Explanation Fee Modulation Plastic Packaging

Version 1.1 February 2024

Preface

This document has been created to provide clarity on how you are rewarded for making your plastic packaging highly recyclable and using post-consumer recycled content (recyclate). This document is intended to provide additional information to <u>Regulation Fee Modulation 2.0</u>.

Stichting Afvalfonds Verpakkingen has, in collaboration with KIDV, spent the greatest care in the creation of this document. Should this document contain any mistakes or incompleteness, we would appreciate that you make note of this. No rights can be derived from this document.

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Fee modulation explanation 1.1

This document contains further explanations and adjustments to the document Fee modulation explanation version 1.0. An apostrophe indicates per page whether information has changed. The next two pages provide an overview of the changes/clarifications.

An overview of the changes:

- <u>Packaging is the basis</u>: only a flexible or rigid packaging >3cm and rigid packaging <5 liters may qualify for fee modulation.
- <u>Preconditions:</u> Packaging that is in direct contact with glue and medicines is not excluded from discount. Packaging that is in direct contact with latex is excluded from discounts. In order to qualify for fee modulation, the main component is made of polymer PET or made of polymers PE and/or PP.
- <u>Material condition</u>: Rigid packaging made of PET, PE, and PP, and flexible packaging made of PE and PP, are also eligible for a discount if made from recycled material such as rPET or rLDPE.

Fee modulation explanation 1.1 (continuation)

An overview of the changes:

- <u>Clarification of color</u>: opaque applies to PET and is almost exclusively found in France. When an in-mould label is placed on the main component, the basis material of the in-mould label should be transparent or white.
- <u>For labels and sleeves</u> on rigid packaging, in addition to the date code, the following elements are also allowed: batch code, lot number. The requirements for rigid packaging regarding the size and printing of labels and sleeves also apply to in-mould labels.
- <u>Optimal recyclability</u>: the most recent version of the KIDV Recyclecheck links to the 2024 versions.
- <u>Rewarding use of post-consumer recycled content</u>: rewarding the use of post-consumer recycled content through Fee Modulation 2.0 applies to the use of plastic recyclate.



Content

- 1. Reduce, reuse, recycle
- 2. Model for Fee Modulation Plastic 2.0
- 3. Design principles
- 4. Preconditions and reward steps
- 5. Explanation preconditions
 - 1. Packaging is the basis
 - 2. Is my packaging rigid or flexible
 - 3. Conditions
 - 4. Conditions for material

6. Reward steps

- 1. Colour
- 2. Mono
- 3. Labels
- 4. Optimal recyclability
- 5. Use of post-consumer recycled content
- 7. Innovation program
- 8. Administration

Reduce, Reuse, Recycle

Reduce ٠

Our fees are based on kilograms. The less packaging material, the lower the Packaging Waste Management Fee.

Reuse (reusable packaging) ٠

If you market reusable packaging and declare the amount of reuse, you pay a lower fee for the Packaging Waste Management Fee. This applies to packaging that can be used multiple times, for the same application, and refilled through a return system.

Recycle ٠

To encourage good recycling, we further differentiate fees through rewards for

- Highly recyclable packaging and/or
- The use of **post-consumer recycled content**.



Model Fee Modulation

Packaging category

Innovation program

	Туре	Material
Rigid packaging	Bottle / vial / other	PE / PP / PET
Flexible packaging	Flexible packaging	PE/PP

Characteristics Recyclability € 0,10 Good recyclable Colour € 0,10 Transparent / white / natural Maximum discount Composition per kilo € 0,10 Mono Labels € 0,50 € 0,10 Size and material Use of post-consumer recycled content 10% Contact sensitive € 0,10 20% Non-contact sensitive

Discount: packaging features

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Design principles

Robust, future-oriented system:

- Start with distinguishing the starting rates for **rigid and flexible packaging** to account for the chain costs per main packaging group.
- Encourage making packaging categories (**Rigid PE/PP/PET**) and (**Flexible PE/PP**) optimal recyclable and reward the use of post-consumer recycled content.
- Reward per step: colour, mono, labels, optimal recyclability and use of postconsumer recycled content.
- Fee modulation only applies to **plastic material rate** (not applicable to desposit or other rate components or discount schemes).
- Stimulating **innovation program**.
- Pre-sorting for regulation / Packaging and Packaging Waste Regulation (PPWR).
- **Evaluation** takes place after the first year.



Preconditions and reward steps

Preconditions and definitions

- Breakdown of packaging by material •
- Check format ٠
- Check for disrupters ٠
- Determination rigid or flexible ٠

Reward steps

- Packaging characteristics ٠
 - Colour •
 - Mono •
 - Labels •
 - Optimal recyclability •
- Use of post-consumer recycled content ٠
- Innovation program •



Packaging category

Discount: packaging features

Preconditions and definitions





Packaging is the basis

- 1. For packaging, all material types of a package (plastic / paper and cardboard / aluminum / other metals / glass / other materials) are reported separately (in kg).
- 2. Packaging may consist of **one or multiple disposable units*.**
- 3. If a packaging consist of multiple disposable units, then each disposable item will be assessed separately**.
- 4. Only a packaging where **> 50% of the weight is plastic** may qualify for Fee Modulation.
- 5. Only flexible or rigid packaging **>3 cm and rigid packaging <5 liter***** may qualify for Fee Modulation****.

* Packaging may consist of multiple disposable units, <u>see background document recyclecheck</u>. ** In our communication we use the word packaging. This may involve one or more disposable units. *** For explanation about size of packaging, <u>see background document recyclecheck</u>.



Is my packaging rigid or flexible?



Bottles, vials, trays, blisters, cups, tubes etc.

Examples flexible packaging :



Bags, wraps, pouches, flexible packaging with rigid parts (anything that is not rigid)



Rigid plastic packaging

Definition rigid packaging (or *disposable unit*)

Rigid packaging are stiff. This packaging is not easy to deform or to squash them into a wad (even when empty).

Characteristics:

- The material of the main component is usually thicker than 250µm*.
- When empty, before it is filled, the packaging usually has the same shape as when filled.

Examples:

Bottles, vials, tubes, trays, cups, trays, blisters and buckets.

* For a main component with a material thickness between 100 and 250 µm, it should be further determined whether it is a rigid or flexible packaging.

Examples rigid packaging :



Bottles, vials, trays, blisters, cups, tubes etc.

Flexible plastic packaging

Outcome:

All plastic packaging that are not rigid.

Explanation:

A flexible plastic package can be crumpled up easily and without using much force, has little strength when empty and usually cannot stand on its own without its contents.

Characteristics:

The material of the packaging is usually thinner than 100µm*.

• The packaging is more two-dimensional than three-dimensional.

Examples:

Bags, pouches, foils (anything that is not rigid).

* For a main component with a material thickness between 100 and 250 µm, it should be further determined whether it is a rigid or flexible package.

Examples flexible packaging :



Bags, wraps, pouches, flexible packaging with rigid parts (anything that is not rigid)

Conditions

1) Main component is >70% of the weight of the packaging and is made from PET, PE or PP.

• For fee modulation, the main component of the plastic is considered.

2) No restriction for disruptive packaging:

Packaging that contains disrupters do not qualify for Fee Modulation. This relates to the following packaging materials:

- Oxo-degradable materials
- PVC, PVdC or PETG*
- Rubbery substances such as elastomers and silicone

3) No direct contact with the products:

Packaging that is in direct contact with the following products does not qualify either:

- Paint, latex**, silicones
- Cement

* PETG is only deemed as disruptive when used in main component.





Condition: material

The following types of plastic qualify for Fee Modulation Plastic 2.0.

For rigid packaging:

- **PET** (A-PET)
- **PE** (PE, HDPE, MDPE, LDPE, LLDPE, BOPE)
- **PP** (PP, CPP, BOPP, OPP)

For flexible packaging:

- **PE** (PE, HDPE, MDPE, LDPE, LLDPE, BOPE)
- **PP** (PP, CPP, BOPP, OPP)
- Rigid packaging made of PET, PE, and PP, and flexible packaging made of PE and PP, are also eligible for a discount if made from recycled material such as rPET or rLDPE.
- Other materials do not qualify for a discount.

Code	Abbreviation	Abbreviation of
کُوْکِ PET	PET	Polyethylene terephthalate
ک PE-HD	HD-PE	High-density polyethylene
ک PVC	PVC	Polyvinylchloride
ک PE-LD	LD-PE	Low-density polyethylene
ک PP	PP	Polypropylene
کُنْ PS	PS	Polystyrene
202	OTHER	
کے ABS	ABS	Acrylonitrile butadiene styrene

16

Reward steps

Colour, mono, labels, optimal recyclability, use of postconsumer recycled content





Colour explanation

Plastic packaging without added dye have more potential applications after recycling than colored variants.

Transparent

- Fully transparent, clear, no dye added (1).
- Light coloured, if demonstrable through the use of recycled content (2).

Naturel

• No dye added; may be slightly hazy/waxy/blurred (3).

White

- Coloured with white dye (4).
- Not opaque* (applicable to PET)
 - opaque = coloured and light-impermeable

Basic material of the in-mould label must be transparent or white material.**



*For more information, see KIDV's <u>Guidance colour (</u>only available in Dutch)



Conditions: colour rigid/flexible packaging

Rigid plastic packaging

- PET:
 - Transparent / Naturel
 - Light-coloured, provided the colour is caused by the demonstrable use of recycled content.
- PE/PP:
 - Transparant / Naturel / White
 - Light-coloured, provided the colour is caused by the demonstrable use of recycled content.

Flexible plastic packaging

- PE/PP
 - Transparant / Naturel / White
 - Light-coloured, provided the colour is caused by the demonstrable use of recycled content.



MONO



Rigid packaging:

- The main component of a mono-material is made from a single type of polymer but is also permitted to consist of multiple layers of the same type of polymer.
- For PE of PP: Additions of EVOH, SiOX, AlOx (including tie layer) are permitted to a maximum of 5%* total.

Flexible packaging:

- The main component of a mono-material is made from a single type of polymer but is also permitted to consist of multiple layers of the same type of polymer.
- Additions of EVOH, SiOX, AlOx (including tie layer), metallisation en ink are permitted up to a maximum of 10%* total.

LABELS & SLEEVES

Rigid packaging

a discount.

verpakkingen



LABELS & SLEEVES

Flexible packaging





Packaging without labels/sleeves may be eligble for a discount.

OPTIMAL RECYCLABILITY

Optimal recyclability:

To be able to quality for the reward step optimal recyclability, the packaging must meet all <u>KIDV</u> <u>Recyclecheck</u> requirements and comply with all criteria from "optimal recyclability".

For rigid packaging:

• See <u>KIDV Recyclecheck rigid packaging</u>.

For flexible packaging:

• See <u>KIDV Recyclecheck flexible packaging</u>.



USE OF POST-CONSUMER RECYCLED CONTENT

Definitions:

- Recycled content after consumption ("Post consumer")
 - Recycled content thar originates from plastic packaging placed on the market.
- Contact sensitive packaging that qualifies for Fee Modulation
 - Packaging for food contact (human and animal) and cosmetics.

Conditions and distinction:

- Condition is the use of "post-consumer" recycled content (plastic)*.
- For contact sensitive packaging: discount when using >10% recycled content (plastic)*.
- For non-contact sensitive packaging: discount when using >20% recycled content (plastic)*.

*For an explanation about certifications of the use of recycled content, see KIDV's guidance proof of the use of recycled content (only availabe in Dutch).

Conditions for use of post-consumer recycled content

✓ Reward all plastic packaging (with material rate):

The reward for use of plastic* recycled content applies to all packaging to which the plastic material rate (rigid of flexible) applies.

✓ No material restriction:

We reward all packaging of which > 50% of weight is plastic.

✓ No size restriction:

Large rigid packaging > 5I or small packaging < 3 cm are also rewarded for the use of recycled content.

✓ No restriction for disruptive packaging in recycling:

Packaging containing paint, latex, silicones, or cement are also rewarded for use of recycled content.*



INNOVATION PROGRAM

For new materials and/or production processes, we offer tailor-made solutions in the form of the innovation program.

To qualify for the innovation program, the following conditions apply:

- 1. The innovation relates to a **new plastic material, production process or technique** for the plastic chain
- 2. The innovations contributes to the objectives of **The Plastic Guide.**
- 3. The Innovation is **available** to everyone.
- Only the producer/importer* can apply for the innovation program for new materials or production process/technology. A comprehensive plan of action (including details of the impact (cost/quality/quantity) on collection, sorting and recycling systems) must be submitted with the application.

* Everyone obliged to file a declaration for the Packaging Waste Management Fee.

Definition in PPWR:

'innovative packaging' means a form of packaging that is manufactured using **new materials**, design or production processes, **resulting in a significant improvement in the functions of packaging, such as containment, protection, handling, delivery or presentation of products, and in demonstrable environmental benefits,** with the exception of packaging that is the result of modification of existing packaging for the sole purpose of improved presentation of products and marketing;



Process Innovation program

2024 2025 2026 Activity Q1 Q2 | Q3 Q4 Q1 Q2 | Q3 | Q4 Q1 Q2 Q3 Q4 Application Innovation program Assessment Innovation Commission Outcome assessment $\mathbf{\nabla}$ ↓ New rates succeeding year Fee Mod./support innovation program Evaluation innovation Decision Added to system



Administration

- **Expand** registration of data **per packaging** in your own system.
- Preparation for 'Packaging Passport' announcement from PPWR.
- **Record** packaging specifications in your own system and **viewable** during inspection.
- **Recommendation:** Prepare administration with **additional fields** (due to possible additional regulatory requirements).

Data fields packaging	Specification	Data recording
Material	Plastic	kg (number of items for SUP)
Type of packaging	Rigid / Flexible	Rigid / flex
Contact sensitive	Contact sensitive / non- contact sensitive	Contact sensitive / non-contact sensitive
Material type	Rigid: PE / PP / PET Flexible: PE / PP	PE / PP / PET
Colour	Transparent / White / Natural	Transparent / White / Natural
Composition	Mono	Yes / no
Label	Material type (PE / PP), Size, Printing	Yes / no
Recycled content	Contact sensitive / non- contact sensitive	In kg or %
Good recyclable	Good recyclable	Yes / no

Need help?

Send your questions to: TD@verpact.nl







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