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EuPIA Annual Report 2015



> Martin Kanert
Executive Manager EuPIA

EuPIA, the European Printing Ink Association, working under the umbrella of CEPE, represents and protects the common interest of the European printing ink business and promotes the image of the industry to the public. EuPIA provides a forum for discussion and decision-

making regarding issues of specific interest to the printing ink industry. EuPIA members also participate in CEPE working groups dealing with issues of general interest to the wider CEPE membership.

MARKET STATISTICS 2014

EuPIA publishes market statistics on an annual basis. The data can be accessed via the EuPIA website at eupia.org, section publications - statistics.

The aggregated figures displayed in the charts below summarize

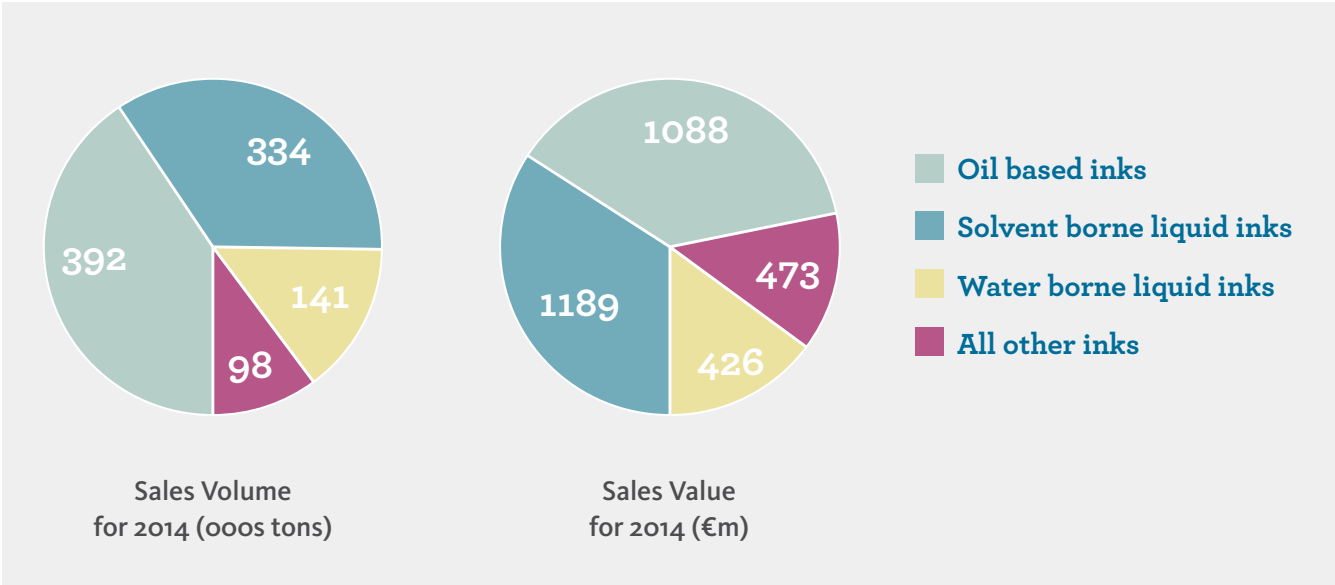
- » Sales value per country total
- » Sales volume and value per category for Europe total

The figures comprise domestic ink data collected for 30 countries or country groupings in Western and Eastern Europe and represent the activity of 28 EuPIA members parti-

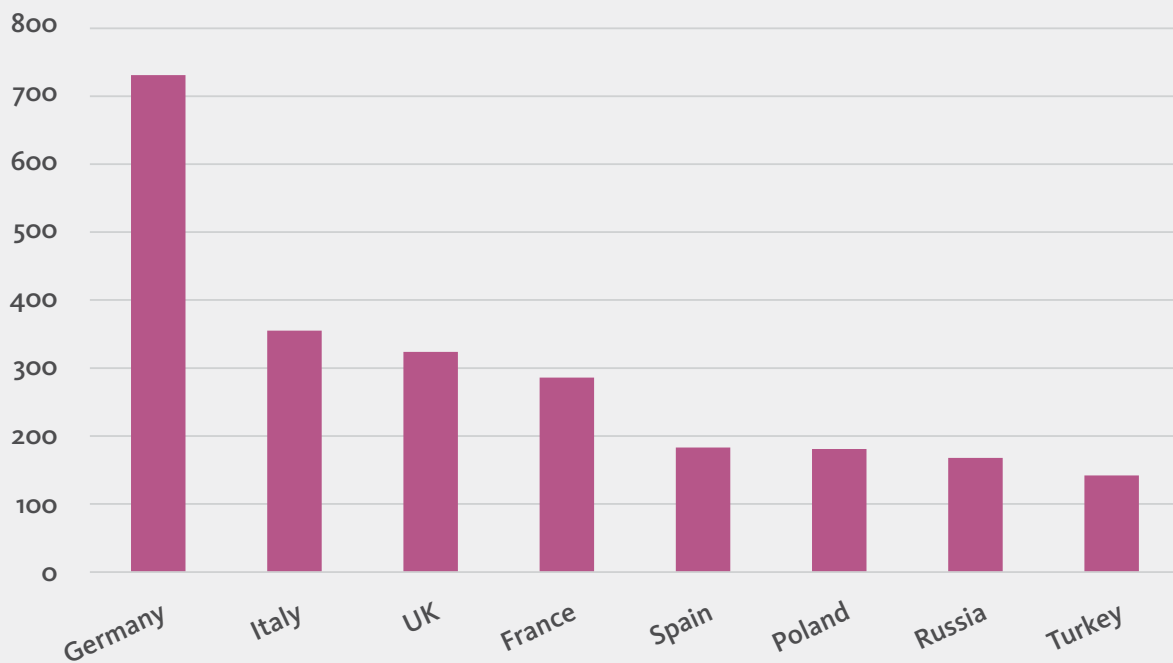
cipating in the statistics. It is believed that this represents about 90% of the total European market.

The global ink categories for which the aggregated figures are displayed are defined as follows:

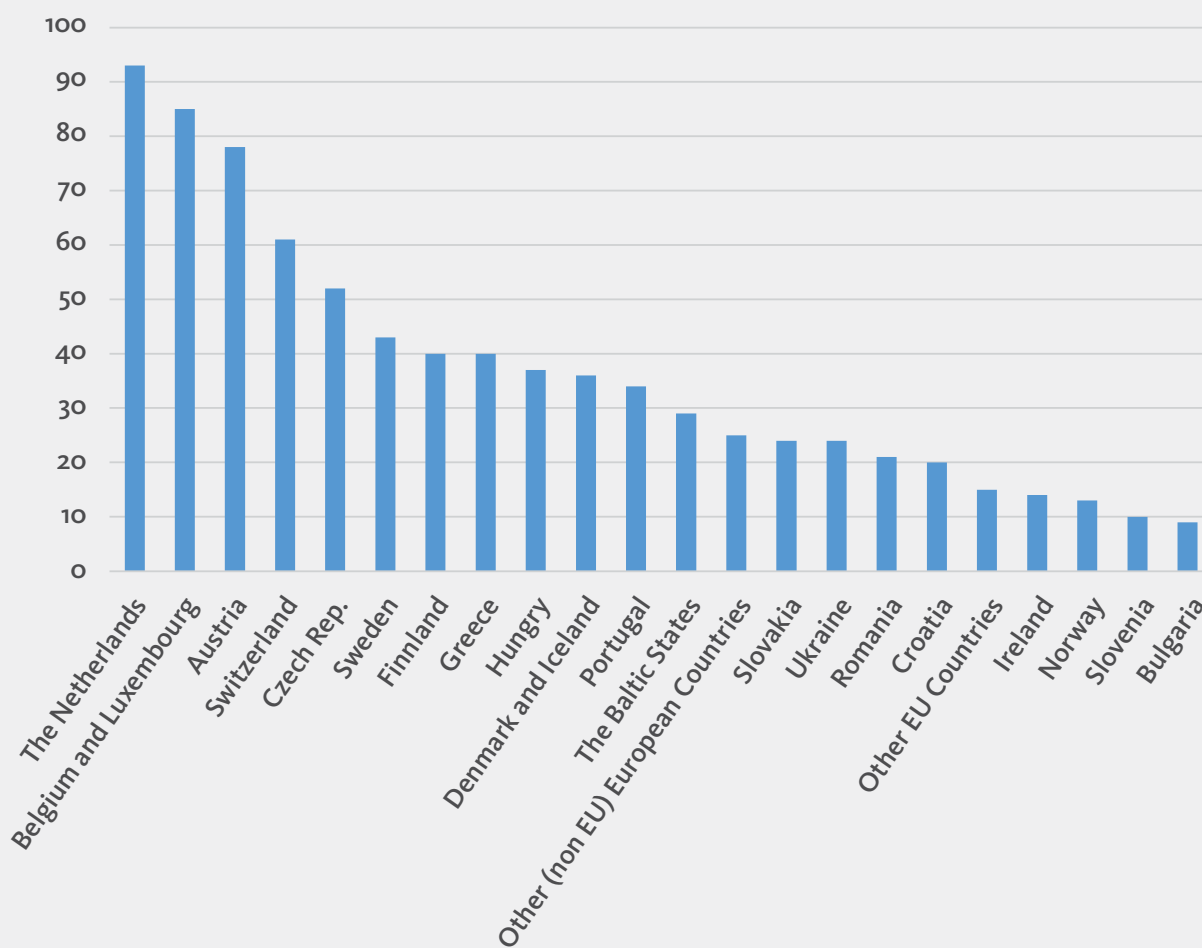
- » Liquid inks water borne – includes flexo and gravure water borne inks, technological varnishes, extenders, primers, and overprint varnishes
- » Liquid inks solvent borne – includes flexo and gravure solvent borne inks, publication gravure inks, technological varnishes, extenders, primers, and overprint varnishes
- » Oil based inks - includes coldset and heatset offset as well as conventional sheetfed offset inks
- » All other inks – all other inks except screen ink sales which are not included in these statistics



SALES VALUE BY COUNTRY FOR 2014 IN £M



SALES VALUE BY COUNTRY FOR 2014 IN €M



A SLIGHT recovery

An optimistic forecast for
Europe's printing inks industry

Eric Van de Meerssche

EuPIA's 12th Annual conference was held on 23 - 24 April 2015 in Marseille, France. It attracted more than 70 attendees from about 30 companies and associations. The eight presentations put a focus on macroeconomic factors affecting our industry, the impact of digital technology on traditional printing, the raw materials situation and innovation in the Packaging field.

In his opening speech EuPIA's Chairman Felipe Melado shared the 2014 key facts that were the drivers of this year's conference:

- » Weak European economy;
- » Political turbulence, which affects the business climate;
- » Beginning of a currency war;
- » Continued decline of print media business;
- » Multiple trends affecting the packaging world

As usual the conference began with „The year in review“ by Dr Martin Kanert, Executive Manager of EuPIA. The focus of Kanert's intervention was the legislative burden that affects the Printing Inks industry and the need for a European legislation on food contact materials as opposed to multiple national initiatives.

The business session started with Christian Schaefer, VP at J.P. Morgan's Investment Banking Division giving the attendees an external view of the industry, followed by Mark Hanley, founder of IT Strategies, who gave the audience his views of how digital printing is impacting traditional printing.

RAW MATERIALS PRICES ARE LIKELY TO INCREASE IN THE COMING MONTHS

Ulf Neidlein, responsible for resins and additives at BASF, made it clear, during his presentation "Printing Inks: Raw Material supply situation and perspective" that despite the fall of the Euro against the Dol-

lar raw material prices are likely to increase in the months to come.

Andy Sweetman of Innovia enlightened us on the use of renewable raw materials and especially the use of bio based materials and the challenges of combining the right materials to comply in the layers of packaging.

The second day was dedicated to the use of innovative packaging. Graham Tilley of Interflex showed the results of the Reflex Project in the UK. This project aims to create a circular economy for flexible packaging and makes it obvious that there is need of a good collaboration between researchers and industry. Matthew Kensall of Sun Branding Solutions gave an overview of the facts and figures about the use of packaging. He made some impressive comparison showing e.g. that the total amount of metal used annually in the UK equals 3,000 747's or 105 Brooklyn bridges. He made similar comparisons with glass, paper and plastics. This session was wrapped up with a panel discussion.

THE PRINTING INKS INDUSTRY WILL BE PACKAGING DRIVEN IN THE FUTURE

Martin Cellier, Chairman of EuPIA's Statistics Working Group ended the conference. In total, the volumes for printing inks went down in 2014 (-1.2 %) compared to the figures in 2013. The two segments showed a difference. While publication inks further declined by -3.2 %, packaging inks could record an increase of +2 % in the last year.

In contrast with the last years Mr Cellier had some good news. The overall market is slightly recovering and the forecast for the next couple of years is optimistic. Obvious shifts are noticed. Where the European market 10 years ago was publication driven, today it shifted clearly to be packaging driven and this trend isn't reversible.

The next conference will be held on 21 and 22 April 2016 in Wroclaw, Poland.

(was published in ECJ 06/2015)

PRINTING INKS AND VARNISHES APPLIED ON FOOD CONTACT MATERIALS

EU Commission Roadmap on specific provisions for non-plastic food contact materials

Food Contact Materials must be manufactured such that they do not transfer their constituents to foodstuffs in quantities which could endanger human health, cause an unacceptable change in the composition of the food or inadvertently affect foodstuffs in terms of odour and taste. These general requirements are laid down in the European Framework Regulation (EC) No 1935/2004 on materials and articles intended to come into contact with food.

At present, on European level specific legal provisions exist for plastics, regenerated cellulose film, ceramics, active and intelligent materials and recycled plastics.

In the absence of specific EU measures, Member States may maintain or adopt their own national provisions on food contact materials, which are likely to differ from one Member State to the other. Such differences introduce inconsistencies in the approach to regulating food contact materials and have the potential of hindering the free movement of those materials in the internal market.

Therefore, in 2012, the European Commission had started an initiative to check the necessity and options to regulate non-plastic food contact materials, and summarized its views in a so-called "roadmap". Subsequently, the Commission consulted Member States and industry for their opinions. EuPIA and many other trade associations took part in the consultation process and identified "printing inks" and "paper & board" as materials for which EU provisions should be established with priority.



In the latter part of 2014, the European Commission's Joint Research Centre (JRC) has started to carry out a study aimed at providing a comprehensive overview of the current situation concerning non-plastic food contact materials. This so-called "baseline" study will map the industry supply chain and collect existing legal provisions on Member State level as well as industry self-regulations for these materials. EuPIA is contributing to this study. The study is expected to be completed by the beginning of 2016, and will allow the European Commission to identify priorities for future regulations of food contact materials.

German Consumer Goods Ordinance: draft amendment

In July 2014, the German Federal Ministry of Food and Agriculture had made available the 5th draft of the 21st ordinance amending the German consumer goods Ordinance; this amendment is called "Printing Ink Ordinance".

The Federal Ministry is reported to have reiterated its position that a European regulation is more appropriate and to have once again requested that the European Commission take the initiative to regulate

printing inks to be applied on food contact materials. Therefore, the draft has not yet been notified to the European Commission pursuant to Directive 98/34/EC, nor to the WTO. EuPIA and the entire European food packaging supply chain as represented by the Packaging Ink Joint Industry Task Force (PIJITF) support this view of the German Ministry and have conveyed this position in writing to both the German Federal Ministry and the European Commission.

Irrespective of this fundamental position, EuPIA and its member companies encourage and assist their raw material suppliers to compile and submit to the relevant authorities toxicological dossiers for substances which either are not yet included on the draft positive list or for which more favourable migration limits should be set. In this regard, EuPIA collaborates with ESIG (European Solvent Industry Group) for solvents, with ETAD (Ecological and Toxicological Association of Dyes and Organic Pigment Manufacturers) for pigments and with RadTech (the association for UV/EB curing technology) for UV raw materials. In addition, EuPIA assists the German Federal Institute for Risk Assessment in drafting a guideline

for the safety evaluation of substances used in inks for food contact materials. This guidance is intended to complement the requirements of the EFSA Note for Guidance with specifics for print on food contact materials and would have to be followed once the “Printing Ink Ordinance” were in force.

Swiss Consumer Goods Ordinance: provisions for food packaging inks

Switzerland is in the process of revising its food law. The main purpose is the adaptation – as far as possible - to the provisions of the European Union. To this end, the relevant Swiss law is being completely revised and restructured. The total package comprises four ordinances of the Bundesrat (Swiss Federal Council), 22 ordinances of the Federal Department of the Interior (EDI), and one ordinance of the Federal Food Safety and Veterinary Office (FSVO). These ordinances will replace the currently relevant 28 ordinances.

The EDI has started a public consultation which will last until end of October 2015. The revised set of ordinances is intended to come into force in the first half of 2016. All the

documents are publicly available (in German, French and Italian) at <http://www.blv.admin.ch/dokumentation/01013/05845/05846/index.html?lang=de>.

The revision also affects the section on food packaging inks of the Consumer Goods Ordinance as well as the related substance lists. EuPIA and the Swiss Association VSLF-USVP are studying the draft and will convey their comments to the relevant authority.

Networked working group of practicing analytical experts from across the packaging inks and coatings industry

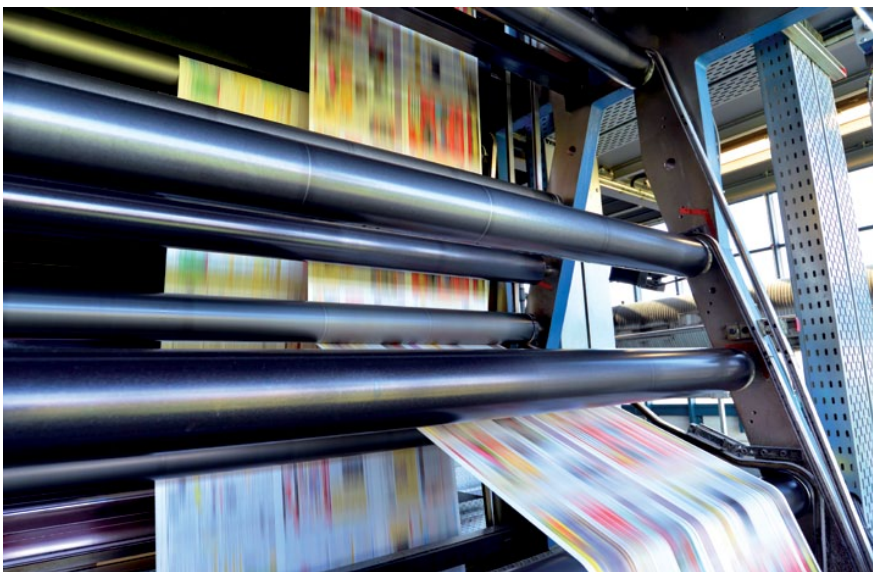
EuPIA established a new working group of practicing Analytical Experts from across the packaging inks and coatings industry: The AEWG (Analytical Experts Working group). The group will respond to a range of demands, of which some are explained below:

- » Development of analytical methodologies in support of industry wide threats, crises and regulatory based initiatives as defined by the Technical Committee “Printing Inks for Food Packaging” (PI-FOOD).

- » Create analytical standards as demanded to support the creation of Regulations or Guidance on Regulations, plus act as expert reviewers of Analytical Standards proposed by third parties as part of Regulation/Guidance to the food packaging industry
- » Represent EuPIA as Industry Experts on Regulatory-creating or Industry-wide Working parties and Committees
- » Investigation and critique of erroneous analytical protocols, claims and findings that have the potential to have serious, unjustified, long-term impact on the food packaging ink/coatings industry

Exchange of Information along the food packaging supply chain: The “Statement of Composition” (SoC)

Due to the complexity of the process, all members of the packaging chain must exchange relevant information - under appropriate confidentiality agreements if necessary – in order to ensure that products can be formulated to be fit for purpose, and thus be compliant with legal requirements. To this end EuPIA members are prepared to provide adequate information about the composition of their products by means of a standard Statement of Composition (SoC). This SoC will list those substances with a potential to migrate along with applicable migration limits and the amount of that substance in the print. The migration limits for a substance may come from the Plastics Regulation (EU) No 10/2011, from the Swiss Ordinance SR 817.023.21 or from another recognized authority such as EFSA. In order to reflect the recommendations for printing ink manufacturers given in the “Union Guidance on Regulation (EU) No 10/2011 on plastic materials and articles intended to come into contact with food as regards information in





the supply chain”, the SoC was adapted to now additionally include information on certain primary aromatic amines (paa) which may be present as unavoidable impurities in any azo pigments as well as certain metals with restrictions in the Plastics Regulation. The extended SoC is used by EuPIA members as of April 2015.

EuPIA Technical Committee

Technical issues and non-food applications of printing inks fall under the remit of the EuPIA Technical Committee (ETC) and its subsidiary working groups, Operational Safety & Risk Assessment (OSRA), Labeling & Safety Data Sheets (LSDS) and the Task Force “Mineral Oils in Publication Inks”.

Commitment to worker and product safety

The EuPIA Exclusion List for Printing Inks and Related Products is one of EuPIA’s most important and most visible commitments to protecting safety in members’ operations and products. In light of the challenges identified last year involving the re-classification of a key substance, and the changing regulatory landscape with increasing controls on substances under REACH, ETC em-

barked on a review and adaptation of the Exclusion List to ensure that it remains fit for purpose in this new environment.

The result is the new EuPIA Exclusion Policy, which retains the principle of hazard-based substitution but incorporates some elements of risk assessment where substitution is demonstrated not to be viable in the short term. Exemptions can be granted for specific applications, which for the more hazardous substances require the explicit approval of ETC. Mandatory reporting to the EuPIA secretariat is introduced for any member using the exemption procedure, and ETC will monitor the application of the policy on an ongoing basis. At the time of going to press an internal Explanatory Note for members on the new policy was in preparation.

In the past year ETC has produced a number of new documents aimed at improving transparency and understanding about the potential or perceived hazards of printing inks and related products. Customer information notes have been published on the change in labelling resulting from the switchover to the CLP Regulation, and on the implications of a substance being included in the Community Rolling Action Plan (CoRAP) for substance evaluation under REACH. Following media attention

to allergic skin reactions, ETC has also published a recommendation to all members to communicate via Technical Data Sheets about the presence of skin-sensitizing biocides in water-based products.

ETC also monitors the regulatory status of numerous ‘substances of interest’ to the printing inks sector and undertakes specific actions where required. EuPIA is cooperating with other industry sectors to address the threat of a potential re-classification of ethanol. Recently the acrylate monomer HDDA has been singled out for potential identification as a Substance of Very High Concern (SVHC) under REACH, on account of its skin sensitizing properties. This could set a very severe precedent for monomers and skin sensitizers in general, so EuPIA has mobilised to collect data on uses and reported cases for this substance in order to react to the planned public consultation.

Sustainability and the environment

ETC established a ‘virtual reference ink’, representing the statistical distribution of ink products on the market, for which an eco-footprint was calculated using the CEPE tool and methodology (see Sustainability article). A consultant has been commissioned to carry out a study to contextualize the results of the EuPIA eco-footprint and interpret its significance for the supply chain. This will then be used to decide on further communication.

EuPIA continues to participate in the European Recovered Paper Council (ERPC), through which it supports the “European Declaration on Paper Recycling 2011-2015”, a voluntary cross-industry commitment to a sustainable increase in paper recycling - see the ERPC website at www.paperrecovery.org.

In April 2015 ERPC published a revised

version of its Deinking Scorecard (available at www.paperforrecycling.eu), including the introduction of an annex listing exemptions from testing for specific printed products with known good deinkability properties. EuPIA assisted in drafting the criteria for such exemption by providing model formulations of relevant printing inks. ETC is also monitoring discussions on the Circular Economy in Europe and will give input on any developments related to printing ink and its role in the recyclability of paper.

Co-operation with upstream and downstream sectors

ETC members have continued to participate in the European Task Force on cosmetic packaging regulatory aspects, together with cosmetic brand owners and members of the packaging value chain. The Guideline on Information Exchange along the Value Chain has now been finalised and sent for Cosmetics Europe board approval; work continues to develop a related short list of 'declarable substances', representing a pragmatic reduction versus the c.4000 substances listed in Annexes II and III of Regulation 1223/2009 on cosmetic products. ETC continues its bilateral cooperation with the European graphic and printing federation Intergraf, including support where needed for data on solvent emissions from printing processes. In 2015 EuPIA has confirmed its support for the European "Keep Me Posted" campaign (www.keepmepostedeu.org), which promotes the right of citizens to choose how they receive important information such as tax forms, election documents, bills and statements. Selected EuPIA members have also agreed to support the Print Power campaign, which promotes the value and effectiveness of print media, through the supply of inks for its publications.

Task Force "Mineral Oils in Publication Inks"

The Task Force has responded to the plans of the German federal environment agency UBA to carry out a long-term print trial using inks without critical mineral oil components. Support will be provided in the form of expertise only, and individual printing ink companies are free to decide whether to participate. Updated EuPIA statements have been published on: Food Packaging made from Recycled Paper and Board; Recyclability of printed paper and board articles for use in primary food packaging; Printing ink industry contribution to German paper, paper converting and food industry initiatives to reduce mineral oil in paper and board packaging.

LSDS Working Group

The group has contributed to the revision of CEPE's guidelines on labelling and safety data sheets (see Hazard Communication article) and to advocacy activities on these topics. It has also carried out important exercises to validate the printing SWEDs in the CEPE project on safe use information for mixtures (see REACH chapter). The group continues to hold two meetings per

year, one of which jointly with the CEPE TC-LSDS.

Operational health and safety

The EuPIA OSRA group supports members of EuPIA and CEPE, but also their customers and downstream users, to operate at a high level of plant and occupational safety. OSRA continues to publish its popular Safety Flashes and Safety Alerts on an ever-broader range of topics, with recent publications including such diverse issues as lifting gear, collapsing storage racking and exploding e-cigarette chargers. Updated guidelines on safe handling of energy-curing materials, both for members and for customers, have been published and a new guidance on laboratory safety was being completed at the time of writing. A number of new and additional topics have been identified for potential development of guidelines, and occupational safety issues related to 'substances of interest' have been added to the group's standing agenda. OSRA guidelines and alerts are made available on the Workplace for use by EuPIA/CEPE members, and are widely translated and disseminated by national associations. Guidance intended for customers is also made available on the public area of www.eupia.org.

