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15th December 2009

Dear Liz,

The Packaging Federation's Further Response to the CC2 "Metrics Methodology"
Document Received on December 2nd, 2009

I am writing to respond to the further Consultation Document circulated two weeks ago. My industry has been angered by the ridiculously short period of time that has been allocated for responses to a set of metrics which could have profound impacts on the conduct of their businesses. Whilst we recognise the desire for this process to be driven forward, we cannot see the remotest real justification for "railroading" this through in a minimal period of time. We would like your assurance that you will recognise the need for regular and timely updating of the data and "conversion factors" to be used and that this should be done on a continuous basis and not be delayed until some arbitrary deadline in the future.

In Annex 1 of the document, reference is made to 19 responses made by non-signatories – most of whom will have been from our industry. And yet, from feedback that I've already had from individual sectors, very little appears to have changed in response to these replies. We deplore the continued focus on packaging alone for the next 3 years and believe that this continued focus cannot be justified by considerations of packaging's own environmental impact. Indeed, we believe that there is a real danger that further packaging "optimisation", based on CC2 metrics, could lead to increased product damage that will far outweigh any apparent environmental gains on the packaging itself. These fears are reinforced by the laughable suggestion that the carbon impacts of packaging changes on filling and processing should not be assessed despite there being widespread evidence that both filling and processing can be significantly impacted by changes in packaging format.

The whole concept of further targets on packaging has, in our view, nothing to do with the environment and everything to do with the disagreeable concept of chasing targets. The fact is that packaging only exists as a delivery system for products and has no existence in its own right. Packaging demand equates exactly to consumer demand for products whose environmental impact is massively greater than that of packaging. Indeed it is the packaging itself that limits the environmental impact of products by protecting and preserving them throughout the supply chain.

We recognise that the ultimate intention of the Courtauld Commitment is to broaden its scope to encompass products but are utterly unsympathetic to the suggestion that packaging should be further targeted because products are “too difficult” to do yet. And in saying that, we are also very sceptical about the further application of carbon measurement and targeting to products. If we end up with the plethora of carbon conversion factors, caveats, arbitrary exclusions etc. which are causing so much consternation and debate for the relatively simple “palette” of packaging, how on earth can such an approach be applied to the much, much wider spread of products? It appears to us that packaging continues to be targeted because it is easy and popular so to do, not because its environmental profile demands it.

Packaging utilises less than 1.5% of the resources used annually in this country and saves far more resources than it uses. But it continues to be regarded as one of the great environmental problems by consumers, media, politicians and, apparently, NGO's. The scientific facts on the environmental impact of packaging simply do not support this. Included in the Courtauld Commitment is food waste reduction but the focus on and targets for this are markedly less demanding than those proposed for packaging despite the fact that food waste in the home alone has many times the environmental impact of packaging at end of life. As an industry, we believe that this continued attention on packaging is reinforcing the consumer misconception that packaging is one of the greatest environmental problems. This view is reinforced by the proposal that a further 10% reduction target should be set for packaging whilst a media campaign is in progress to persuade consumers to “drive five miles less per week” – a 2% reduction! – and which of packaging and car use has the greater environmental impact?

The Packaging Manufacturing Industry takes its environmental responsibilities extremely seriously and recognises that its products make a major contribution to environmental safeguarding by its role of protection and preservation. Further, it allows many aspects of society to function by enabling modern lifestyles and a high proportion of urban living. The demand for packaging is only created by ultimate consumer demand and yet, in helping to service this demand, our overall environmental footprint is very small. We believe that, with all the current focus on environmental issues and global warming, the time has come for public facing actions and initiatives to be proportionate to their true environmental impact. In this way, consumers will be encouraged to modify their activities in those areas which have the greatest impact. Surely, it can no longer be acceptable that retailer surveys continue to show that more of their customers are concerned about packaging than global warming! The packaging supply chain has already made substantial progress over the years and further targeting of packaging is unnecessary, publicly misleading and counter-productive.

Liz, I will turn now to some of the more specific issues raised by the document circulated this month. As for the last document, I know that you will be receiving numerous responses from the packaging manufacturing industry – both from individual companies and sector trade associations. Again, given the very wide spread of packaging products and their characteristics, there will be markedly different detailed responses to the issues and questions raised in the consultation and it would not be appropriate or possible for me to summarise these as an overall industry view. However, there are a number of more general points that are specific to the document that I should like to comment on.

For ease of reading, I have detailed these in bullet point format:

- **Appropriate Metrics and Measurement**

There is considerable debate at the moment about the appropriate metrics to be used for measuring environmental impact. There certainly appears to be universal acceptance that the use of a sole carbon metric is not an adequate measure and in many cases can be very misleading and lead to incorrect decisions. Apart from the work being done by the CEO Forum, recent outputs from Draft ISO 14067 and the report this month from the grouping of ANEC/BEUC/ECOS/EEB (copy attached) all agree that the use of carbon on its own is not acceptable.

On a more fundamental level, there is the issue that I raised in my last letter to you on the whole concept of designing new measurement systems specifically so that WRAP can measure its own targets. Given the sheer difficulty of obtaining anything meaningful for packaging alone (and I very seriously question the “fitness for purpose” of what we’ve got at present), I shudder to think of the workload for creating a whole new set of metrics for products! The vast majority of Courtauld Signatories are substantial national and international companies who are already strongly committed to and reporting on environmental progress. I struggle to see how the design of new reporting metrics solely to fulfil WRAP’s reporting requirements is an effective use of time and resources. Most of these companies have to report to public shareholders and organisations like the Carbon Disclosure Project, so to be required to follow a whole new set of requirements will do nothing for the environment and is hugely wasteful of management time.

- **Product Protection**

Whilst the document does acknowledge packaging's purpose, it still does so on a very “shallow” basis. For example, in the fourth paragraph on page 2, it states "changing packaging at the expense of adequate product protection is **unlikely** to yield environmental or economic benefits". Given that the average impact of products is some ten times that of the packaging around them, we all know that such actions will **inevitably** lead to increased damage and environmental impact.

- **Making Competitive Claims**

The narrative continues to "exhort" that the methodology should not be used to make competitive comparisons (and we are pleased to see the recognition of the dangers of this) - indeed the factors to be used are so woefully inaccurate and averaged that it's difficult to see that they could be so used. However, we all know that retailers and brands will continue to make such claims because that is so ingrained in their corporate ethos. We believe that we need to see significantly "tougher" proposals from WRAP as to how such claims will be prevented and the action that will be taken if claims are still made.

The whole issue of changing pack formats or crossing material boundaries is highly complex and needs detailed evaluation. As is recognised, the CC2 metrics are wholly inadequate to be used to evaluate such changes.

- **Packaging Weight**

The ninth paragraph on page 2 states that "pack weight will remain an issue of importance under this agreement"! Whilst any further weight changes will be "translated" into carbon, the inaccuracy of the conversion factors to be used will render this an extremely haphazard process.

- **Recycling Rates/Content**

Given that WRAP appear to be relying on increases in these (dependent on material sector) as the main driver behind the target reduction, there needs to be recognition of the limitations on achievement by the packaging supply chain as much of the recycling infrastructure is outwith their control. At the same time, our industry needs confirmation from WRAP that they will introduce absolute safeguards to prevent the outbreak of “recyclate wars” in those sectors where the availability of “quality recyclate” is limited. There have already been such pressures in 2009 and they have caused considerable difficulties in the supply chain whilst negatively impacting on the environment. The pressure for such actions will be increased by the fact that the use of averaged factors will allow no differentiation between the carbon efficiency of converters’ operations nor indeed those of raw materials used. As a result, investment undertaken to reduce carbon impacts within individual converter plants or from sources of raw materials will accrue no credit in comparison with competitors.

- **Carbon Impact of Product Filling (and Processing!)**

It really is a major omission that the impacts on the carbon footprints of filling and processing by changing packaging formats and/or materials are not being considered. Whilst the document suggests that changes to filling speeds or shelf life should be “understood”, it makes no effort to recognise that differing pack formats can have significantly different carbon impacts on a whole range of activities at the packer/filler stage or, indeed, subsequently. What this does point up again is the real danger that, if highly averaged carbon factors are used for packaging comparisons, they will produce erroneous and misleading answers.

- **Imported Packaging**

From the figures in the document, 30% of packaging used in the UK is imported. WRAP's proposal is that they assume that the recycled content of this is the same as that produced in the UK. Given that there are (as far as I know) no reliable methodologies for assessing recycled content in packaging products, what protocols/checks are going to be used to verify this assumption? UK packaging manufacturers are very concerned that imported packaging, whether imported directly or as packaging around imported products, cannot be measured appropriately to verify claimed recycled content. Our industry will require considerable reassurance that systems will be put in place to ensure equality of treatment. Further, the inclusion of transportation factors will need to adequately account for empty imported packaging or imported packed product.

- **Peer Group Review**

I have already had an exchange of e-mails with Andy Dawe on the absence of any commitment/programme in the document to carry out a Peer Group review. I now understand that this is to be carried out shortly but we have not yet been informed as to timing and who is carrying out the review. I have been asked by a number of my colleagues to suggest a detailed review of the proposed CC2 methodology by a respected and truly independent LCA Expert.

Liz, as an industry, we will continue to use our considerable skill and expertise to supply packaging that is fit for purpose and continues its role in protecting, preserving and, where

appropriate, promoting the products that it contains. However, we are very aware of the real dangers of decisions being made under the pressure of targets that have led to inadequate or inappropriate packaging being used. At the same time, there is no doubt that the focus of "CC1" on weight alone exacerbated this. We now have real concern that the move from one single metric to another, however well intentioned, may lead to similarly poor decisions. We urge you and your colleagues to seriously reconsider the whole concept of this further focus on packaging. We can then get on with the real challenge of providing the optimum packaging whilst meeting the challenges of the packaging supply chain and consumer demand in an environmentally responsible manner.

I am, as always, available to meet up to discuss further the issues and concerns raised in my letter.

Best wishes,

Yours sincerely,

Dick Searle

Dick Searle CCMi
Chief Executive

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