

Lessons learned: the refillable quota in Germany

**Barbara Metz, Deputy Executive Director
Environmental Action Germany (DUH)**

We are...



...
**non-profit
environmental
protection
organisation**



...
**consumer protection
organisation,
entitled to take
direct legal action**



...
**non-governmental
and independent**



...
**active at national
and EU level**

About Environmental Action Germany (DUH)

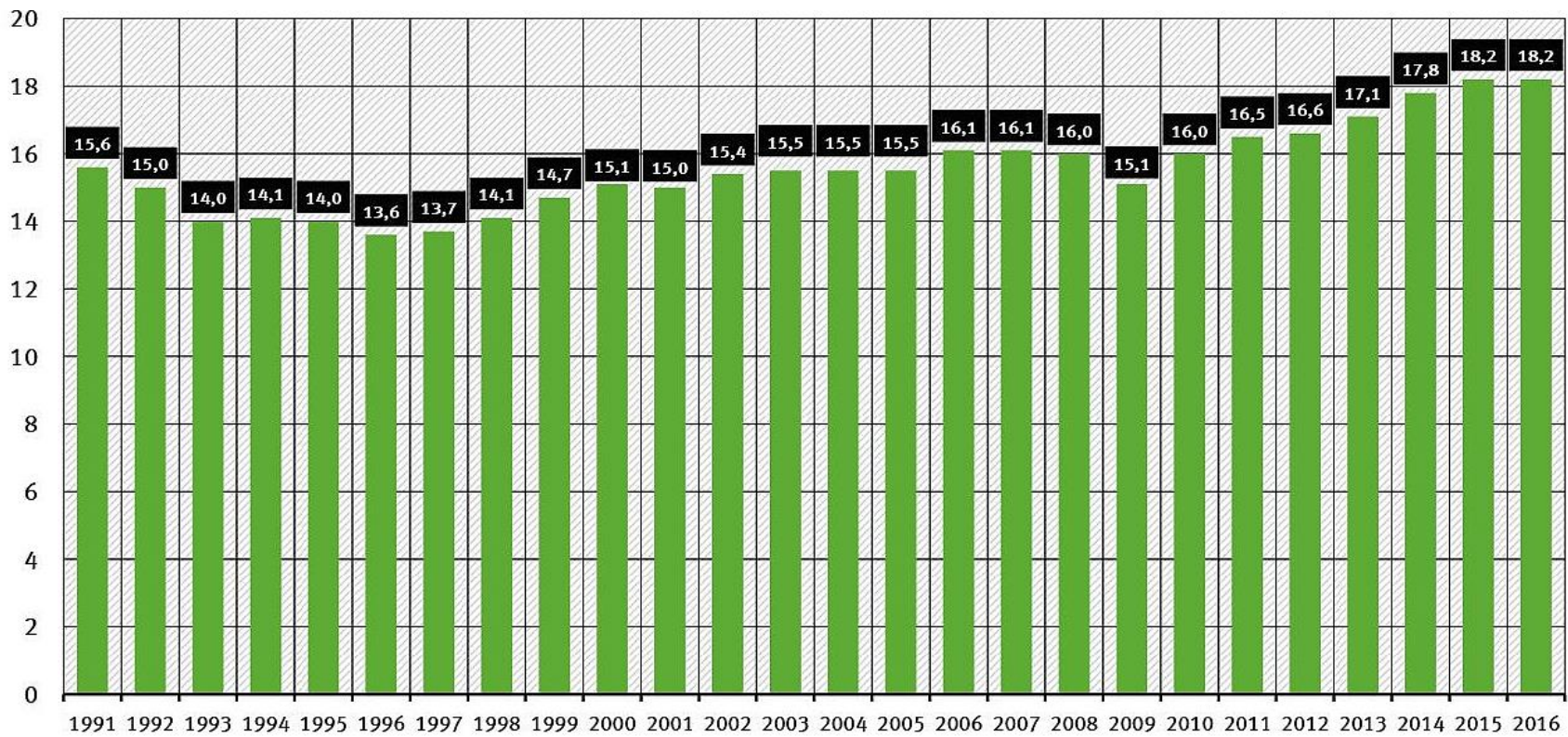
- Environmental and consumer protection NGO, nonprofit
- Entitled to take direct legal action
- Founded in 1975 at Lake Constance
- Around 300.000 active supporters
- Offices: Radolfzell, Berlin, Hannover, Köthen, Erfurt
- Around 110 employees
- Working at national and EU level



Packaging consumption in Germany

Development of packaging waste

Million tonnes



Ab 1998 auf Basis der Definitionen der novellierten Verpackungsverordnung

Quelle: Gesellschaft für Verpackungsmarktforschung mbH (GVM), Mainz, Stand 03/2018

Packaging waste volume

Considerably increased
Between 1997 and 2015



Germany is EU champion when it comes to packaging waste

EU Champion of waste production



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Packaging trend – single-use wherever you look



Discounters sell single-use PET bottles at low prices

- Discounters like Aldi and Lidl sell beverages in single-use bottles and cans at very low prices, strategically displacing competitors
- Aldi and Lidl's market share is at 52 percent in the most important beverage segment (mineral water), and they only sell single-use packaging
- Big single-use fillers (Lidl's MEG) are exempt from renewable energy levy



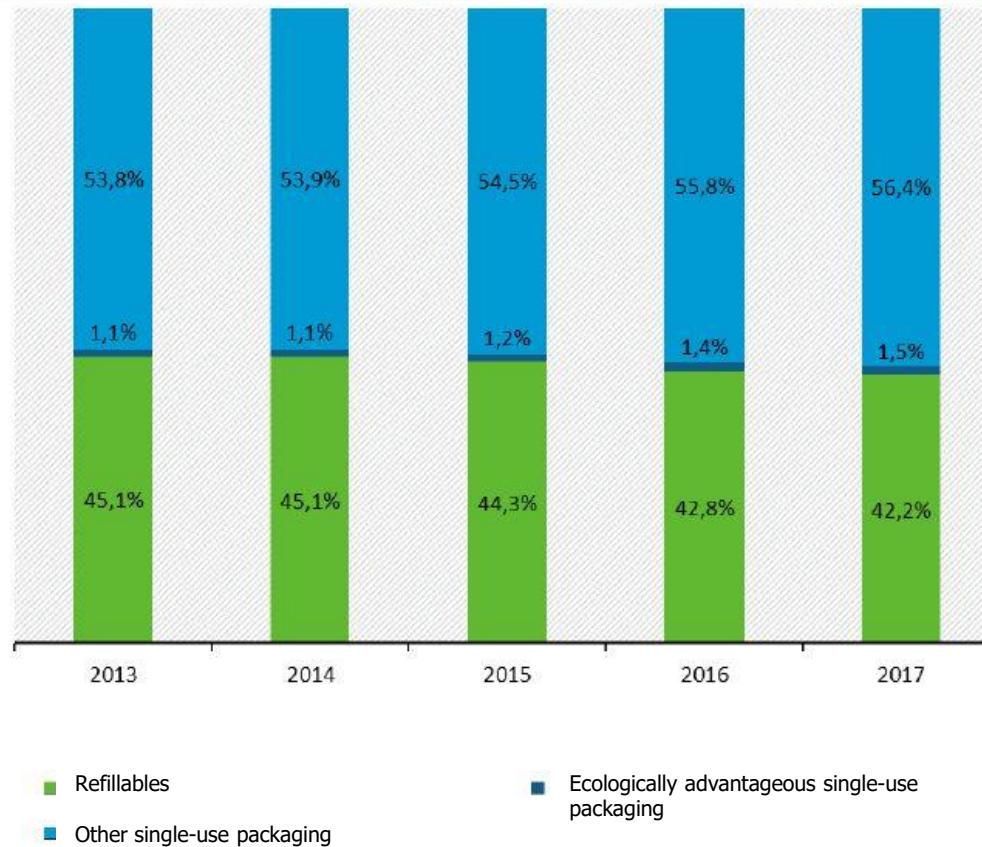
Increasing marketshare of single-use beverage packaging while refillables are declining

Beverage sector	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Beer	87,8	88,6	87,1	85,2	87,2	88,5	88,2	87,5	86,2	85,9	83,6
Water	68,2	61,4	53,0	47,3	45,4	43,8	43,3	41,9	40,7	40,8	40,8
Soft drinks	63,0	55,0	49,3	42,8	38,3	37,4	34,6	32,4	31,1	29,5	29,7
Mixed beverages with alcohol	25,7	24,7	31,8	23,1	21,2	15,7	14,3	12,0	9,6	8,6	6,4
Weighted average	71,1	65,7	59,8	54,6	52,6	51,8	50,1	48,3	47,0	46,2	46,1
Thereof											
- Refillables	66,3	61,3	55,6	51,2	49,5	49,2	48,0	46,7	45,7	45,1	45,1
- Ecologically advantageous single-use packaging	4,9	4,4	4,2	3,4	3,1	2,6	2,1	1,6	1,3	1,1	1

Single-use plastic bottles dominate the market

Bundesweite Erhebung von Daten zum Verbrauch von Getränken in Mehrweg- und ökologisch vorteilhaften Einwegverpackungen in Deutschland für die Jahre 2016 und 2017 – Bericht 2017

Abbildung 1: Entwicklung von Mehrweg, ökologisch vorteilhaftem Einweg und sonstigem Einweg



Environmental burden caused by single-use bottles

Per year, the production of single-use bottles in Germany uses:



**474,000
tonnes of
plastic**



**480,000
crude oil +
gas
condensate**



**9.5 billion
KWh
electrical
energy**



**16.4 billion
bottles
go to
waste***

*Bottles that are returned to retail are recycled

We need a shift towards reuse



„The best packaging is the one that is not produced in the first place. “

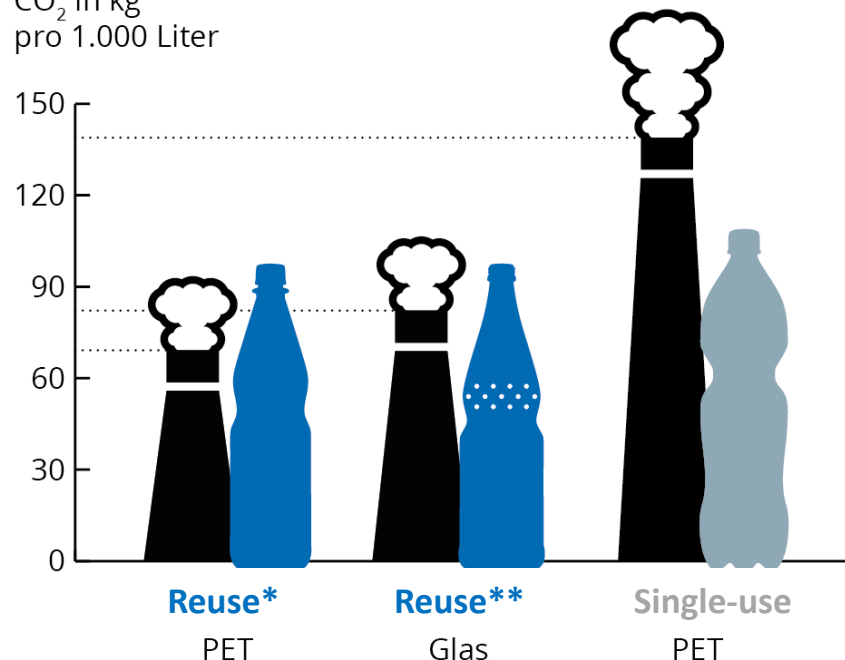
Janez Potocnik, former Environment Commissioner

Reuse protects the climate

CO₂ emissions compared

Beverage packaging for mineral water

CO₂ in kg
pro 1.000 Liter



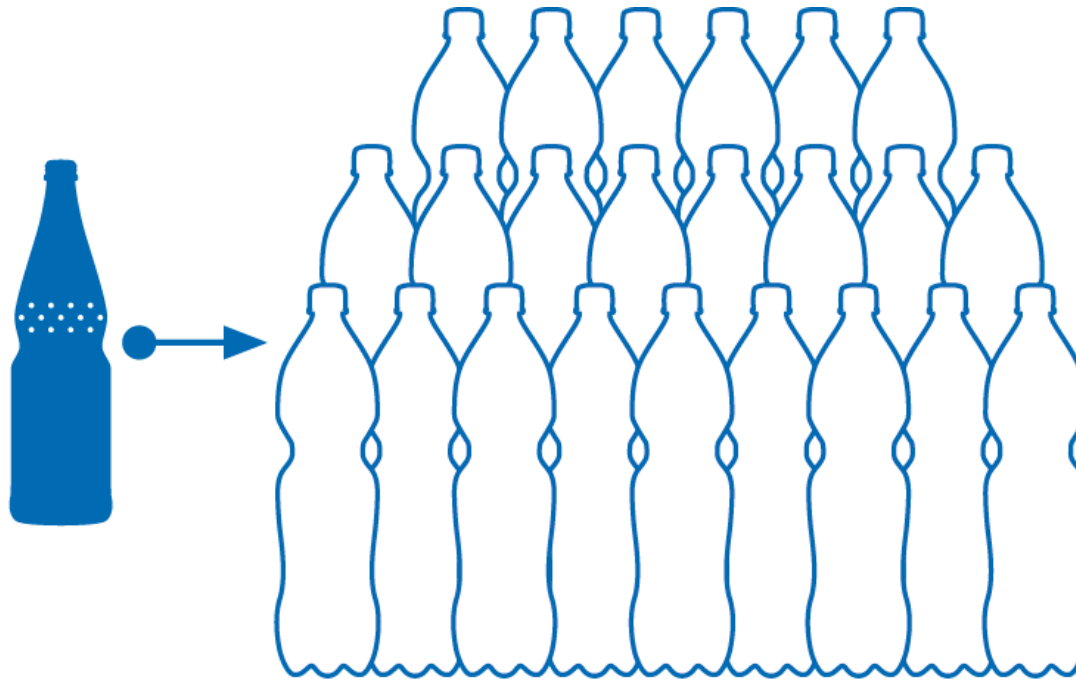
* Transportentfernung: 258 km, Mehrweg-Umläufe: 15, Füllgröße: 1,0 l

** Transportentfernung: 258 km, Mehrweg-Umläufe: 40, Füllgröße: 0,7 l

Quelle: GDB Ökobilanz 2008/ IFEU

- Reusable bottles emit 50 % less CO₂ emissions compared to single-use packaging over the entire life cycle.
- Reason for that is their **frequent refilling** and the predominantly **regional distribution** with short transport distances.
- Single-use plastic bottles are distributed almost twice as far as reusable bottles.

Reuse prevents waste



A reusable mineral water glass bottle (0,7 litre) that gets refilled 50 times, replaces 23 single-use plastic bottles (1,5 litre).

System change to reuse



Reduce single-use and
promote reuse ...
What to do?

Reuse quota in the German Packaging Law



- **Packaging law §1 Waste management objectives paragraph 3**
 - *"The aim is to strengthen the share of beverages filled in reusable beverage packaging with the objective of preventing waste and to promote the recycling of beverage packaging in closed cycles. [...] **The aim is to achieve a share of at least 70 percent of beverages bottled in returnable beverage packaging.**"*

Reuse quota in the Packaging Law

- Resolution proposal by CDU/CSU and SPD parliamentary groups, accepted by the parliament – Publication 18/11274 (28.03.2017):
 - *"The German Bundestag calls on the federal government: (3) to develop proposals for more far-reaching legal measures to promote reusable beverage packaging, taking into account findings from life cycle assessment studies and other sustainability aspects, **if the aspired reusable packaging share of 70 percent is not yet achieved three years after the Packaging Law enters into force**".*
- No exact sanctioning measures in case of persistent shortfall
- According to DUH, a levy of 20 cents (minimum) on single-use bottles is a necessary measure

Annual calculation & publication of the reusable quota for beverage packaging

- **Packaging Law §1 Waste management objectives paragraph 3**
 - *"The Federal Ministry for the Environment, Nature Conservation, Construction and Nuclear Safety shall annually determine the proportion of beverages filled in reusable beverage packaging and shall announce the results in order to verify the effectiveness of the measures to support reusable packaging provided for in the Packaging Act".*



Reuse quota is a sector specific quota

- Reuse quota in Germany is sector specific
- The beverage industry and the food retailing industry have to sell an overall 70 percent of beverages in refillable containers
- The new Packaging Law entered into force on 1 January 2019
- DUH carried out a survey among the biggest bottlers and retailers in Germany on the implementation of the reuse quota in Germany
- Highly intransparent – many businesses and retailers hold their cards close to their chest

Businesses boycott reuse quota

- Discounters Aldi and Lidl boycott the reuse quota laid down in the Packaging Law
- Aldi and Lidl's response to requests of DUH: They want to keep selling beverages exclusively in single-use containers (market share of 52 percent for mineral water)
- Danone Waters 0 percent refillables
- Nestlé 12 percent refillables



Sector specific quota is problematic

- Market players shift the responsibility for meeting the reuse quota to other companies
- Aldi, Lidl, Nestlé and Danone Waters are doing exactly that
- Companies boycotting the reusable quota speculate:
 - Industry-friendly policies
 - Weak countermeasures
 - Companies play it by ear and focus on single-use packaging as long as possible



Reuse quota attributed to individual businesses

- The reusable quota should be designed in such a way that each individual company must implement it
- Equal responsibility to meet the quota
- Checking the individual balances is feasible and easily implemented
- Quotas comply with EU legislation
- No violation of the subsidiarity principle
- Condition: a higher share of refillables must have environmental advantages



Key points reuse quota



- Binding character of the reuse quota
- Company-specific reuse quota
 - Each individual market player has to meet quota
- Annual calculation of reusable quotas and publication of the results by the Ministry of the Environment
 - Use of industry data (quantities placed on the market)
- Definition of a time period for the compliance of the quota
- Definition of sanction mechanisms if quota is not fulfilled
 - Financial constraints against individual companies
 - Industry-wide levy for single-use packaging

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