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Green Deal on coffee pads and tea bags in organic household waste

The Parties

- 1. The Minister of Economic Affairs and Climate Policy, Mr Bas van 't Wout, referred to below as: EZK;
- 2. The State Secretary for Infrastructure and Water Management, Ms Stientje van Veldhoven, referred to below as: I&W:

Parties 1 and 2 both acting in the capacity of administrative authority, are hereinafter jointly referred to as: 'the Government':

- 3. The sector association Koffie & Thee Nederland, represented by Elize Klitsie, Principal Secretary, hereinafter referred to as: 'the Sector Association';
- 4. Ahold Delhaize Coffee Company B.V., represented by Pieter Paul van der Lugt, General Manager
- 5. Axxent Masters in Tea B.V., represented by Pim Oostrom, Director
- 6. Beyers Koffie Nederland N.V., represented by Marco Ciaramelli, Chief Executive Officer
- 7. JDE Peet's N.V., represented by John Brands, General Manager
- 8. illycaffè S.p.A., Netherlands branch, represented by Gert Korteweg, General Manager
- 9. Neuteboom Coffeeroasters B.V., represented by Jan Hart, Commercial Director
- 10. Smart Trade Group B.V., represented by Maikel Cornelissen, Director
- 11. Simon Lévelt, represented by Bert Jongsma, General Manager
- 12. Teamasters, represented by Steven Kleinjan, Director
- 13. UCC Coffee Benelux B.V., represented by Anne Jan Leegstra, Financial Director
- 14. Unilever Benelux B.V., represented by Joost Houben, Marketing Leader Refreshment Benelux & CCBT Leader Refreshment Netherlands, and Fleur van Bruggen, Communications Director Benelux
- 15. Wessanen Nederland Holding B.V., represented by Han van Nieuwland, General Manager

hereinafter jointly referred to as: 'the Companies';

16. The Dutch Waste Management Association, represented by Boris van der Ham, Chairman of the Board

All hereinafter jointly referred to as: 'the Parties'.

General considerations

- 1. To preserve our prosperity for future generations, we must make our economy more competitive, and at the same time reduce the burden on the environment as well as our dependence on fossil energy and scarce raw materials.
- 2. Creativity, entrepreneurship and innovation are key drivers of this shift to green growth. Companies, individuals and civil society organisations are launching numerous initiatives aimed at greening the economy and society. Through the Green Deal approach, the government seeks to make optimum use of the momentum in society for green growth.

- 3. Green Deals offer companies, individuals and organisations easily accessible opportunities for partnering with public authorities with a view to achieving green growth. Civic initiatives are at the heart of these efforts. Where such initiatives encounter obstacles which the organisers believe can be tackled at central government level, the government will seek to remove or resolve them in order to facilitate and accelerate these initiatives. Parties agree specific arrangements for this purpose in a Green Deal.
- 4. The results of a Green Deal can serve as an example to be followed in other similar projects, thus expanding the scope of the Green Deal without any need for specific support from Central Government.

Specific considerations for the Green Deal on coffee pads and tea bags in organic household waste

Introduction

Sustainability and the importance of this theme are receiving much attention in the coffee and tea sector. The Companies have long been working to achieve the most sustainable possible use of raw materials, among other things by using as little material as possible and by focusing on reuse of materials starting from the production phase.

In recent years, technological advancements and investments have accelerated the industrial-scale use of compostable materials for all or parts of the functional wrapping around coffee and tea (generally in the form of a coffee pad or tea bag), and the results are already being applied. Research by Wageningen University & Research (2020)¹ has shown that compostable² coffee pads and tea bags degrade well, doing so within the average composting time in the Netherlands (2-4 weeks), and do not have a negative impact on the composting process or on compost product quality. As regards the waste streams of coffee grounds and tea leaves specifically, these are highly desirable as raw materials in organic household waste: they are 100% biodegradable, have a high biogas potential and produce more and cleaner compost, making for a sustainable cycle because the raw materials are reused.

Background to this Green Deal

In June 2020, in response to the VANG report of July 2019,³ I&W (Rijkswaterstaat) published a new uniform list of products that may and may not be disposed of as organic household waste (the 'yes/no list'). The list was produced in collaboration with the Royal Dutch Association for Refuse and Cleansing Management (NVRD), the Dutch Waste Management Association (Vereniging Afvalbedrijven) and the not-for-profit public information organisation Milieu Centraal.

The purpose of the yes/no organic household waste list is to improve the quality and quantity of organic waste collected from households by providing clear and consistent information about what can and cannot be disposed of in the organic household waste bin.

According to this list, coffee pads and tea bags may currently not be disposed of as organic household waste, as a large proportion of tea bags and coffee pads on the market still contain or are made up entirely of non-compostable materials and it is hard for the consumer to determine whether or not a tea bag or coffee pad is made from compostable material. To avoid the risk of confusion and prevent contamination of organic household waste streams, the decision was made to not allow tea bags and coffee pads in the organic household waste bin.

¹ Maarten van der Zee and Karin Molenveld (2020). The fate of (compostable) plastic products in a full scale industrial organic waste treatment facility. Source: https://www.wur.nl/nl/Publicatie-details.htm?publicationId=publication-way-353631333436.

² In any case, according to the prescriptive standard EN-13432 on determining the compostability and anaerobic treatability of packaging and packaging materials a product or

 $^{^3\,\}underline{https://www.vang-hha.nl/publish/pages/165981/190324-01\ rws\ wvl\ aanvalsplan\ gft\ textiel\ .pdf.$

Policy framework

The issue described above is the basis for the joint effort towards this Green Deal, which has been formulated at the initiative of the Sector Association in cooperation with the other Parties. The goal is to move coffee pads and tea bags from the 'no' side to the 'yes' side of the list at some point in 2021. After the list is adjusted, the share of compostable coffee pads and tea bags will be monitored for the remaining duration of the Green Deal.

Moving coffee pads and tea bags to the 'yes' side of the list is contingent on at least 75% of the total potential impact, approximately 88 million kilograms⁴ of the additional clean organic household waste produced annually, being compostable. The parties will therefore strive to encourage more partners that produce and/or sell coffee pads and tea bags to join this Green Deal and help achieve this goal.

Producing tea bags and coffee pads that can go into the organic household waste bin is entirely in line with the objectives of national programme 'Circular Dutch Economy by 2050': less non-recyclable waste, more and cleaner compost. With this Green Deal, the Parties can make compostable tea bags and coffee pads the new norm. The relevant legislative framework is Commission Regulation 10/2011 for articles intended to come into contact with food.⁵

Process

Achieving this goal will depend on the Parties taking a coordinated approach throughout the supply chain. Broadly speaking, the process is as follows.

Firstly, and most importantly, every Company must switch to compostable wrappings for their coffee pads and/or tea bags. Once a Company has made this switch for the target volumes set out in this Green Deal, it must submit proof of this to the Sector Association in the form of declarations. As soon as the **Companies' efforts have achieved the aforesaid 75% of** the total potential impact on the organic household waste stream, the Sector Association will present this result and the declarations to I&W.

An independent body commissioned by I&W will determine the truthfulness and accuracy of the declarations submitted by means of random sampling of products sold on the retail markets. Depending on the outcome, I&W (Rijkswaterstaat) will decide whether or not to adjust the national yes/no list by moving coffee pads and tea bags to the 'yes' side of the list.

Via Milieu Centraal, I&W will then ensure that consumers are informed accordingly. The Dutch Waste Management Association will also encourage the organic waste composting companies among its members (Attero, Indaver, Orgaworld, HVC, Twence, De Meerlanden, ARN B.V. and Valor Compostering B.V.) to spread the message that they accept coffee pads and tea bags in organic household waste. The Parties will also jointly draft a general, guideline for voluntarily communicating this information on the packaging of coffee pads and tea bags.

This Green Deal is limited to coffee pads and tea bags. Coffee capsules/pods are explicitly excluded from this Green Deal. The vast majority of compostable coffee capsules are not or not sufficiently biodegradable to be broken down in current Dutch composting installations.

⁴ The potential impact is calculated by multiplying the total kg of dry product sold annually on the consumer market by the co-benefit factor for coffee pads and tea bags. The co-benefit factor is calculated in: Maarten van der Zee and Karin Molenveld (2020). *The fate of (compostable) plastic products in a full scale industrial organic waste treatment facility.* Source: https://www.wur.nl/nl/Publicatie-details.htm?publicationId=publication-way-353631333436.

⁵ The legal basis for this regulation is Regulation (EC) no. 1935/2004 of the European Parliament and the Council of 27 October 2004 on materials and articles intended to come into contact with food and repealing Directives 80/590/EEC and 89/109/EEC.

Agree as follows:

1. Goal of the Green Deal on coffee pads and tea bags in organic household waste

Article 1 Goal and ambition

- The goal of this Green Deal is that by the end of 2021 at least 75% of the total potential impact of coffee pads and tea bags sold on the Dutch market will be compostable and can be disposed of as organic household waste.
- When the Companies that are party to this Green Deal have demonstrated that they have collectively achieved the percentage indicated in the first paragraph, the coffee pads and tea bags will be moved from the 'no' side to the 'yes' side of the yes/no list for organic household waste.
- The ambition is that ultimately as many companies as possible operating in the Netherlands will
 have switched to compostable coffee pads and tea bags for the Dutch market. Additionally, the
 Sector Association will endeavour to convince other relevant sector associations in Europe of the
 importance of the goal of this Green Deal.

The Parties will jointly and independently take actions that further the achievement of this goal.

2. Efforts and actions

Article 2 Efforts and actions of the Companies

- The Companies will take responsibility for switching to compostable coffee pads and/or tea bags.
- As soon as they have done so, the Companies will supply the following to the Sector Association:
 - a declaration that the switch has been made, specifying:
 - o the date the switch was made in the production process;
 - o an estimate of the minimum quantity of dry product in kg annually;
 - o an estimate of the average throughput time from the moment of production to the moment that the products concerned are generally available in shops; and
 - a declaration from the Company establishing that the material complies with all recent statutory standards (in any case EN-13432, stating the certification number) and Regulation 10/2011.
- Any of the Companies that operate internationally will also endeavour to make the switch in their international operations.
- · Where they produce for other enterprises (private label), the Companies will make every possible effort to encourage these other enterprises to switch to compostable coffee pads and/or tea bags.
- The Companies give the undertaking that in the event of future revision or tightening of the EN-13432 standard, they will reassess their products against the standard within a reasonable term.
 The Companies will inform the Sector Association as quickly as possible whenever a Company intends to make any changes to the aforesaid declarations.

Article 3 Efforts and actions of the Sector Association

- · The Sector Association will collect the Companies' declarations as referred to in article 2.
- The Sector Association will present all declarations to I&W.
- The Sector Association will annually verify whether there have been any changes affecting the **Companies' submitted** declarations. The Sector Association will inform the working group referred to in article 7 of any changes as quickly as possible.
- The Sector Association will endeavour to encourage all enterprises that produce and/or market coffee pads and/or tea bags in the Netherlands to make their entire range of coffee pads and tea bags compostable.
- The Sector Association will endeavour to convince other relevant sector associations in Europe of the importance of the goal of this Green Deal. This includes but is not limited to the European

- Coffee Federation and Tea and Herbal Infusions Europe, as well as the sector associations in the neighbouring countries Belgium, Germany and Luxembourg specifically.
- Jointly with the working group referred to in article 7, the Sector Association will develop a message that the Companies may voluntarily use on their packaging. Ideally, this message will take the form of a general, unambiguous pictogram (disposal instruction), to be added to the Weggooiwijzer (disposal guide for Dutch consumers)⁶ created in collaboration with the Netherlands Institute of Sustainable Packaging (KIDV), or a text that companies can use instead of the pictogram. The pictogram and the alternative text must give a clear disposal instruction (organic household waste) and must also make clear that this refers specifically to the tea bags and/or coffee pads and not the packaging in which they were sold (i.e. cardboard box or paper packet). This message thus supplements the yes/no list for organic household waste as a means of informing consumers that the tea bags and/or coffee pads are compostable. In principle the pictogram should be clearly communicated at national level.

Article 4 Efforts and actions of I&W

- I&W will endeavour to convince other national authorities in Europe of the importance of the goal of this Green Deal, starting with the neighbouring countries Belgium, Germany and Luxembourg. I&W will inform the other Parties about relevant developments at European level.
- I&W will take receipt of the declarations collected by the Sector Association as referred to in article 2.
- I&W will commission an independent body to collect and examine random samples of products sold
 on the retail market to establish whether as a result of the Companies' efforts, 75% of the total
 potential impact of approximately 88 million kilograms of additional, clean organic household waste
 for composting annually has been achieved.
- If 75% of the total potential impact of approximately 88 million kilograms of additional clean organic household waste is achieved, I&W will be prepared to adjust the national yes/no list for organic household waste as quickly as possible by moving coffee pads and tea bags from the 'no' side to the 'yes' side.
- If, as a result of a change in the declarations or a withdrawal of one or more of the Parties from the Green Deal, less than 75% of the total potential impact of coffee pads and tea bags offered on the Dutch market is compostable, I&W will move coffee pads and tea bags back to the 'no' side of the list
- I&W will contribute to the efforts to convince producers/suppliers of coffee pads and tea bags to switch to compostable variants by providing information (via Rijkswaterstaat) as needed.
- I&W will inform Dutch consumers via Milieu Centraal about the change to the yes/no list for organic household waste. I&W will inform Dutch municipalities about the change to the yes/no list for organic household waste and ask them to include this change in their communication to local residents, so that the change will be widely known. I&W will, in collaboration with the Working Group, develop a clear communication strategy and draft a press release to inform the relevant parties (not including consumers) about the signing of this Green Deal.

Article 5 Efforts and actions of the Dutch Waste Management Association

- The Dutch Waste Management Association will inform and enthuse its members before and after the adjustment of the yes/no list for organic household waste in order to create a broad base of support.
- The Dutch Waste Management Association will encourage all the composting companies among its members to accept coffee pads and tea bags in organic household waste as soon as they are on the 'yes' side of the organic household waste list, and also make it known at the weighbridge that this waste stream is not to be designated as contaminated.

⁶ The legal owner of the *Weggooiwijzer* is Afvalfonds Verpakkingen ('Packaging Waste Fund'). The guide has been drafted by the KIDV: https://kidv.nl/weggooiwijzer and serves as the basis for all national logos concerning disposal of packaging waste.

Article 6 Monitoring of declarations

• Each year the Sector Association will verify with the Companies whether any changes have been made to the declarations submitted in accordance with article 2. If this is the case, the Sector Association will inform the working group referred to in article 7 forthwith. I&W may subsequently decide to readjust the yes/no list for organic household waste (article 4).

Article 7 Working group

- The Parties will establish a working group made up of a representative of each Party and chaired by the Sector Association.
- The working group will promote implementation of the Green Deal and the progress thereof, and will draft a detailed working plan within one month after this Green Deal enters into effect.
- If necessary or if dictated by **the Sector Association's own** code of conduct, the working group will engage a lawyer specialising in competition law to ensure that the implementation of the Green Deal and the activities of the working group and its specific actions do not violate European and national competition law.
- In the event of disputes between Parties, the working group may be engaged to mediate. If a Party fails to comply with its obligations under this Green Deal, the working group may in its advisory opinion demand that this Party comply with its obligations within three months.

Article 8 Information exchange

- In so far as personal data or other data such as company information or competitively sensitive information is exchanged or processed in the context of this Green Deal, the Parties will ensure that this is done in compliance with the applicable European and national legislation.
- With regard to information exchange, the Parties will draw up one or more protocols containing arrangements for sharing information and complying with the applicable European and national legislation, such as the General Data Protection Regulation (GDPR) and the Government Information (Public Access) Act.
- Information exchange between the Parties must not result in exchange of competitively sensitive information, either directly or indirectly through the involvement of the working group referred to in article 7, nor may it lead to any other arrangements that would be in violation of competition law.

3. Final provisions

Article 9 Implementation in accordance with the law

 The agreements set out in this Green Deal and their further elaboration will be implemented in accordance with international law, European Union law and Dutch law, in particular in so far as they are subject to international, European and Dutch legislation on procurement, competition, state aid and technical standards and regulations.

Article 10 Amendments

- Any Party can request the other Parties in writing to amend the Green Deal. The amendment will require the written consent of all Parties.
- The Parties will enter into consultation within six weeks of a Party requesting the other Parties in writing of its desire to do so.
- · Copies of the amendment and statements of agreement must be appended to the Green Deal.

Article 11 Accession of new parties

• New parties may accede to this Green Deal. If one of the Companies transfers its coffee/tearelated business unit to a third party, the Sector Association will invite this third party to accede to this Green Deal.

- The Parties will actively approach new candidates for accession that could contribute towards the goal of this Green Deal.
- New parties must inform the Sector Association in writing of their request to accede. The Sector Association will inform the other Parties of such requests.
- The Parties will decide in a non-discriminatory manner and in writing on the request to accede. As soon as all Parties have agreed in writing to the request for accession, the acceding party will acquire the status of Party to the Green Deal and all rights and obligations ensuing from this Green Deal will apply to that Party.
- Copies of the request for accession and the statements of agreement will be appended to the Green Deal.

Article 12 Termination

- Any Party can terminate its participation in this Green Deal at any time after giving six months' notice in writing.
- · When a Party terminates its participation in the Green Deal, the other Parties will duly consider the consequences of this termination on the Green Deal with regard to the inclusion of coffee pads and tea bags on the 'yes' side of the yes/no list for organic household waste if as a result of the cancellation the share as referred to in article 4 falls below 75%.

Article 13 Compliance and resolution of disputes

- The Parties agree that compliance with the agreements in this Green Deal is not legally enforceable.
- The Parties will seek to resolve any disputes relating to this Green Deal in mutual consultation. Failing this, the Parties can present their dispute to the working group.
- The working group will seek to resolve the dispute and will give the Parties involved an opportunity to present their views.
- If after six months the dispute has not been resolved, the working group will issue an advisory opinion to the Parties involved.
- In so far as the dispute relates to a Party's failure to comply with its obligations under this Green Deal, the working group may in its advisory opinion demand that this Party comply with its obligations within three months or terminate its participation in the Green Deal.

Article 14 Entry into effect, notification to the European Commission and duration

- · This Green Deal will have a duration of three years after its entry into effect.
- This Green Deal will be deemed not to have been adopted and will not enter into effect until three months after the date of receipt by the European Commission of the communication as referred to in article 9, paragraph 1 of Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services (OJEU, L 241), provided the Commission or another member state does not deliver a detailed opinion during that period.
- The Parties will begin implementation of all the agreements in this Green Deal as soon as possible after its entry into effect.

Article 15 Extension

The Parties will enter into consultations on a possible extension of this Green Deal no later than six months prior to the date on which the Green Deal is to expire.

Article 16 Signing in multiple counterparts

This Green Deal may be signed in multiple counterparts, which together have the same legal effect as if these arrangements had been signed by all signatories in a single document.

Article 17 Publication

· After the period specified in article 14 this Green Deal will be published in the Government Gazette (*Staatscourant*) and by other means, enabling others to take note of the Green Deal in order that compliance can be promoted.

Article 18 Short title

· This Green Deal may be cited as the Green Deal on coffee pads and tea bags in organic household waste

AGREED AND SIGNED IN DUPLICATE.