

## Amazon position on the proposed Packaging and Packaging Waste Regulation

We are committed to building a sustainable business for our customers and the environment. We know customers care about the packaging used to ship their Amazon orders. Customers want their orders to be delivered in right-sized and easily recyclable packaging that ensures the product arrives in good condition, as well as minimizes its impact on the environment. At Amazon, we care deeply about our packaging achieving both goals, and we have teams of scientists and other experts who are constantly working to reinvent how products can be shipped for the good of customers and the planet. Our north star goal is achieving efficient reduction of packaging by eliminating the need for all additional packaging from Amazon.

An important new development in our packaging reduction journey is automation. We are testing new technologies that create bespoke paper-based packaging for each individual customer order, ensuring that packaging fits the contents. Build-on-demand technologies that create a unique package for each customer order have the potential to help us eliminate excessive packaging altogether.

By inventing new ways to package products using less material, excessive packaging should increasingly be the exception, and, in the future, packaged goods should arrive on our customers' doorsteps in packaging that is a perfect fit. With this vision in mind, we have reduced the weight of the packaging per shipment by 38% and eliminated the use of more than 1.5 million tons of packaging materials since 2015. In Europe, we switched from single-use plastic delivery bags to curbside recyclable paper delivery bags and cardboard envelopes for orders shipped from fulfillment centers. We also replaced all single-use air pillows with curbside recyclable paper material to protect goods during shipping.

We, thus, endorse the European Commission's proposal for a Packaging and Packaging Waste Regulation (PPWR) and its goal to tackle the challenges related to packaging waste and overpackaging, and we are very supportive of the European Union's (EU) vision for transforming the EU economy from a linear to a circular one.

### Policy Recommendations

#### 1. Incentivize packaging designed for e-commerce

- EU legislation should include regulatory enablers and relevant incentives for companies selling through e-commerce to use packaging specifically designed for e-commerce (i.e., sales packaging that does not require an additional e-commerce box or envelope to be shipped) as a way to prevent packaging waste.

#### 2. Excessive packaging and 40% empty space ratio

- Compliance with the 40% empty space ratio for e-commerce packaging should be met on average of all e-commerce shipments by an economic operator, i.e., at company level and not per unit of packaging.
- To achieve a realistic transition and implementation of the 40% empty space ratio requirement, timeline for compliance should be clarified in the proposal and set for 2030.
- A clear empty space ratio calculation methodology should be set in a separate legislation, e.g. in a delegated or implementing act, in open consultation with the industry.
- Exemptions from the 40% empty space ratio requirement should be provided to small packaging types, as well as to reusable e-commerce packaging, in line with the performance criteria under Annex IV.

### 3. Extended Producer Responsibility (EPR) for online marketplaces

- EPR obligations for online marketplaces under Article 40 shall introduce the possibility of a “pay-on-behalf” EPR model, already implemented in France in 2022, that would allow providers of online marketplaces to submit EPR reports and pay on behalf of producers.
- A simplified and centralized EPR register should be set up at EU level, together with a common data standard for national EPR registers.
- Compliance of online marketplaces with Article 40 para. 3 of the PPWR should be set at least 18 months after entry into force of the PPWR.

### 4. Reuse targets for e-commerce and transport packaging

- Compliance with the 10% reuse target for transport packaging via e-commerce (Art. 26 para. 8) should be reached either through the use of reusable packaging or by using packaging designed for e-commerce, i.e., sales packaging that does not require an additional e-commerce box, envelope, or bag.
- The 2040 reuse target should be set after the European Commission conducts a separate impact assessment. Also, a clear timeline for such assessment should be included in the proposal.
- The target for reusable transport packaging under paras. 12 and 13 of Article 26 shall apply to specifically enumerated types of transport packaging and shall be set at 80% if the target applies as soon as the PPWR enters into force or, alternatively, at 100% as of 2030.
- Complete removal of pallet wrappings and straps for stabilization and protection of products put on pallets during transport should count towards meeting the 10% target for such packaging by 2030 and the 30% target by 2040 (Art. 26 para. 9).

### 5. Sustainability requirements

#### *Recyclability*

- A clear timeline should be included in the proposal for the European Commission to deliver the design for recycling (DfR) criteria.
- To maintain legal certainty and in case the DfR criteria are not delivered by the European Commission in a timely manner, i.e., before 2030, industry DfR guidelines should apply instead.
- The definition of recycling “at scale” must be clarified.
- The timeline for compliance with recyclability and “recycled at scale” requirements should be clarified and be flexible.

#### *Recycled Content*

- Compliance with all recycled content targets should be met on average of all plastic packaging sold in the EU by an economic operator, i.e., at company level and not per unit of packaging.
- Recyclate that derives from chemical recycling should be properly accounted for as “recycled content”.

#### *Innovative packaging*

- The definition of “innovative packaging” should be amended to include a reference to compostable, biodegradable and bio-based material.

### 6. Deposit Return Systems (DRS)

- Introduction of DRS must be accompanied by maximum harmonization of requirements. This includes recognition of cross-border applicability of take-back requirements (e.g., a bottle can be returned in another country than that where it was sold).
- To facilitate compliance, a central Scheme Administrator and a register of compliant products are needed.
- No VAT should apply to the deposit of DRS. This means that rates should remain flat.

## I. Incentivize packaging designed for e-commerce as a waste minimisation measure

At Amazon we support the Commission's proposal to tackle excessive packaging in online sales. We believe this review offers a unique opportunity to properly take into consideration the growing reality of online trade and encourage its benefits when setting measures for packaging waste reduction.

Packaging designed for e-commerce is packaging specifically tailored to the needs of the online trade and the e-commerce landscape where sellers supply their products within packaging that is already robust enough to withstand logistics and transport and does not require any secondary packaging. All that is needed from logistics operators in the supply chain is a delivery label and the product can be shipped as-is, with no additional (secondary) packaging materials. The logic behind this concept is very straightforward; why should we use two units of packaging when the products could be delivered in one and with the same level of protection and functionality?

At Amazon we have implemented the concept of packaging designed for e-commerce by developing two different programs: i) our "Ships In Own Container" (SIOC) solution – in this case, sellers provide their products to us in packaging that can be shipped as-is. All that is, then, needed from Amazon is a delivery label and the product can be shipped with no additional packaging materials; ii) our "Frustration Free Packaging" (FFP) programme, our flagship programme designed to reinvent the packaging experience. FFP encourages sellers to package their products in more sustainable packaging that is easy-to-open, 100% recyclable and ready to ship to customers without additional Amazon boxes.

When packaging is designed for e-commerce, it contributes to packaging minimization (for instance reducing the need of space for branding), elimination of secondary packaging, and carbon emission reduction as weight of packaged goods being transported is reduced and a higher number of goods can fit within one truck.

With the growth in e-commerce deliveries, packaging designed for e-commerce should be encouraged as a way of contributing to tackling packaging waste. **We, thus, believe that companies operating mostly or exclusively in the e-commerce sector should get incentivized to increase the percentage of packaging designed for e-commerce they use. The PPWR should better acknowledge the e-commerce sector's growth by reflecting and incentivising the concept of "designed for e-commerce" within the legislation.** We also believe an effective way to do this would be for Member States to consider packaging 'designed for e-commerce' by producers of packaged goods to count towards packaging prevention measures they could take to meet the new 5% packaging waste reduction target by 2030 (15% by 2040). In addition, another way to incentivise packaging designed for e-commerce would be to allow operators to meet reuse targets for the e-commerce sector (Art. 26, para. 8) either through reusable packaging but also, where it makes sense, through using packaging designed for e-commerce because it eliminates packaging material (see section IV for more details on this point).

## II. Excessive packaging and 40% empty space ratio for e-commerce packaging – Article 21

We believe that compliance with the 40% empty space ratio requirement should be reached on average of all e-commerce shipments per economic operator. Due to the variety of products that need to be packaged and shipped in e-commerce, i.e., from very large to tiny items (e.g., TVs, USB stickers), items with non-standard shapes, or items with different safety and transportation standards (e.g., very fragile products like TVs that require protective Styrofoam or durable products), it is technically near impossible to meet a single metric for all individual shipments. Setting a 40% empty space requirement on average would still ensure the issue of void space is addressed but will offer the flexibility necessary to cater for the very large variety of goods shipped through e-commerce, facilitate compliance, and safeguard safe handling and transportation. Our goal is to focus on the areas where we are facing the greatest challenges today. This is why we suggest **compliance to be demonstrated by measuring and documenting empty space per unit of packaging, but the target should be met on aggregate, i.e. across all shipments delivered in the EU**. In addition, there needs to be a clear and workable timeline for the 40% empty space ratio requirement to apply, i.e., 2030, which will give industry the necessary time to organize their compliance scheme and reporting mechanisms.

When it comes to calculation methodology, we believe that Article 21 para. 2 is vague and we support a more detailed and nuanced formula to be set in EU secondary legislation. It is essential that industry stakeholders can provide their input and expertise and contribute to drafting a methodology that is clear, precise and reflects packaging innovation and design.

Finally, exemptions from the 40% empty space ratio requirement should be granted to small packaging and reusable e-commerce packaging. In line with the packaging minimization criteria under Annex IV, packaging should not be further reduced if its packaging functionality is endangered; the same rationale should apply to the 40% empty space ratio for small packaging that for logistic or information provision reasons, cannot be further reduced in size and weight. This would be the case for instance for packaging that would be smaller than the size of the shipping label that must contain the delivery address and other legal information. Reusable packaging should also be exempted as more empty space might be needed for this type of packaging to meet its multiple trips/rotations throughout its lifetime.

## III. Extended Producer Responsibility (EPR) requirements for online marketplaces – Article 40

As Amazon, we acknowledge our responsibility as a producer, distributor and an online marketplace (OMP) and actively collaborate with selling partners around the world to educate them on Extended Producer Responsibility (EPR). However, this should not be misunderstood and lead to the false and incorrect interpretation that producers/sellers are released from their legal obligations. OMPs should not take on the associated role of the producers and only assume responsibilities that enhance the effectiveness of EPR systems. On the other hand, Amazon is aware that especially SMEs' producers struggle the most to meet their obligations. This is due to numerous reasons. Firstly, despite our educational efforts, many distance sellers are simply not aware of their obligations in each country they are selling in. Secondly, a lack of harmonization of EPR across the EU further exacerbates this problem.

Additional barriers are often language differences, and the lack of easy access to basic information, such as legal requirements. Lastly, many distance sellers do not have the financial or the human resource capacity to ensure compliance in every country where they sell their products. For small enterprises selling small quantities, registering and paying fees to producer responsibility organizations may be prohibitively expensive and can pose a barrier to trade.

Therefore, we suggest implementing **a simplified compliance approach via a “pay-on-behalf” model** to support, facilitate and enable third-party sellers that use the OMP to comply with their EPR reporting and payment obligations. This approach has already been proposed and is now fully implemented in France. A pay-on-behalf model can work by allowing OMPs to report quantities sold by seller partners within the EU and pay associated EPR fees on behalf of their third-party sellers. This solution is effective because it collects EPR fees from all producers and does not disproportionately burden SMEs which do not have the operational capacity to comply on their own.

The concept of a simplified EPR fee at product category or waste stream level (EEE, batteries, packaging, etc.) is in line with existing EPR systems and allows each producer to pay a share of the total costs of waste collection and treatment which is proportional, by weight, of the products sold. Furthermore, the third-party seller remains the producer, whilst the reporting and remittance of fees is facilitated via the online marketplace. The total calculated weight of products sold by third party sellers per waste category, multiplied by the eco-modulation per category, makes it possible to calculate the budget needed upstream to set the scale and to ensure that the products sold in a given year can be collected and recycled in the future.

A pay-on-behalf EPR model is a pragmatic solution and can assist SMEs navigate the existing administrative labyrinth when trying to meet EPR requirements. We, therefore, think that Article 40 para. 3 should, in addition to the current provisions, allow providers of online platforms to pay EPR fees on behalf of their sellers. We also call for a clear deadline for the requirement’s implementation, i.e., 18 months after the PPWR enters into force to allow sufficient time for such EPR system adaptation and set-up.

To facilitate compliance with EPR requirements, we additionally call for a common EPR framework that will be simplified, centralized, and harmonized at EU level to prevent fragmentation of the online trade. We also believe that EPR registers are scalable mechanisms to verify compliance. Together with an EU centralized EPR system we, thus, suggest the creation of a common data standard for national EPR registers, i.e., electronic public registers that can be queried to verify compliance of producers. At a minimum, producers shall submit the following information as foreseen in Article 39 para. 5 in combination with Annex IX of the PPWR which should be made publicly available: i) Producer’s name and brand name; ii) Producer’s national identification code; iii) Producer’s business address and place of establishment; iv) producer’s EPR registration number; v) date of registration.

#### **IV. Reuse targets for e-commerce and transport packaging - Article 26 paras. 8, 9, 12 & 13**

We support the 10% reuse target for transport packaging via e-commerce by 2030 but, at the same time, we believe it should better reflect the waste hierarchy established in the EU Waste Framework Directive.

This means that packaging reduction should always take precedence over packaging reusability as it saves more material. We, therefore, call for the 10% target under Article 26 para. 8 for e-commerce packaging to be met either through reusable packaging or through any other program that promotes elimination in the first instance, i.e. by using packaging that is designed for e-commerce which eliminates the need for secondary packaging.

At Amazon we have been successfully implementing this approach through our packaging flagship programs: the “Ships In Own Container” (“SIOC”) program and the “Frustration Free Packaging” (“FFP”) program. When designing our packaging specifically for ecommerce we use less packaging material and, thus, lower the shipment’s carbon footprint.

Furthermore, we believe that the 50% reuse target for transport packaging via e-commerce by 2040 should be deleted and set only after a feasibility assessment is conducted (e.g., in 2028) which will enable setting a realistic target based on new data and packaging developments.

Following the same rationale applied to the reuse targets for e-commerce packaging, we would suggest that complete removal of pallet wrappings and straps for stabilization and protection of products put on pallets during transport should count towards meeting the 10% reusable target by 2030 and the 30% target by 2040 (Article 26 para. 9). Allowing the target to be met through removal will incentivise companies to innovate and find solutions that remove completely the wraps or straps, reducing material use and potential waste.

Finally, ensuring transport packaging reusability is fully in line with Amazon’s vision and efforts thus far. Mandating, though, all transport packaging to be reusable in the cases foreseen under paras. 12 and 13 of Article 26 as soon as the PPWR enters into force is unrealistic. The relevant targets should, thus, apply to specifically enumerated types of transport packaging and, to allow time for a transition towards full transport packaging reusability, we would support lowering the target to 80% if applicable from PPWR entry into force or mandate 100% reusability of transport packaging as of 2030.

## **V. Sustainability requirements: packaging recyclability and recycled content targets - Articles 6, 7 and 8**

Future design-for-recycling (DfR) criteria will be essential to comply with the requirement that all packaging sold in the EU from 2030 are recyclable. To ensure companies, in particular the small and medium sized enterprises, have enough time to transform their packaging, it is crucial that the European Commission adopts these criteria in good time. Would that not be the case, and to ensure legal certainty, the European Commission should temporarily recognise the industry DfR guidelines to demonstrate compliance.

While we support the ambition to set recycled content targets, we believe the requirements could be set in a way to lower the risks of disruption to the supply of packaging, particularly for food packaging. We would therefore argue for the recycled content targets to be met on average of all plastic packaging sold in the EU by economic operator. This will offer the necessary flexibility to ensure it is used in the right packaging applications. In addition, chemical recycling will be essential to ensure access to recycled food grade content in order to meet the targets as it is currently the only technology that can recycle flexible plastics necessary for many food applications.



Therefore, recycled content produced through chemical recycling should be fully accounted for when meeting the recycled content target. With regards to biodegradable packaging, we are in favour of an approach that preserves innovation in that space. We believe a mention to bio-based, biodegradable and compostable polymers should be included in the definition of “innovative materials.” The timeline for compliance for innovative polymers to be qualified as recyclable is currently unclear. The PPWR should recognize that building recyclability for new materials is a process with many components that may take time to reach capacity.

We ask that the text provides reasonable milestones to achieve by 5 year and beyond requirements related to collection and sorting systems, along with a process to demonstrate progress towards those milestones over time. For instance, innovative packaging placed on the market on or after 2030 could be required to demonstrate the technical recyclability of the material by year 5 of when it has been distributed in the EU, which proves that the material is recyclable through ‘state-of-the-art’ processes and can be turned into secondary raw material of sufficient quality that to enter the EU to substitute for the use of the primary raw material. This obligation would help to ensure that this innovative packaging is ‘recycle ready’ to plug into existing recovery systems once it reaches sufficient volume to enable collection and sortation systems at scale.

Further, producers of innovative packaging could be required to provide evidence of growing end markets for recycled materials, which would demonstrate the growth in recyclability for that packaging. As long as recycling demand growth can be demonstrated, innovative materials should be able to sell on the EU until they reach EU requirements to demonstrate ‘recyclability at scale.’ This phased approach to enforce and measure recyclability for innovative materials will avoid unintentionally inhibiting the development of new, more sustainable materials that will contribute to a circular, bioeconomy and net zero carbon goals in Europe.

## **VI. Deposit Return Systems (DRS)**

Deposit Refund Systems (DRS) can play a key role in achieving high collection & recycling of beverage packaging in the EU and we therefore support its introduction in Art. 44, as well as the inclusion of minimum requirements for those schemes as these will ensure an EU harmonized approach. For these future schemes to operate successfully we believe the following elements are key:

- There should be cross-border applicability of take-back requirements. Bottles should be able to be returned in another country where they were sold.
- A central scheme Administrator should be appointed and a register of compliant products established to facilitate compliance.
- To avoid a de facto double VAT, no VAT should apply to the deposit of DRS. Rates should therefore be flat.

### **About Amazon**

Amazon is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking. Amazon strives to be Earth’s Most Customer-Centric Company, Earth’s Best Employer, and Earth’s Safest Place to Work. Customer reviews, 1-Click shopping, personalized recommendations, Prime, Fulfillment by Amazon, AWS, Kindle Direct Publishing, Kindle, Career Choice, Fire tablets, Fire TV, Amazon Echo, Alexa, Just Walk Out technology, Amazon Studios, and The Climate Pledge are some of the things pioneered by Amazon. For more information, visit [amazon.com/about](https://amazon.com/about) and follow @AmazonNews.