THE NEW GERMAN PACKAGING ACT: WHAT YOU NEED TO KNOW

From 1 January 2019, retailers and manufacturers are required by law to license their packaging. We explain everything you need to know.

SALES PACKAGING LICENSING: AS EASY AS 1-2-3 AT LIZENZERO.DE

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Important:

As a retailer or manufacturer you have to act NOW!

A new year - and a new law: the Packaging Act entered into force on 1 January 2019

The 'New Year's resolutions' introduced by the Act aim to make a key contribution to environmental protection by reducing packaging waste and ensuring higher rates of recycling for sales packaging. For retailers and manufacturers who are the first to place packaged goods on the market, the Act also introduces two new requirements: paid participation in a dual system and registration with a new industry monitoring body. These requirements apply to everyone, from the largest company down to the smallest business – such as a specialist online shop. There is no minimum amount per company: every piece of packaging has to be licensed. However, the cost of operating the overall recycling system –

and the fee companies pay – will fall as the volume of licensed packaging circulating increases. In the long term, licence fees should therefore decrease.

Important: Failing to comply with the law is a regulatory infringement, which can be punished with heavy fines or – in the worst-case scenario – a total ban on sales!

With its Lizenzero online shop, Interseroh's dual system is your competent and trusted partner for all of your licensing needs: www.lizenzero.de

What has changed with the Packaging Act?

Background information on the Act:

The new Packaging Act¹ (VerpackG) replaces the Packaging Ordinance (VerpackV) that had regulated take-back and recycling obligations in Germany since 1991. From 1 January 2019, the new Packaging Act requires retailers and manufacturers "to register with the Central Agency before placing packaging with mandatory system participation on the market."²

The duty of participation in a dual system – and payment of its 'licence fee' – continues as before. The new Act is based on the principle of product responsibility, which states that the 'first distributor' of sales packaging should also be responsible for its disposal and/or recycling – and thereby motivating these companies to use less packaging or packaging that is at least more environmentally friendly.

Better recycling

A key pillar of the Packaging Act is the tightening of recycling targets, which are now increased for all of the materials used in sales packaging. For plastics, the old Packaging Ordinance prescribed a target for mechanical recycling of 36 percent, for example.

From 2019, this target increases to 58.5 percent and will rise even further in the future, to as much as 63 percent from 2022.



First distributors:

Retailers and manufacturers who are the first to fill packaging with goods and place it on the market – i.e. sell this filled packaging to private end-users.





¹ Ordinance Regulating the Avoidance and Recycling of Packaging Waste. Federal Ministry of Justice and Consumer Protection.

Website: https://www.gesetze-im-internet.de/verpackv_1998/.

PDF: Act Regulating the Placing on the Market, Take-Back and High-Quality Recycling of Packaging (Packaging Act – VerpackG). Bundesanzeiger Verlag: Federal Law Gazette 2017 Part I No. 45. URL: https://www.bgbl.de/xaver/bgbl/text.xav7SID=&tf=xaver.component.Text_0&tocf=&qmf=&hlf=xaver.component.Hitlist_0&bk=bgbl& start=%2F%2F*%5B%40node_id%3D%27264959%27%5D&skin=pdf&tlevel=-2&nohist=1 (12.09.2018)

Transparency and fairness guaranteed

The Central Agency Packaging Register has been established to monitor market participants. Retailers and manufacturers who distribute goods in sales packaging to private end-users must register with and report their packaging volumes to this body. The Register regularly compares the data reported to it with the data provided by the dual systems and publishes a publicly accessible list of all registered participants on its website. Enjoy complete peace of mind for your licensing: as an accredited nationwide dual system, Interseroh complies in full with the requirements of the Central Agency Packaging Register and the Packaging Act.

Anyone making false statements regarding data reported to the LUCID packaging register or failing to license their packaging properly is in breach of regulations and can expect to face onerous penalties, including written warnings, fines of up to EUR 200,000 and a ban on sales. The public list provided by the Central Agency also makes

it very easy for companies to keep tabs on the competition – thereby promoting fairness in the market.

Visit
www.verpackungsregister.org
for the full list of requirements
for the Central Agency
Packaging Register.















Are you affected by the **Packaging Act?**

All retailers and manufacturers who sell packaged goods have a responsibility for their product and the waste that it generates. These 'first distributors' register with the Central Agency Packaging Register monitoring body and pay a licence fee to ensure that their sales packaging – which must ultimately

be disposed of by private end-users – participates in a dual system like Interseroh's system. In this way, they finance the Dual System and bear their share of the disposal and recycling costs created by the packaging they place on the market.

Types of packaging that must be licensed

Mandatory licensing for sales packaging covers all packaging materials used for goods intended for private end-users and which is then disposed of by them as waste. First and foremost, this means the product packaging that the customer must remove to actually use or consume the goods.

But the definition of 'sales packaging' is wideranging, and also covers shipment and service packaging. This means that retailers who fill packaging with goods to ship it to end users are using shipment packaging that must be licensed. Packaging that is merely used to hand over goods or products must also be registered. This is the 'service packaging' that is used at the baker's, the farmer's market or cafés, for example: every single paper bag or disposable coffee-to-go cup must be licensed before it can be sold together with its goods.

Are there any exemptions to registration?

Shipping goods in the original packaging?

If you receive goods and then ship these in their original packaging, you are not required to license this packaging – this must be done by the manufacturer or supplier. Note that you must be able to prove that the manufacturer has registered the packaging. Always request proof from your supplier or manufacturer. You can also search the Central Agency database yourself.

Goods shipped abroad?

Goods intended for export are exempted from mandatory system participation as long as you have a full set of export records for these goods.

· Goods sold on platforms?

If you sell your goods on an industry platform like Amazon or eBay but ship the goods yourself, you must ensure your shipment packaging participates in a dual system like Interseroh's system. If you are also the manufacturer of the goods, this also applies to the product packaging used. If you use drop shipping, however, and have no physical contact with the goods, you do not need to acquire a licence. In this case, system participation is mandatory for the product manufacturer (primary product packaging) and the distributor (shipment packaging).

Is your packaging covered by the **Packaging Act?**

As a general rule, all sales packaging that is typically disposed of as waste by private end-users must be licensed by a dual system like Interseroh's system and registered with the Central Agency.

All of this packaging and shipping material must be licensed – from boxes, filling materials and parcel tape to the service packaging used in high street retail.







Packaging materials that must be licensed:



Paperboard, paper and cardboard: e.g. shipping cartons, folding cartons, packing paper and paper bags



Aluminium and other metals: e.g. bottle caps, foil for chocolate, tubes for cream



Glass:e.g. non-reusable
bottles and jars
(coloured or colourless)



Composite beverage cartons: Laminated cardboard and plastic/aluminium composites



Plastics: e.g. plastic bags, wrap, bottles, blister packs and pots



Other composite packaging: Consisting of at least two different materials bonded across their entire surface, e.g. vacuum packaging for coffee



Ferrous metals: e.g. beverage and food cans, tubes



Other materials: e.g. cotton, wood, rubber, copper or ceramics

Recycling targets according to the VerpackG:

Material	Now	from 2019	from 2022
Glass	75 %	80 %	90 %
Paperboard, paper, cardboard	70 %	85 %	90 %
Ferrous metals	70 %	80 %	90 %
Aluminium	60 %	80 %	90 %
Composite beverage cartons	60 %	75 %	80 %
Other composite packaging	60 %	55 %	70 %
Plastics	36 %	58,5 %	63 %

Easy weight calculations from <u>lizenzero.de</u>

The law does not define minimum licensing volumes: participation in a dual system is required from the first piece of sales packaging that is filled and placed on the market. To calculate the total weight of packaging used per annum that you need to report as a first distributor, you can use the handy Calculation Assistant that is offered by Interseroh's online shop Lizenzero.

To do so, you simply select from a range of standard packaging types, enter the number of units per type and the Calculation Assistant instantly converts this to a weight figure.

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Quick and simple packaging licensing with Interseroh's dual system

The new German Packaging Act entered into force on 1 January 2019. From this date, retailers and manufacturers of packaged goods must ensure their sales packaging participates in a dual system, and must also register with the new industry monitoring body, the Central Agency Packaging Register.

The law applies regardless of company size and from the very first piece of packaging that a retailer or manufacturer places on the market. **Anyone failing to comply with the law can expect to pay a heavy fine or face a sales ban.**

What do I need to do?

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Get licensed

- Sign a contract with a dual system like Interseroh (by using the Lizenzero online shop at www.lizenzero.de)
- Specify the volume of packaging and materials sold per annum (easy to do with the Lizenzero online Calculation Assistant)

Register

- Report your packaging volumes and dual system to the Central Agency Packaging Register via LUCID (https://lucid.verpackungsregister.org/)
- Notify your dual system of the registration number issued by the Central Agency

Recheck

- Recheck your original data at the beginning of each successive year
- Send the results of your check to the dual system and the Central Agency Packaging Register

Interseroh: your trusted partner for packaging licensing

As an accredited system Interseroh's dual system developed its user-friendly Lizenzero online shop especially for retailers and manufacturers with little to no experience of packaging licensing who want to complete the dual system sign-up process

as quickly and as easily as possible. The Lizenzero website (www.lizenzero.de) takes you step by step through the participation process and tells you everything that you need to know about packaging licensing.



As an accredited nationwide dual system pursuant to section 18 of the German Packaging Act, **Interseroh** fulfils the requirements of both the Central Agency Packaging Register and the Act itself.

The Interseroh service promise:

- · User-friendly tools for calculating volumes and costs
- Participation in Interseroh's dual system ensures 100% compliance with the Packaging Act
- Flexible adjustment of your packaging volumes
- Simple, quick and affordable

Your benefits:

- · Seal of quality for your web shop / web site
- Resources SAVED certificate

Complete the licensing agreement quickly and easily - job done!
For more information go to www.lizenzero.de.

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