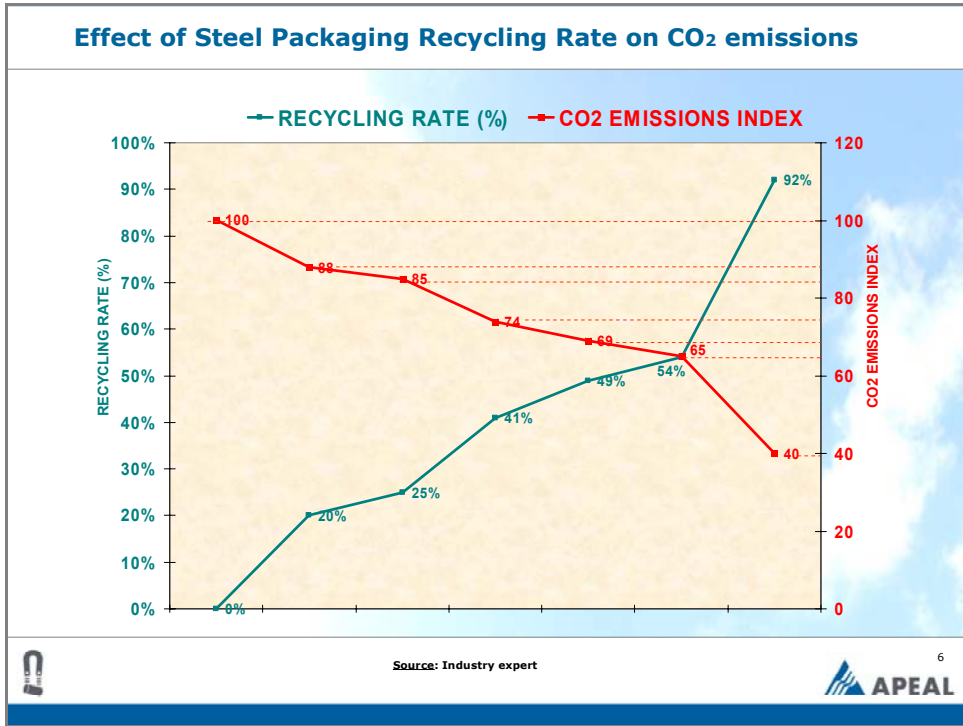
GRAPH 1:



GRAPH 2:



GRAPH 3:



Summary

- **Throughout the years, the steel industry has been using less natural resources per tonne of steel produced, with a final positive impact on the environment.**
- **The steel for packaging industry will continue to further optimise the eco-efficiency of its end products through industry life cycle assessments that lead to increased resource and energy efficiency in the production of steel. Steel products also contribute to reducing environmental impact during their life time.**
- **The industry remains strongly committed to the reduction of CO2 emissions by further promotion of the recycling of steel for packaging.**
- **Shared responsibility, supply chain co-operation, legal transparency and uniformity are indispensable factors for achieving a high level of sustainable consumption. The European Union should seek on how it can support this process by stimulating harmonisation and limiting Member states' scattered approach.**
- **LCAs are not suitable for serving as justification to regulatory choices affecting the competitiveness of competing packaging types and materials.**
- **Facilitating the application of national MBI in the specific field of packaging policy, without expanding EU-scrutiny, will result in the creation of new discriminatory treatments and hindrances to the internal market in the packaging sector.**

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Contact:

Joris Nachtergaele
EU Public Affairs Manager
APEAL
Avenue Louise 89
BE-1050 Brussels
www.apeal.org

Tel: +32 2 535 7206

Email: j.nachtergaele@apeal.be

APEAL is a federation of four multinational producers (ArcelorMittal, Corus Packaging Plus, Rasselstein, U.S. Steel Kosice) of steel for packaging in Europe, representing some 92% of the total European production. Nearly five million tonnes of steel for packaging are produced in EU25 on average every year. Approximately 10,000 people in 12 member countries contribute on a daily basis to this success.