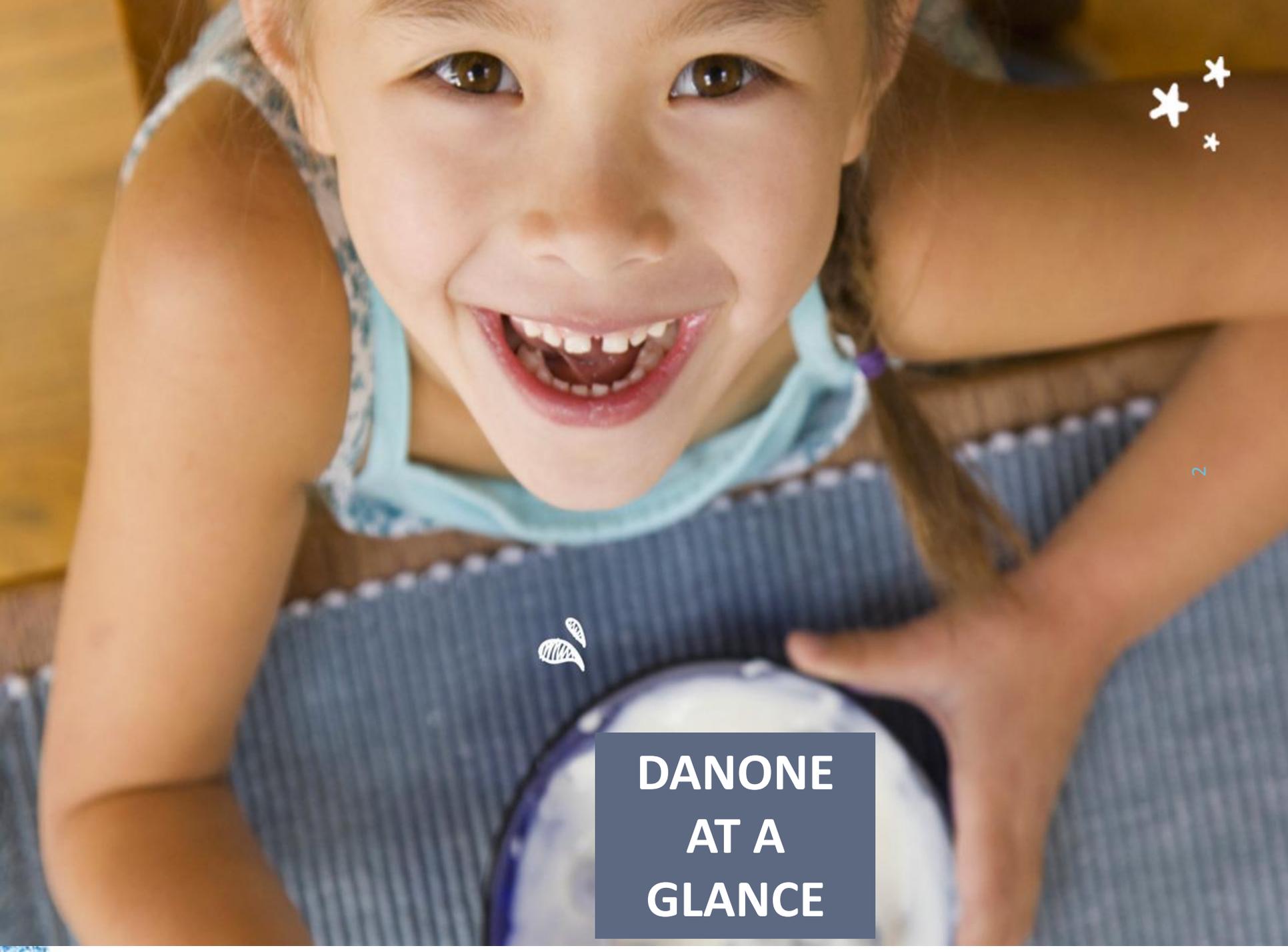


# HOW WILL THE NEW CIRCULAR ECONOMY PACKAGE INFLUENCE DANONE PLASTIC RECYCLING POLICY ?

EUPC Conference  
20<sup>th</sup> September 2016

Brussels



2



**DANONE  
AT A  
GLANCE**

# LEADERSHIP POSITION ON 4 BUSINESS ACTIVITIES



**€4.994 billion**  
 No. 2 worldwide  
 Early life Nutrition



**€1.593 billion**  
 No. 1 in Europe\*\*  
 Medical Nutrition

**€22,412  
 mln\***

**€4.768 billion**  
 No. 2 worldwide (by volume)  
 Waters

**€11.057 billion**  
 No. 1 worldwide  
 Fresh Dairy Products

\*2014 FY Sales  
 \*\* West Europe

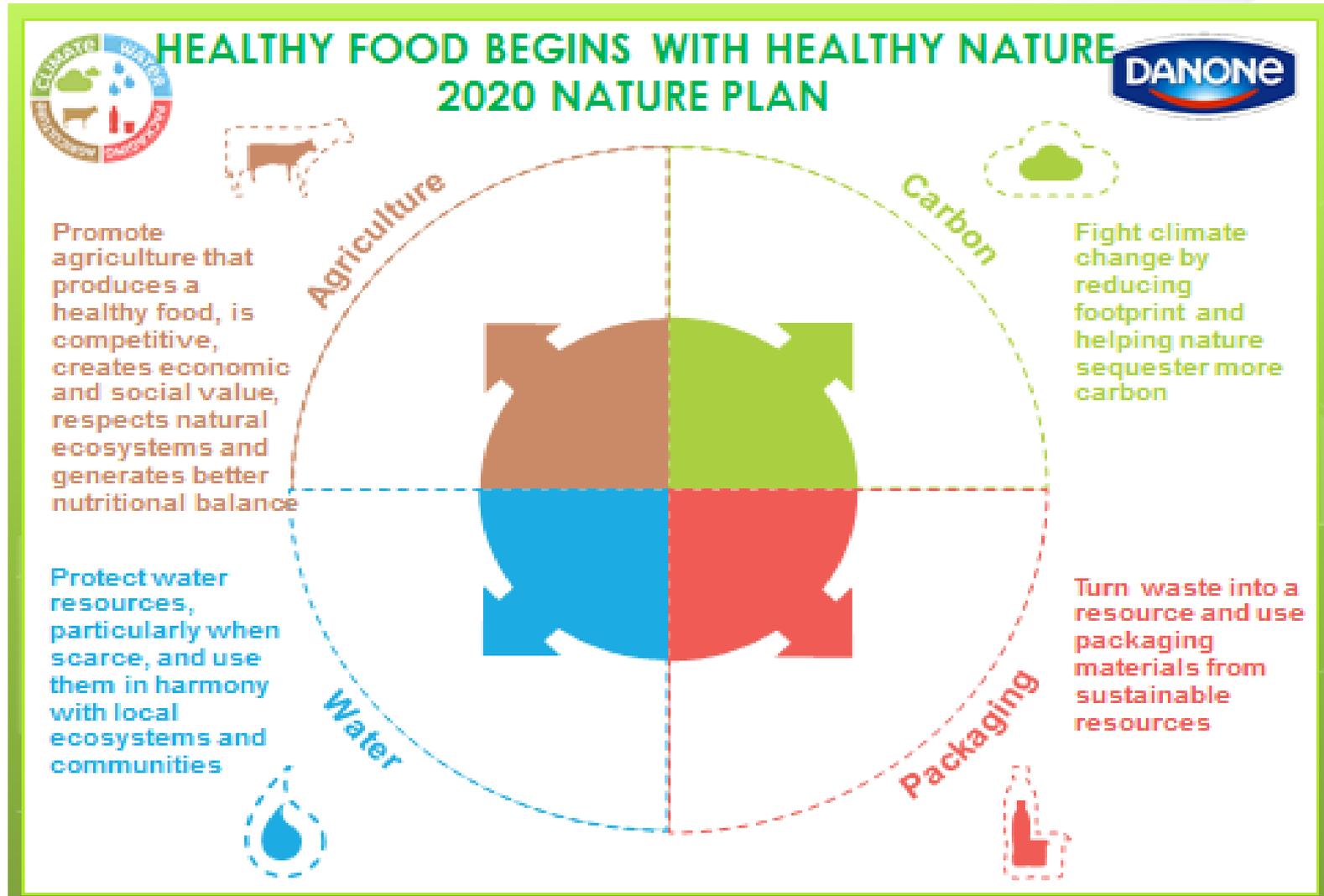




# HOW WILL THE NEW CIRCULAR ECONOMY PACKAGE INFLUENCE DANONE PLASTIC RECYCLING POLICY ?



# DANONE NATURE 2020 PROGRAM



# WHAT IS CIRCULAR ECONOMY ?

- **Circular economy** maintains the value of the materials and energy used in products in the value chain for the optimal duration and minimizes waste and resource use,

(Ref: EC Roadmap – Circular Economy Strategy)



# CIRCULAR ECONOMY ...

- Is a very vast concept ...  
... but is not a new concept.
- Can be treated from different angles
- Can concern the products a company put on the market
- Can concern activities not directly related with the products a company put on the market



# WHAT WILL CONTAIN THE CEP ?

## Upstream

- Measure the resources we use
- Propose resource productivity targets backed by indicators
- Design product to promote durability, reparability, reusability and recyclability.

## Downstream

- Increase recycling rates for municipal waste to 70%;
- A common EU target for recycling 65% of municipal waste by 2030;
- A common EU target for recycling 75% of packaging waste by 2030;
- Reduce landfill to maximum of 10% of municipal waste by 2030;
- A ban on landfilling of separately collected waste;
- Promotion of economic instruments to discourage landfilling ;
- Harmonized calculation methods for recycling rates throughout the EU;
- Concrete measures to promote re-use

## Both

- Design taxation and product policies that encourage innovation to deliver new, more sustainable business practices.
- Provide platforms to exchange knowledge and technologies, especially in the SME sector.



1. UPSTREAM the product

2. DOWNSTREAM the product

a) ORGANIZED COUNTRIES

b) NON ORGANIZED COUNTRIES



# 1. UPSTREAM THE PRODUCT

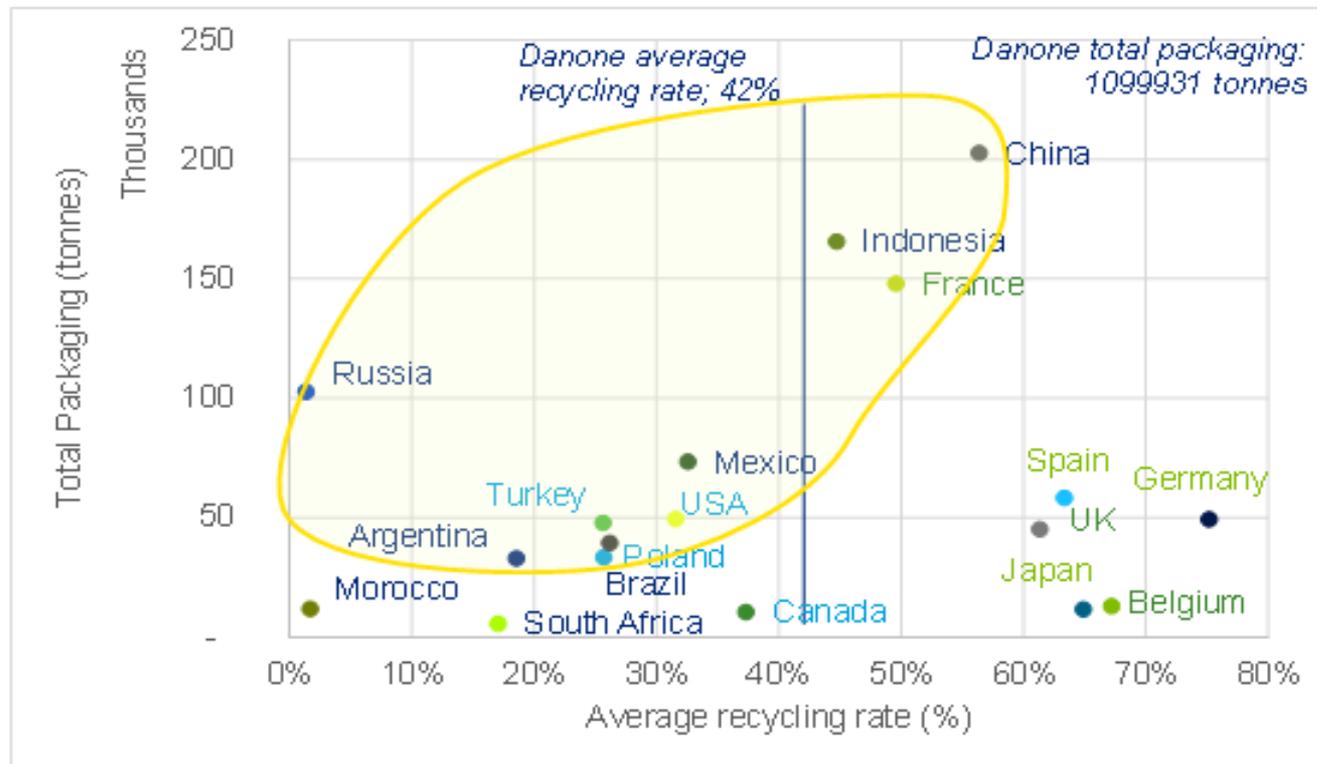


# MEASURE THE RESOURCES WE USE

## Cross-Analysis of Danone's packaging tonnages & country recycling rates

Danone Global – 2014

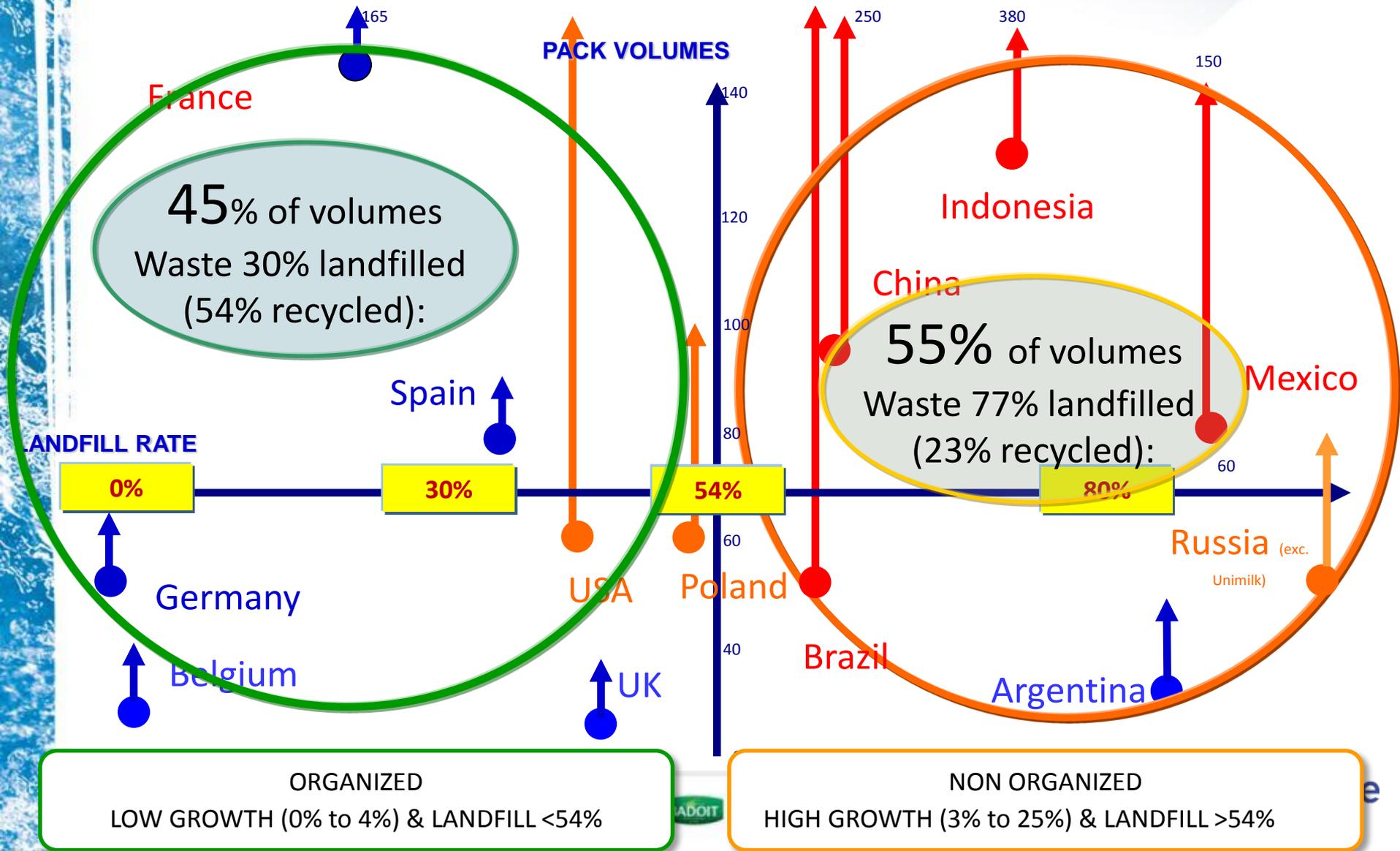
Selection of the priority countries – criterion 1/3



10 countries with the lowest recycling rates, and/or potentially significant tonnages in 2014

- Advanced EPR
- EPR in place
- Formal systems or infant EPR
- No formal collection scheme

# TWO STRATEGIC CLUSTERS OF COUNTRIES SHOWING DIFFERENT WASTE COLLECTION MODELS & PERFORMANCES



# RESPECT DESIGN FOR RECYCLING RULES



Size & shape

Weight

Resin grade

Colorants

Barrier technologies

Additives

Caps & closures

Liners, seals & valves

Labels & sleeves

Adhesives

Inks

Other components

# EUROPEAN PET BOTTLE PLATFORM

[WWW.PETBOTTLEPLATFORM.EU](http://WWW.PETBOTTLEPLATFORM.EU)

- **Main objective :**

- Evaluate PET bottle manufacturing technologies and products
- Allow new PET bottle innovations, while minimizing the economic and environmental consequences for the European PET recycling industry.

# DESIGN GUIDELINES

	<u>YES</u> Full compatibility – materials that passed the testing protocols with no negative impact OR materials that have not been tested (yet), but are known to be acceptable in PET recycling	<u>CONDITIONAL</u> Limited compatibility – materials that passed the testing protocols if certain conditions are met OR materials that have not been tested (yet), but pose a low risk of interfering with PET recycling	<u>NO</u> Low compatibility – materials that failed the testing protocols OR materials that have not been tested (yet), but pose a high risk of interfering with PET recycling
<u>Container</u>	<a href="#">PET</a>		<a href="#">PLA</a> ; <a href="#">PVC</a> ; <a href="#">PS</a> ; <a href="#">PETG</a>
<u>Size</u>			
<u>Colours</u>	<a href="#">transparent clear</a> ; <a href="#">transparent light blue</a>	. .	<a href="#">other transparent colours</a> ; <a href="#">opaque</a> ; <a href="#">metallic</a>
<u>Barrier</u>	<a href="#">SiOx plasma-coating</a>	<a href="#">carbon plasma-coating</a> ; <a href="#">PA multilayer with &lt;5 wt% PA and no tie layers</a> ; <a href="#">PGA multilayer</a> ; <a href="#">PTN alloy</a>	PA multilayer with >5 wt% PA or tie layers; <a href="#">monolayer PA blend</a> ; EVOH

# Use bio-sourced monomers ... and other technical solutions.



Circular economy is frequently the result of a combination of different techniques !



## 2. DOWNSTREAM THE PRODUCT

**ORGANIZED COUNTRIES**

**NON ORGANIZED COUNTRIES**



# CREATE AWARENESS AMONG CONSUMERS USING ON-PACK COMMUNICATION

In UK



# CREATE AWARENESS AMONG CONSUMERS USING ON-PACK COMMUNICATION

In  
France

Simple, efficace et prêt à l'emploi, la nouvelle signalétique :

**INTERPELLE**

**MOBILISE**



**EXPLIQUE**

*En option, un levier de personnalisation supplémentaire : le renvoi vers le site et le Numéro Vert d'Eco-Emballages pour répondre aux questions des consommateurs.*

Les matériaux sont nommés afin de faciliter la consigne de tri.

L'accent est mis sur la finalité du geste et non pas sur le contenant qui peut varier d'une commune à l'autre en fonction du dispositif de collecte.



# PRODUCERS PAY FOR ADVERTISING: « YOU CAN LEAVE A MORE BEAUTIFUL TRACE ON EARTH »



**JETÉ  
PAR  
MARIE  
O DEVILLE  
LE 19.05.2011**

**VOUS POUVEZ LAISSER  
UNE PLUS BELLE TRACE  
SUR TERRE.**

**VACANCES PROPRES**

**LES DÉCHETS. C'EST POUR LA POUCELLE.**

[vacancespropres.com](http://vacancespropres.com)





# PRODUCERS PAY FOR ADVERTISING: « YOU CAN LEAVE A MORE BEAUTIFUL TRACE ON EARTH »



**JETÉ PAR  
PAUL  
HERRARD**  
LE 05/11/2014

**VOUS POUVEZ LAISSER  
UNE PLUS BELLE TRACE  
SUR TERRE.**

**VACANCES PROPRES**  
  
**LES DÉCHETS, C'EST POUR LA POUCELLE.**

[vacancespropres.com](http://vacancespropres.com)





# THE « BONUS-MALUS » SYSTEM, A FRENCH « SPÉCIALITÉ »



## MALUS 1

Packaging that disrupt sorting

**+50%**  
**Green Dot Fee**



## MALUS 2

Packaging not recovered or recycled

**+100%**  
**Green Dot Fee**



## BONUS 1

Message Encouraging Sorting (on and off pack)

**- 8% on total annual bill**



## BONUS 2

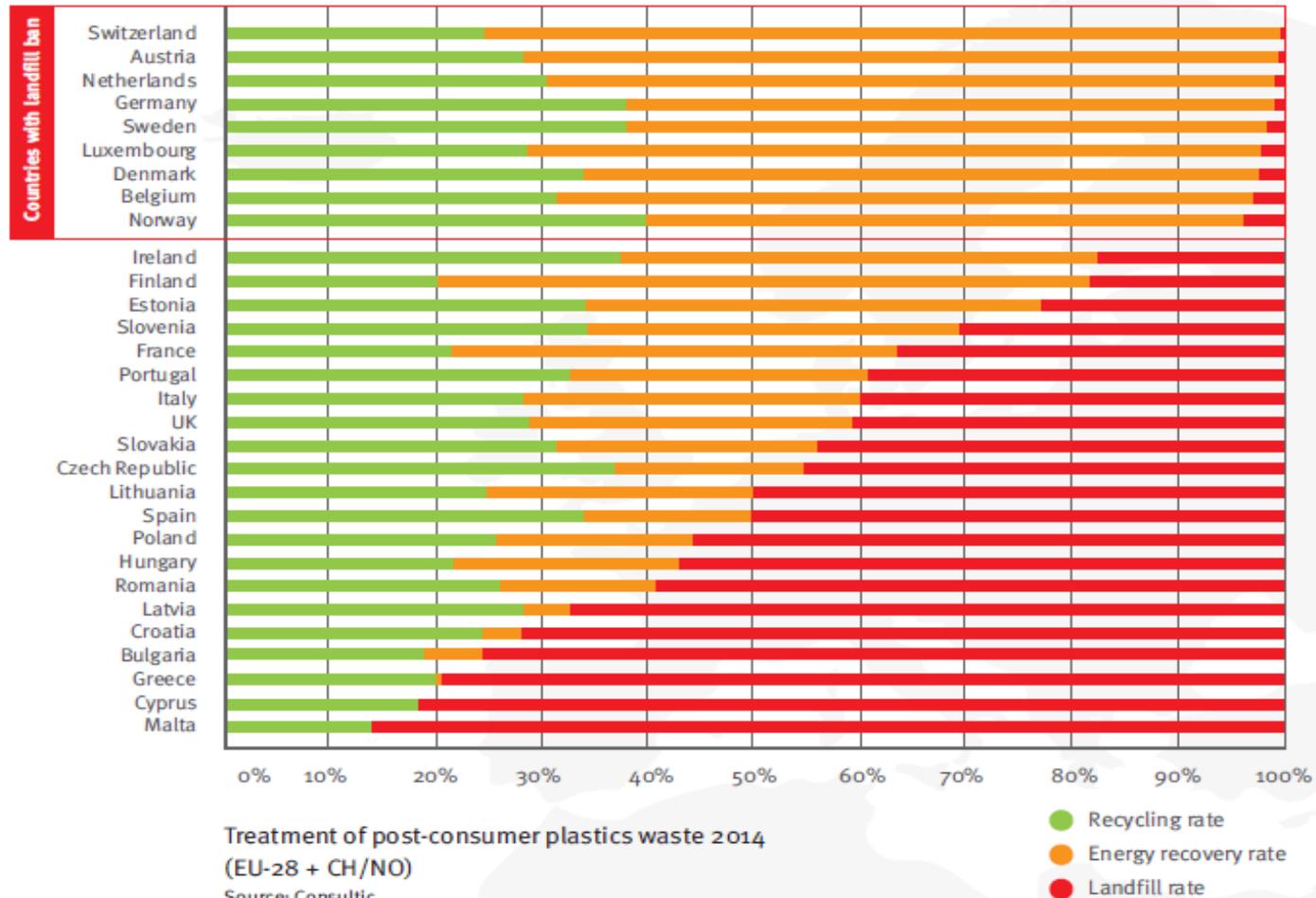
Source reduction:  
- Volume  
- Weight

**-2% one shot discount**



# PUSH FOR LANDFILL BAN !!

In general, countries with landfill ban achieve higher recycling rates



# EASY ACCESS TO THE RIGHT INFRASTRUCTURE FOR CONSUMERS TO SEPARATE WASTE.

Container parcs



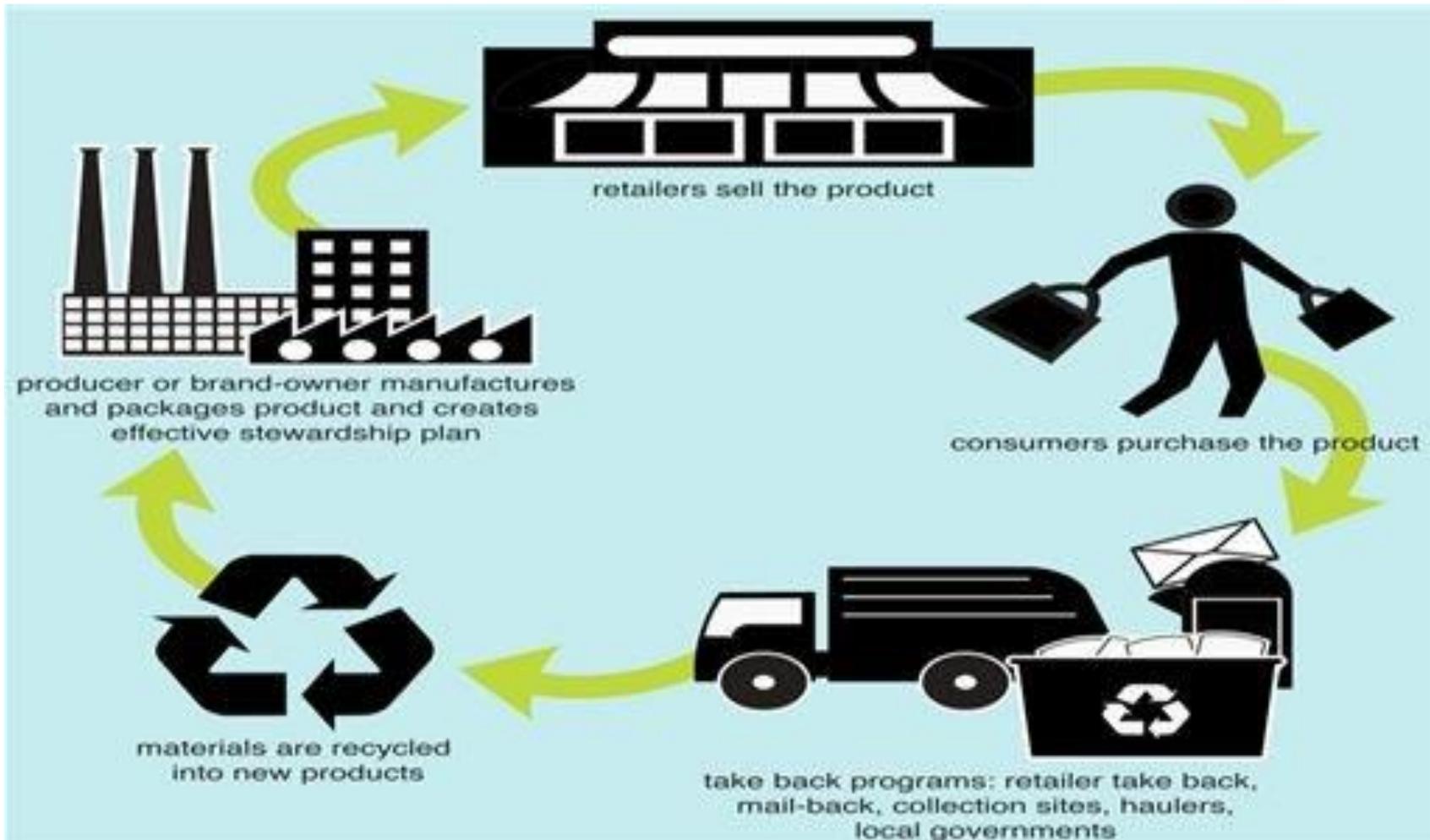
Glas igloos



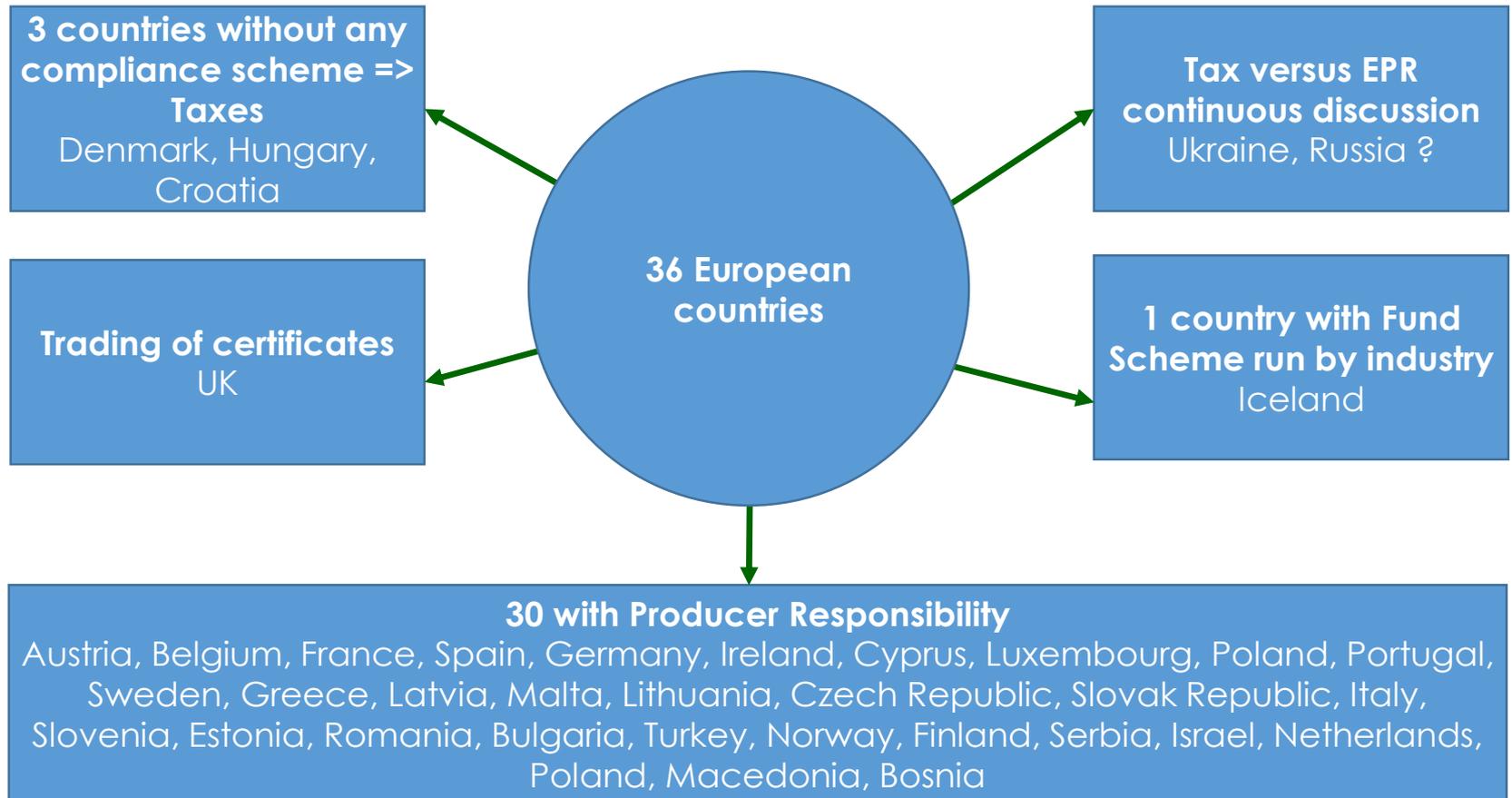
Curbside collection



# WHY SOME EPR SCHEMES ARE A SUCCESS AND OTHER ARE CURRENTLY FAILING ?



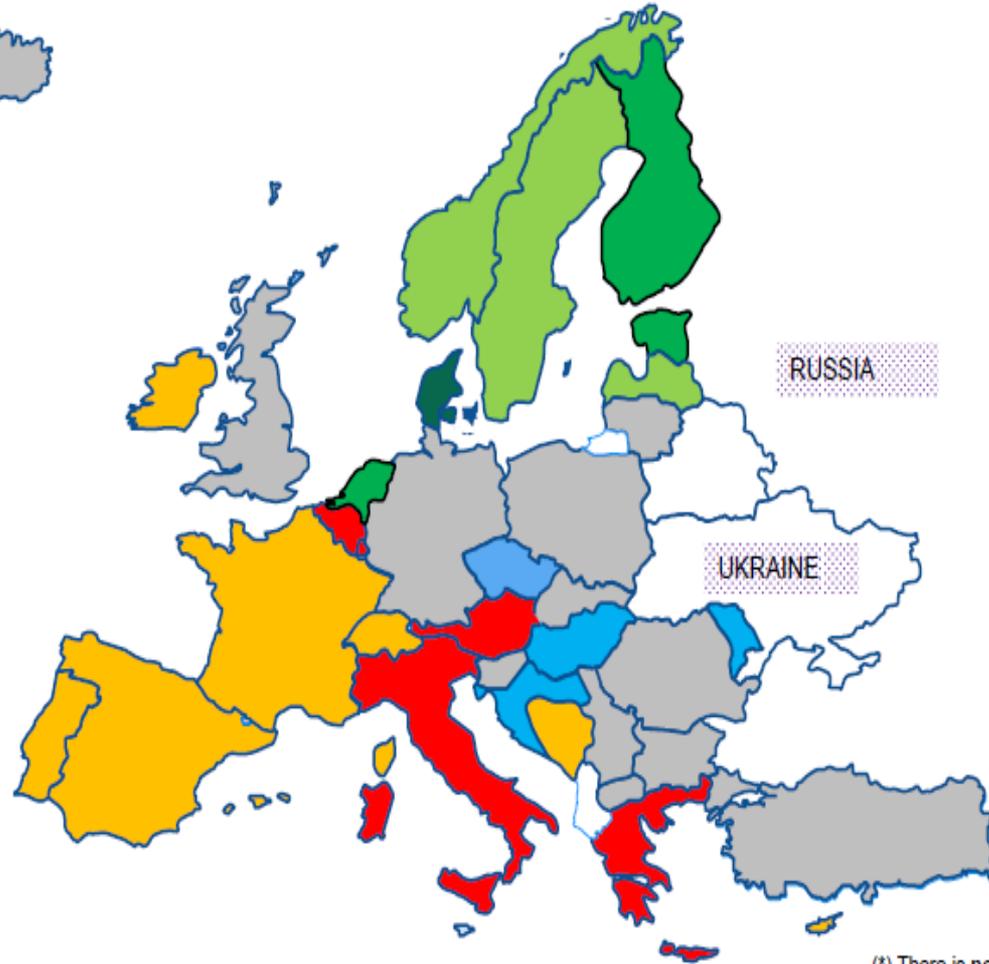
# IMPLEMENTATION OF THE PACKAGING DIRECTIVE IN EUROPE



**DANONE is founder and/or member of nearly all those compliance schemes**



# The Extended Producer Responsibility Compliance Today: An overview of packaging collection schemes in Europe (Status 2014)



-  EPR scheme with fully controlled value chain and material ownership.
-  EPR scheme without fully controlled value chain and material ownership.
-  Deposit system only (\*)
-  Deposit system + EPR scheme with full control of obliged industry and material ownership.
-  Deposit system + EPR scheme without control of obliged industry and material ownership.
-  Competition of private and industry-owned systems without full control or material ownership.
-  State-owned recovery organization.
-  Packaging tax threat to push for EPR.

(\*) There is no producer-responsibility scheme in Denmark. It is the only Member State that has opted for the internalisation of packaging waste management costs rather than setting up an industry-run funding system.



# HOW THE FEES OF THE SCHEMES DIFFER :

- Scope of activities : household packaging only → up to all packaging
- Share of costs : recycling costs up to total costs
- Recycling quotas : 22,5% up to 60% for plastics
- Collection system : bring system up to kerbside collection
- Time allowed for implementation : 1 year to 10 years
- Need to cover all households
- Acceptable ways of recovery
  - energy recovery & materials recycling
  - no energy recovery
- Number of free-riders
- Labour costs
- Multiple compliance schemes



# WHEN IS EPR SUCCESSFUL?

- EPR does not solve all our problems. It is one tool within a comprehensive policy approach (e.g. PAYT, landfill taxes etc).
- EPR has to be designed, implemented and enforced following best practices.
- All actors involved have to work closely and trustful together, meaning producers, retail, local authorities, waste management companies and (!) consumers.



# WHAT DO THE FRONT RUNNERS HAVE IN COMMON?

- Most top performers:
  - have implemented the PPWD via **Extended Producer Responsibility!**
  - have established a very **convenient infrastructure for the separate collection** of household packaging for and in the interest of their inhabitants.
  - have introduced **additional economic instruments** like landfill ban, landfill taxes and PAYT.
  - put a lot of emphasis on the **quality of the collected materials** and work to reduce impurities
  - have **clear rules who is responsible for what** within the EPR system, organizational and / or financial



# WHAT DO THE FRONT RUNNERS HAVE IN COMMON?

- Most top performers :
  - have a **good monitoring, auditing and enforcement regime** to keep free riding under control.
  - run **educational and awareness programs** for their inhabitants especially for our youngsters.
  - have a very good and **close relation between the PRO and local authorities** and their closely work together on a trustful basis.
  - have a **very engaged and involved obliged industry** that also invest together with the PRO in prevention and eco-design



## 2. DOWNSTREAM THE PRODUCT

**ORGANIZED COUNTRIES**

**NON ORGANIZED COUNTRIES**





# NOVO CICLO

## SUL DE MINAS GERAIS

Initiating the First Socially Responsible rPET value chain in Brazil, involving the government and communities



Co-created by :

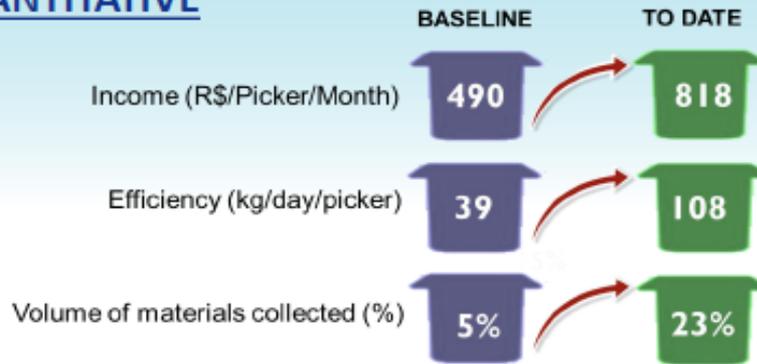






# IMPACTS OF THE PROJECT

## ➤ QUANTITATIVE



- People directly empowered : **505** with 318 women
- Indirect beneficiaries : **1 300 000** people

## ➤ QUALITATIVE

- Improved working conditions
- Better quality of life and job satisfaction.
- An operational team that checks the weekly progress



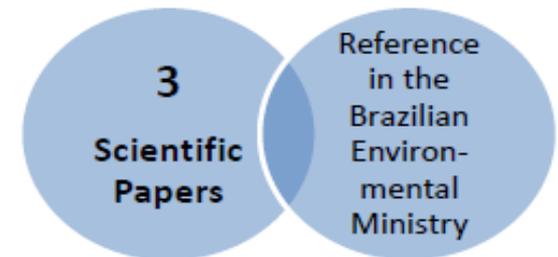
### MARIA AGOSTINA, picker

*"Comparing with the past, we are now in "heaven" and growing step by step everyday. People come to help us and we are going further. We are living and learning "*

## ➤ AWARDS



- 4<sup>th</sup> in "Benchmarking Brasil" Award
- 2<sup>nd</sup> in Chamber of Commerce Brazil-France "LIF Award"



# AN INNOVATIVE RECYCLING BUSINESS MODEL BASED ON COOPERATIVE ORGANIZATION



Improve Work and Life conditions



23 cities of Minas Gerais



27 cooperatives



More than 400 pickers

Increase selective collection on the cities

*Municipal Selective Collection*



Improve recovery rate in south MG from 5% to 25%

Co-create Pickers Cooperatives Network in South MG

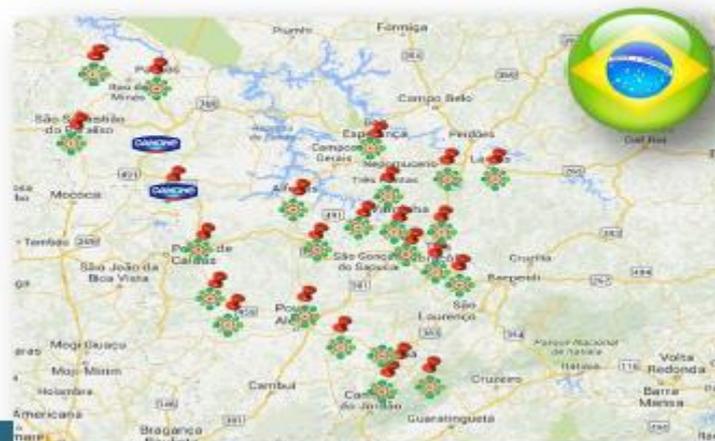


Direct access to the industry



1.3 MM people directly impacted by the project with the Selective Collection Program.

**WE ARE HERE!**



**THANK YOU !**

