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Empowering the label industry

# National Associations Board

Meeting 23 January 2024

# Agenda

1. Meeting Guiding Principles
2. Minutes 12 April 2023
3. FINAT Activities (Jules)
4. CELAB-Europe Update (Ophelie)
5. Regulatory Affairs Update (Pablo)
6. Tour of Europe (All)
7. Other matters
8. Next meeting

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# 1. GUIDING PRINCIPLES

# Competition Law Statement

- We are here to discuss relevant issues for FINAT members. For this purpose we have put together an agenda. We will stick to the agenda and limit our conversation and the exchange of information to what is strictly necessary to achieve the scope mentioned in the agenda.
- We remind you that companies that have attended this meeting remain competitors in the broader scheme of things and operate independently. Attendance here is conditioned on your assurance and ongoing compliance with the requirement that none of you discuss with each other your commercial terms with any of your customers or with your own suppliers (including, without limitation: prices, rebates, freight, volumes, territories, or any other competitive or potentially competitive terms).
- We need to avoid and prevent the exchange of information or the entering into (formal or informal) agreements on matters such as (but not limited to): prices in the current market place (including any component of price, price levels, rates, discounts, rebates, costs etc.), allocating markets (by geography, product, customers), coordinating (pending or future) bid opportunities, jointly boycotting any customers or suppliers or distributors, current or future marketing plans or strategies (including production volumes), manufacturing or sales costs, R&D plans, sales forecasts, plans for territorial expansion or capital investment plans, or customer-specific detailed sales information or terms of contracts.
- The most important competition law do’s and don'ts are also available at www.FINAT.com
- Further please always follow your company’s internal antitrust and competition policies. We expect you to consult with, and follow, your own company’s policies and any guidance you may have received.

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# 2. MINUTES 12 APRIL 2023

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# 3. FINAT ACTIVITIES

# THE FOUR PILLARS OF FINAT AND ITS INNER CIRCLES 2023-2024

**COMMUNITY**

Providing a platform for members to connect, interact, network and maintain relationships and develop common understanding

**KNOWLEDGE**

Providing a first-hand knowledge and information hub with printed, digital, live and recorded content, industry data and standards

**COLLABORATION**

Serving as independent and compliant consortium and project facilitator/manager for FINAT led initiatives

**ADVOCACY**

Acting as voice of the European label community on matters like public affairs, stakeholder management, and participation in external initiatives

**Taskforces 2023-2024:**
- Member value proposition
- Messaging framework
- Revival YPN

**Taskforces 2023-2024:**
- FINAT knowledge portal
- Set up FINAT Sonar series of whitepapers and special feautures

**On-going Working Groups:**
- ELF programme
- Label Competition
- Membership development
- Media, PR & communication

**On-going Working Groups:**
- Industry & market trends
- FINAT Test Methods (FTM)
- Seminar/ technical education
- Webinars

**On-going Platforms:**
- CELAB Europe liaison
- National Associations & L9
- Labelexpo Advisory Board
- UV FoodSafe Group

**On-going Working Groups:**
- Regulatory affairs & sustainability
- Stakeholder & brand-owner relations

**Taskforces 2023-2024:**
- Product Carbon Footprint. TF 2: Young Talent Outreach campaign

**Taskforces 2023-2024:**
- PPWR Revision
- FINAT Sustainability Award
- QT508 EPBP PET recyclability guideline & test

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# RECOUNTING FINAT'S TIMELINE TOGETHER

(65th Anniversary Edition)

# WHY PRODUCT CARBON FOOTPRINT & LCA?

1. Labels & packaging **essential component** of FMCG value chain
2. Growing **environmental concerns** in society due to climate change
3. Paris Climate Agreement, UN Sustainable Development Goals, EU Green Deal
4. Adoption of Environmental, Social & Governance (**ESG**) and Corporate Social Responsibility (**CSR**) as guiding principles
5. Growing demand for **objective, comparable and quantitative data** about environmental impact of products & processes
6. CSRD: **Corporate Sustainability Reporting Directive** entering into force in 2025 > corporations requiring harmonised data from SME suppliers
7. **Different calculation methods and tools** around, different interpretations
8. Need for **knowledge, understanding and guidance** among label converters

*"Our clients are already asking for the CO2 balance of our labels and when we will be able to provide it. Do you have information you can provide us what the steps are to introduce it?....."*

# CONTEXT (ctd.): EARLIER WORK

- **Joint FINAT-TLMI project**
  (2015, PRé Consultants, NL):
  *"Towards Harmonized Life Cycle Assessment– Approach for the Self-adhesive Label Industry"*

  *a.o.:*
  - *An **LCA guidance document**, outlining the basics of LCA and its use;*
  - *A **harmonized LCA approach** for the self-adhesive label industry, providing clear guidelines on how to conduct LCA studies;*
  - *A one-page summary of **two case studies**, focusing on the key environmental impacts of self-adhesive labels*

# PCF/LCA PROJECT

## What?

### LCA & PCF Introduction

- **INFORM** members about the basics of Product Carbon Footprint and Life Cycle Analysis
- ***RELEASED Q4 2023***

## How?

### Standards and Tools

- **INVESTIGATE** and summarise the present Product Carbon Footprint calculation methods and tools relevant to the labels and packaging value chain
- ***RELEASED Q1 2024***

## What Next?

### FINAT Standard

- **INITIATE** the possibility of alignment and/or harmonisation of Product Carbon Footprint calculation methods along the labels and packaging supply chain
- ***TECH SEMINAR Q4 2024***

# What?

## LCA & PCF Introduction

- **INFORM** members about the basics of Product Carbon Footprint and Life Cycle Analysis
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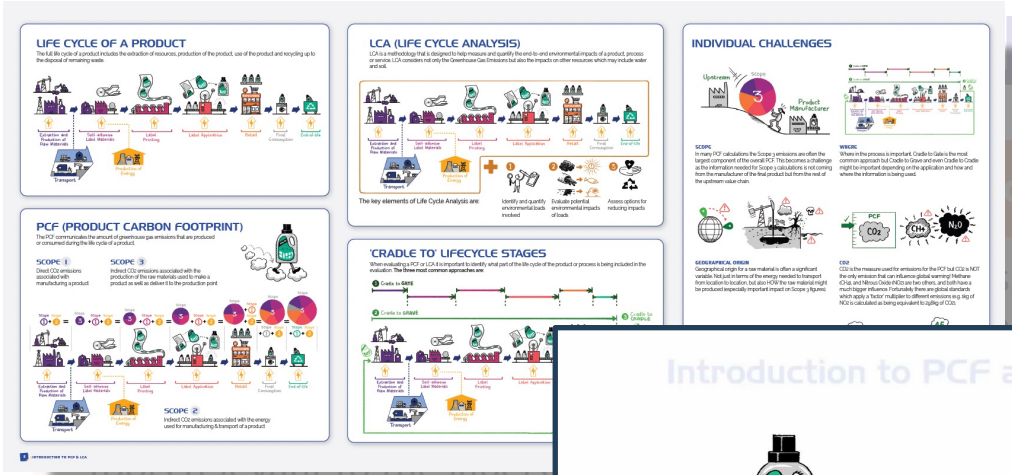
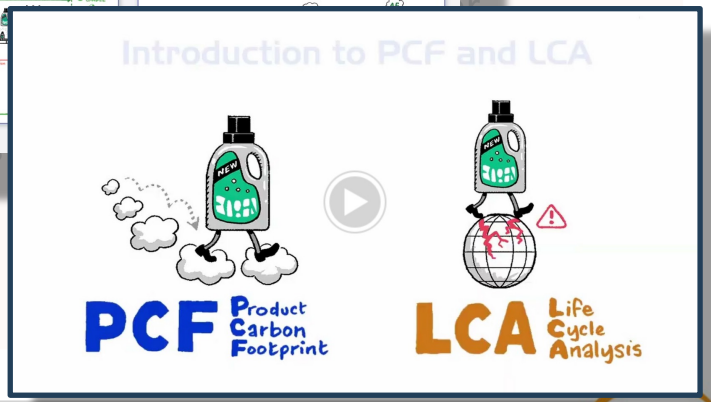
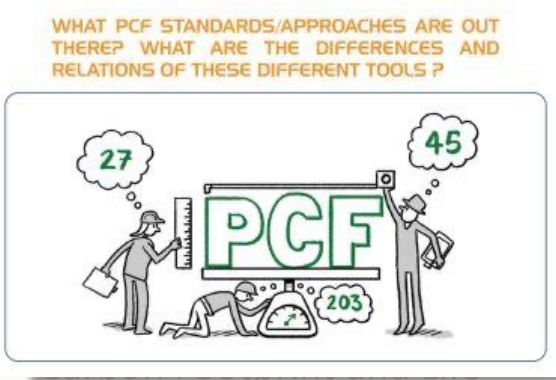


# PCF/LCA PROJECT




Cycle Analysis

- *RELEASED Q4 2023*

# How?

## Standards and Tools

- **INVESTIGATE** and summarise the present Product Carbon Footprint calculation methods and tools relevant to the labels and packaging value chain
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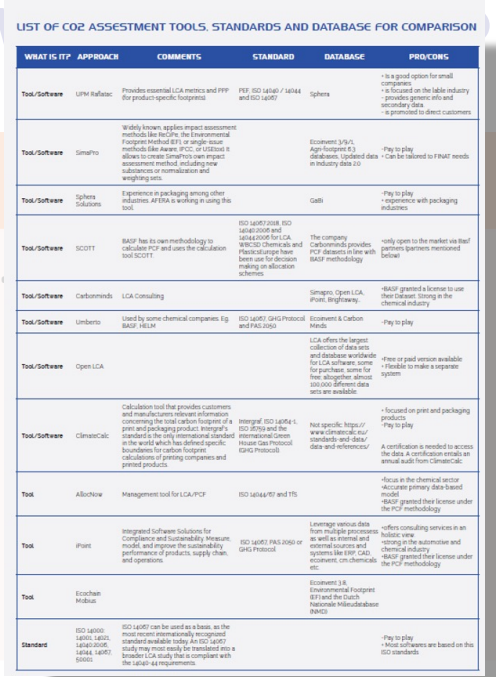

LIST OF CO2 ASSESSMENT TOOLS, STANDARDS AND DATABASE FOR COMPARISON

| WHAT IS IT? | APPROACH | COMMENTS | STANDARD | DATABASE | PRO/CONS |
|---|---|---|---|---|---|
| Tool/Software | UPM Raflatac | Provides essential LCA metrics and PFP for product-specific footprints | PEF, ISO 14040 / 14044 and ISO 14067 | Sphera | • Is a good option for small companies<br>• is focused on the lable industry – provides generic info and secondary data<br>• is promoted to direct customers |
| Tool/Software | SimaPro | Widely known, applies impact assessment methods like ReCiPe, the Environmental Footprint Method (EF), or single-issue methods (like Aware, IPCC, or USEtox). It allows to create SimaPro's own impact assessment method, including new substances or normalization and weighting sets. | | Ecoinvent 3/3/1, Agri-footprint 6.3 databases. Updated data in industry data 2.0 | • Pay to play<br>• Can be tailored to FINAT needs |
| Tool/Software | Sphera Solutions | Experience in packaging among other industries. AFERA is working in using this tool. | | GaBi | • Pay to play<br>• experience with packaging industries |
| Tool/Software | SCOTT | BASF has its own methodology to calculate PCF and uses the calculation tool SCOTT | ISO 14067:2018, ISO 14040:2006 and 14044:2006 for LCA. WBCSD Chemicals and Plastics Europe have been use for decision making on allocation schemes | The company Carbominds provides PCF datasets in line with BASF methodology | •only open to the market via BasF partners (partners mentioned below) |
| Tool/Software | Carbominds | LCA Consulting | | Simapro, Open LCA, iPoint, Brightway. | •BASF granted a license to use their Dataset. Strong in the chemical industry |
| Tool/Software | Umberto | Used by some chemical companies. Eg. BASF, HELM | ISO 14067, GHG Protocol and PAS 2050 | Ecoinvent & Carbon Minds | • Pay to play |
| Tool/Software | Open LCA | | | LCA offers the largest collection of data sets and database worldwide for LCA software; some for purchase, some for free; altogether almost 100.000 diferent data sets are available | •Free or paid version available<br>• Flexible to make a separate system |
| Tool/Software | ClimateCalc | Calculation tool that provides customers and manufacturers relevant information concerning the total carbon footprint of a print and packaging product. Intergraf's standard is the only international standard in the world which has defined specific boundaries for carbon footprint calculations of printing companies and printed products. | Intergraf, ISO 14064-1, ISO (IDTS) and the international Green House Gas Protocol. (GHG Protocol) | Not specific. https://www.climatecalc.eu/standards-and-data/data-and-references/ | • focused on print and packaging products<br>• Pay to play<br>A certification is needed to access the data. A certification entails an annual audit from ClimateCalc |
| Tool | AllocNow | Management tool for LCA/PCF | ISO 14044/87 and TfS | | •focus in the chemical sector<br>•Accurate primary data-based model<br>•BASF granted their license under the PCF methodology |
| Tool | iPoint | Integrated Software Solutions for Compliance and Sustainability. Measure, model, and improve the sustainability performance of products, supply chain, and operations. | ISO 14067, PAS 2050 or GHG Protocol | Leverage various data from multiple processes as well as internal and external sources and systems like ERP, CAD, ecoinvent, crn chemicals etc | •offers consulting services in an holistic view<br>•strong in the automotive and chemical industry<br>•BASF granted their license under the PCF methodology |
| Tool | Ecochain Mobius | | | Ecoinvent 3.8, Environmental Footprint (EF) and the Dutch Nationale Milieudatabase (NMD) | |
| Standard | ISO 14000, 14001, 14021, 14040:2006, 14044, 14067, 50001 | ISO 14067 can be used as a basis, as the most recent internationally recognized standard available today. An ISO 14067 study may must easily be translated into a broader LCA study that is compliant with the 14040-44 requirements | | | • Pay to play<br>• Most softwares are based on this ISO standards |

# What Next?

This is a step of decision making
-How do we want to present the FINAT Standard?
-What is the scope of the project?
-Budget and time concerns?

**FINAT Standard**

- **INITIATE** the possibility of alignment and/or harmonisation of Product Carbon Footprint calculation methods along the labels and packaging supply chain
- ***TECH SEMINAR Q4 2024***

# Talent Outreach: Support #LABEL*icious*

- The #LABELicious competition started in 2019 as a Pan-European initiative, that encourages young talents to share their innovative and eco-friendly ideas for labels and packaging.
- The goal is to connect educational institutions with the label industry and to offer working opportunities for young professionals in this dynamic field.
- 3 award ceremonies held (2019, 2020 and 2022).
- The 2023 edition did not generate enough entries, hence deadline was postponed to mid 2024.
- Special leaflet disseminated at Labelexpo Europe.
- FINAT reached out to educational institutes (applied science or art schools) in Europe to assess interest in participation. If necessary, informative webinars can be organized.
- FINAT welcomes assistance NAB to help promote the competition.
- https://labelicious.eu/

# FTMs 1-4 harmonisation: Reply FTM Working Group to request VskE

- VskE submitted a proposal to FINAT to:
  - Harmonize the parameters for self-adhesive material in technical documentations (data sheets listing the designation/specification of characteristics/materials and the associated units of the tests) so that data are comparable throughout the entire value chain.
  - Provide a unified voluntary protocol/form, listing all necessary and recommended data (characteristics/values) required in certain end-use markets to which all labelstock/laminate suppliers can agree.
- FINAT conducted survey among suppliers/manufacturers of labelstock materials.
- Suppliers agree to use FTMs but are hesitant to give requested values in product data sheet as some of the information is confidential.
- It is not meaningful to compare different labelstock materials using the mentioned test methods, as the influence of different materials can distort the measurement results.
- Not all FTMs are applicable or assumed to provide valuable information about label performance. Only FTM2 (peel adhesion) and 9 (loop tack) the details of which are regularly shared in product data sheets.
- As information in specification documents can only be negotiated between manufacturer and client, it is up to the parties to agree on and they are never open to the public
- There is no uniform ruling in the industry on which test methods are used to determine technical data.
- FINAT, as an independent body, cannot enforce the use of a unified data sheet.

# FINAT EVENTS 2024

- 22-24 May, Athens, Hotel Divani Caravel
  European Label Forum 2024
- 20-22 November, Barcelona, Hotel NH
  FINAT Seminar 2024
- One free ticket for President or Secretary
- *Converter* members national association at same rate as FINAT members

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# 4. CELAB-EUROPE UPDATE

Europe

CELAB

Toward a Circular Economy for Labels

# CELAB-Europe update

NAB meeting 23 Jan 2024

Prepared by Ophelie Gourdou (Sloop consulting), project coordinator

# Summary: CELAB Priorities 2024

## Data Mining

1.Measure progress
2.Update the EU country heat maps of materials (volumes of used liner per site)

## Recycling Solutions

1.Validate 1-2 paper liner recyclers in the white spots (UK, SP, IT)
2.Identify the gaps between the current recycling capacity (Panteia Study) and propose a strategy to grow the recycling capacity.
3.Compare the environmental impact of different end-of-life scenarios for the used liner (paper and PET)
4.Change the perception on the recyclability of the paper liner

## Logistics

1.Identify and validate collectors in white areas and for small volumes
2.Evaluate the potential of digital platform(s) waste materials sourcing
3.Get understanding of the supply chain end-to-end mapping process

## Film & Matrix

1.Identify and validate recyclers for the matrix (paper & mixed)
2.PET liner recycling: Validate 1-2 PET recyclers in UK, FR, DE, SP, IT, PL

## Communications

1.Educate label users on the liner recycling and motivate them to make their liner available for collection/recycling

## Regulatory

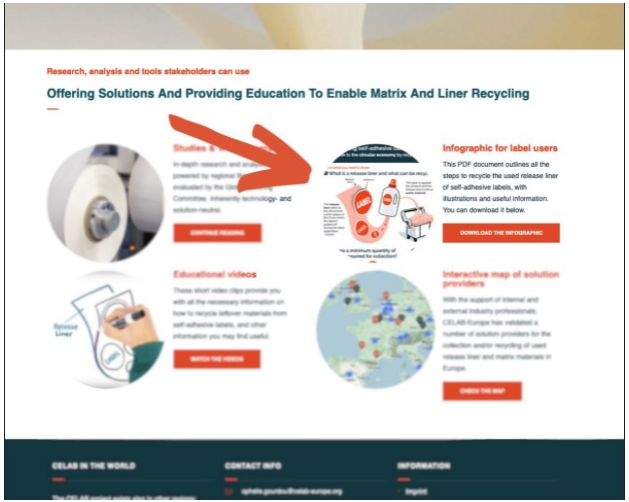
1.Update reference documents
2.Continuous monitoring of the regulations

# Release liner recycling infographic

**Objective:** answer all questions around the liner recycling in a one-page document
**Target:** label printers and their customers (label users)

Digital format in free access [on the CELAB website ](#) – can be printed and handed over to the label users to promote the recycling of their used liner

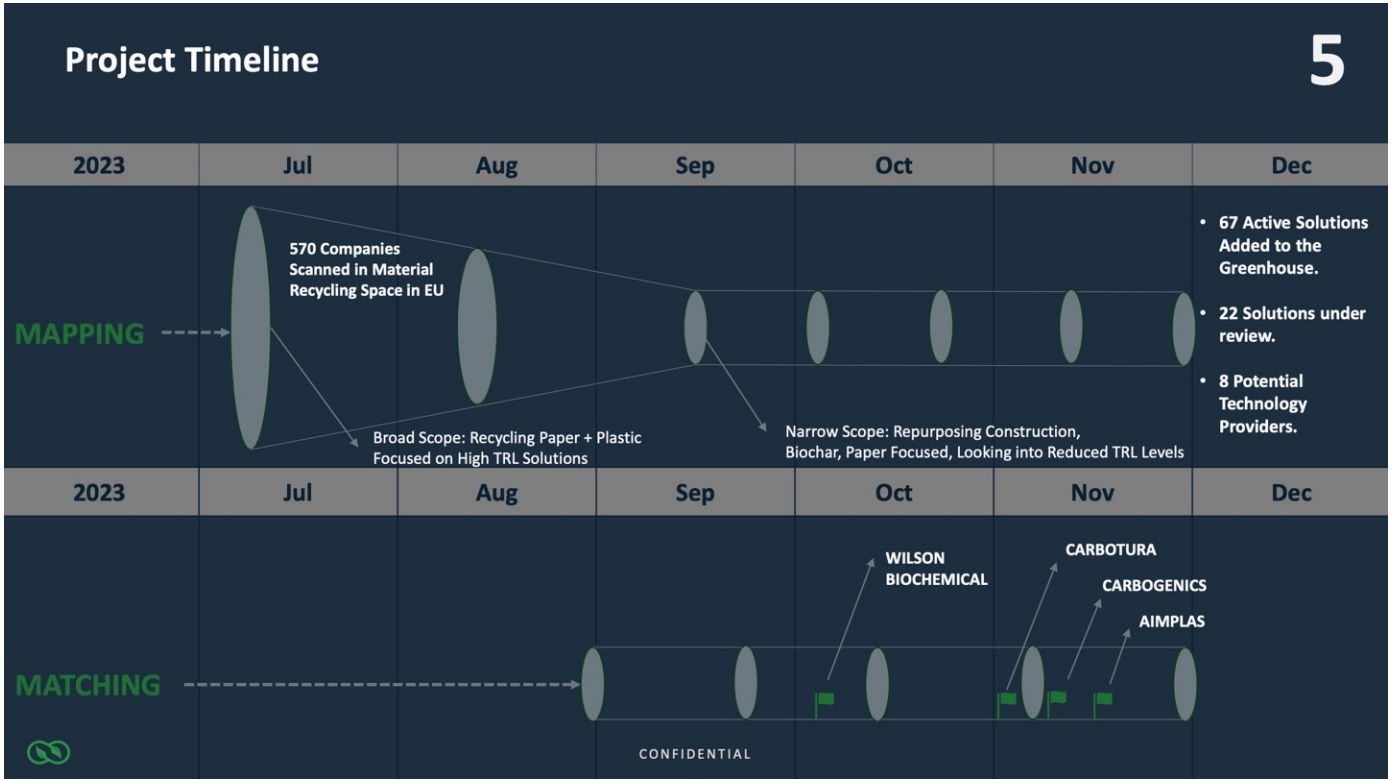
➢ **Translation needed?**



# « Communication at each delivery »

- Pilot Test with Etivoet (label printer in B)
- Started mid of Jan’24
- Sticker with QR code on each delivery box
- Simplified interactive map with solutions in the relevant countries (F and BNL)
- Tracking of the results (number of webpage visitors, feedback questionnaire on the webpage,  feedback from collectors)
- Decision to roll out the initiative to other label printers/countries after the test period

# Matrix recycling – scouting with Ubuntoo




**Scope:**
paper matrix or mixed plastic and paper matrix

# Matrix recycling opportunities

## Project Challenges & Opportunities

### Project Challenges

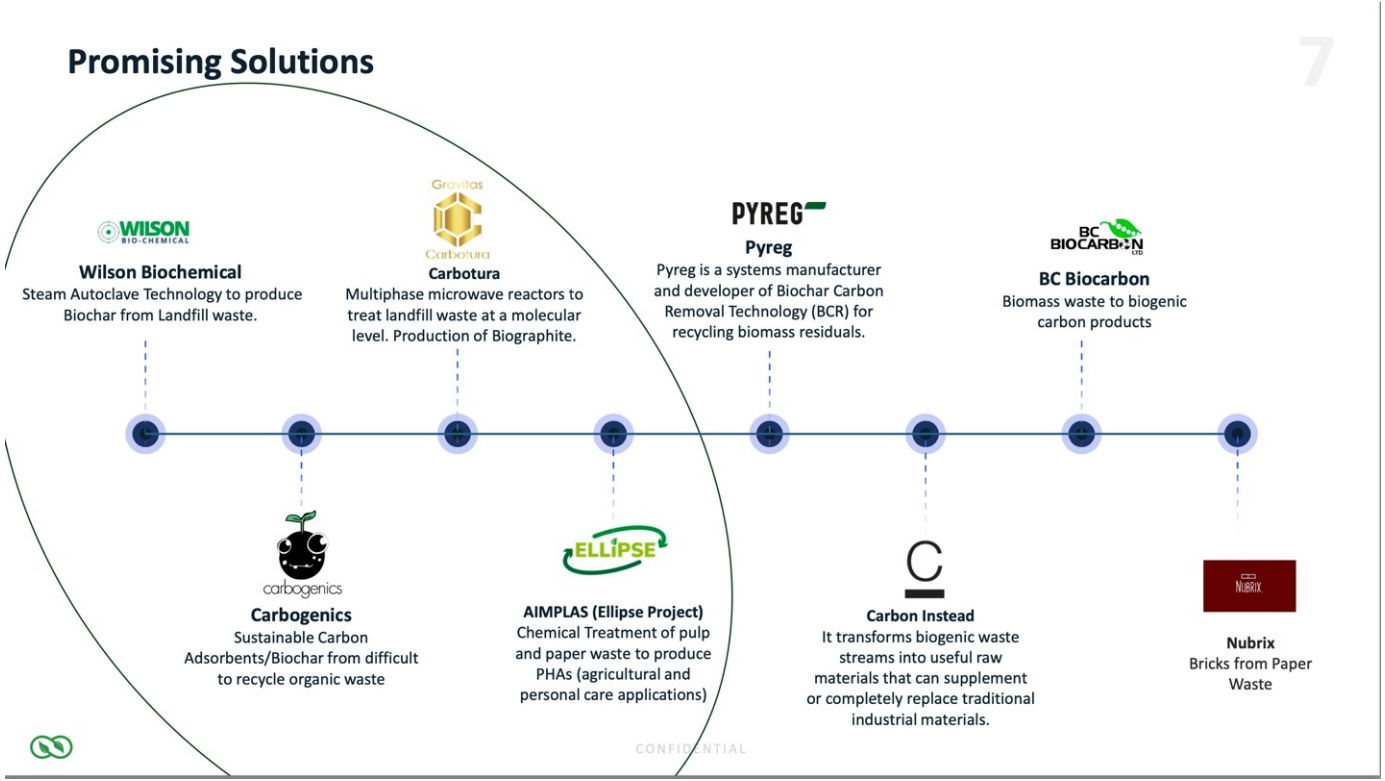
- Complex multilayered nature
- One-stop-shop recycling/repurposing system that can accept all variations of the material.
- Logistical/ Transportation challenges.
- Material Capacity (tons/year)

### How do we recycle/repurpose this material?

- Conventional Paper Recycling
- Landfill /Incineration *(out of scope)*

- Decking materials
- Biochar/Biographite/Biofuels
- Cement for Roads
- Other building Materials/Concrete

# Matrix recycling – short list of solutions




+ 14 other solutions in the pipeline

Europe

# CELAB

Toward a Circular Economy for Labels

**Thank you for your attention!**

## Contact us!

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Jules Lejeune - FINAT
managing.director@FINAT.com

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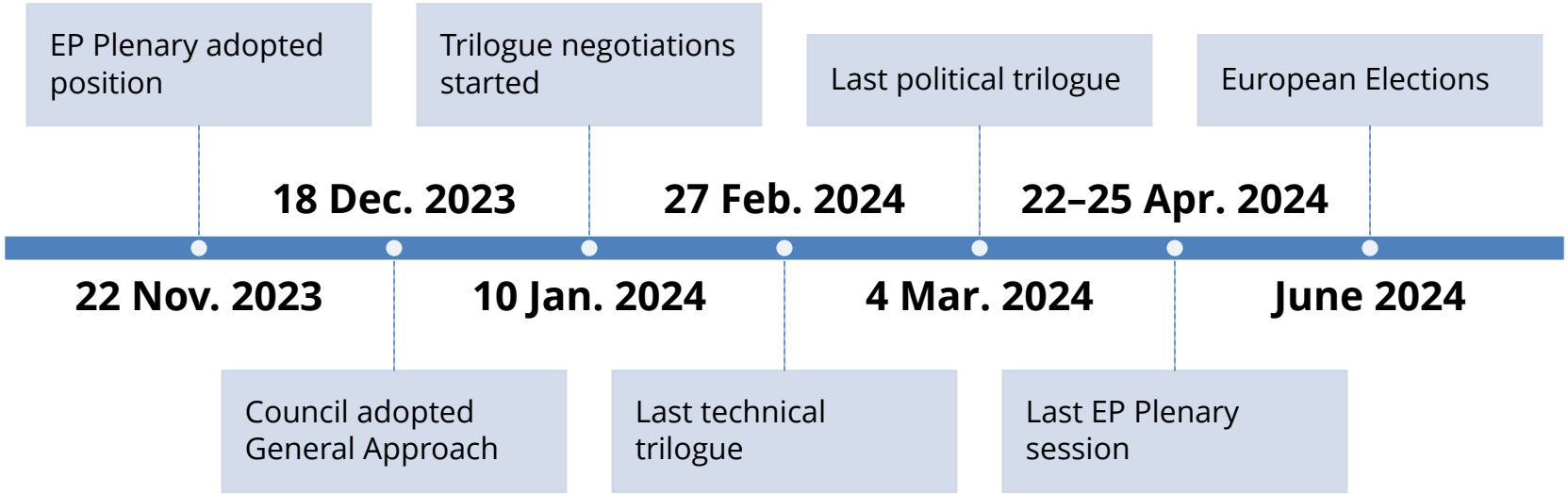
# 5. REGULATORY AFFAIRS

# PPWR Key dates



# Key changes PPWR

- **Art. 3: Definitions**
  - Composite packaging: exclude labels, adhesives, coatings <10%
  - *Recyclability*: collection, sorting, recycling at scale, substitute virgin materials
  - *High quality recycling*: recovery enabling substitution of virgin materials
  - *Home compostable packaging*: non-controlled conditions (cf. industrial composting)

# Key changes PPWR

- **Art. 5: Substances of concern**
  - Microplastics (EP)
  - Ban on PFAS, BPA from EIF+18 months (EP)
  - Health & environment: REACH restrictions (Council)
  - Re-use and recycling: DfR guidelines (Council)

# Key changes PPWR

- **Art. 6: Recyclable packaging**
  - DfR/Recycled at scale enforcement:
    - 3 years after Delegated Act by 1 Jan 2027 (EP)
    - Latest of 1 Jan 2030 or 2 years after Delegated Act by 1 Jan 2028 (Council)
  - Recyclability performance grades
    - EP: 5 acceptable grades (A-D, E < 70%)
    - Council: 3 acceptable grades (A-C + non-recyclable < 70%)
  - Council re-introduced Table 2a with some parameters for DfR criteria, including labels, sleeves, adhesives, colours, inks, printing…

# Key changes PPWR

- **Art. 7: Recycled content**
  - Plastic part of packaging (unchanged)
  - Calculation of targets
    - EP: *average per manufacturing plant, per year*
    - Council: *per packaging type and format, per manufacturing plant per year*
  - Exceptions
    - EP: inks, adhesives, paints, varnishes and lacquers; plastic parts < 5%
  - Bio-based plastics: to be evaluated

# Key changes PPWR

- **Art. 8: Compostable packaging**
  - Labels attached to produce (unchanged)
    - EP: Industrially or home compostable
    - Council: Industrially compostable
  - Other biodegradable packaging allowed, but needs to allow material recycling (unchanged)
  - Timeline
    - EP: EIF + 36 months
    - Council: EIF + 24 months
  - Update of EN 13432 (industrial composting)
  - Development of standard for home composting

# Key changes PPWR

- **Art. 10: Reusable packaging**
  - Council: Minimum # trips/rotations
    - > 5 cardboard packaging
    - > 10 other materials
- **Art. 11: Labelling of packaging**
  - Material composition labels
    - Council: not home-compostable, not disposable in nature
    - Timeline: 24 months after Delegated acts
  - Reusable packaging labels
    - QR codes; *firmly attached* and *not erasable*

# PFAS REACH Restriction

- Annex XV report
  - PFAS = $CF_3$-R *or* R'-$CF_2$-R"
- RoI entry
- ECHA presentation on CARACAL 16 November
  - 5600 feedback received from 4400 stakeholders from wide variety of sectors
  - 29 November RAC/SEAC discussed consultation input
  - Draft Restriction Regulation tentatively expected H2 2024, publication Q1 2025

# Silicone cyclic monomers POP proposal

- Silicones Europe issued joint letter to Commission on 22 November
  - Request Impact Assessment before proposing POP nomination
  - Offers meeting
  - 37 signatories (including SiEU members and downstream users)
  - Awaiting feedback
- Additional advocacy planned by Silicones Europe

# Deforestation Regulation

- Regulation (EU) 2023/1115 entered into force 29 June 2023
- Rules for placing and making available on the EU market
  - Cattle, cocoa, coffee, **oil palm**, **rubber**, **soya** and **wood**
- Commodities and products can be placed on the EU market if they:
  - Are deforestation-free
  - Have been produced in accordance with the relevant legislation of the country of production
  - Are covered by a due diligence statement
- Status within national associations?

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# 6. TOUR OF EUROPE

# Tour of Europe: reports from the different associations

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# 7. OTHER MATTERS

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# 8. NEXT MEETING