

EuPIA ANNUAL REPORT 2014



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.

EuPIA CELEBRATED ITS 10TH ANNIVERSARY

On 6th November 2003 the Board of CEPE decided to found a specific sector association solely for its printing ink members. 10 years on and EuPIA is well-recognized by all partner industries in both the graphic and the food packaging sectors. This was reason enough to celebrate the 10th anniversary with an exclusive reception on 12th December 2013 in a decent environment: the Cercle Royal Gaulois Artistique et Littéraire in Brussels. About 50 guests followed EuPIA's invitation and listened to the anniversary addresses of EuPIA's past-Chairman Thomas Hensel, Lisa Kretschmann of the European Envelope Manufacturers' Association and Hans van Schaik of the European Carton Makers Association.

The reception was held in the Cercle Royal Gaulois Artistique et Littéraire



MARKET STATISTICS 2013

EuPIA publishes market statistics on an annual basis. The data can be accessed via the EuPIA website at eu pia.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 34 countries or country groupings in Western and Eastern Europe and represent the activity of 28 EuPIA members participating in the statistics.

It is believed that this represents overall in excess of 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

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

Past-Chairman Thomas Hensel gives welcome address



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.

Food scares originating from food packaging had led to criticism by member states, industry and the European Parliament on the lack of EU specific legislation for materials other than plastic.

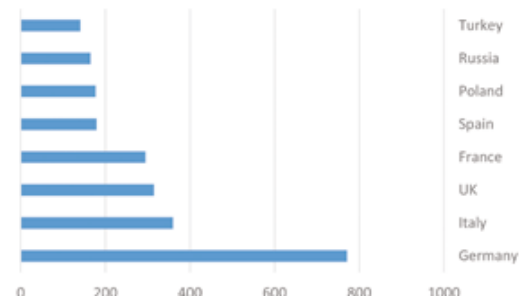
Therefore, in 2012, the European Commission had started an initiative to check the necessity and options to regulate non-plastic food contact materials, and summarized its views in a so-called "roadmap". Subsequently, the Commission consulted Member States and industry for their opinions. EuPIA and many 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. Up to the close of the reporting period, no information was available about the analysis of responses received during the consultation.

Union Guidelines on the Plastics Regulation published

The EU Commission published two guidelines dealing with questions concerning the interpretation and implementation of the provisions included in the Plastics Regulation (EU) No 10/2011. Industry and Member States were consulted during the development of the documents, and EuPIA actively contributed.

The Union Guidelines on Regulation (EU) No 10/2011 on plastic materials and articles intended to come into contact with food clarify to what extent the print on a plastic material is covered by the scope of the plastics regulation (chapter 3.3.4): "Coated and printed plastic materials and articles are covered by the scope of the Plastics Regulation. Plastics held together by adhesives are also covered by its scope. However, substances used only in printing inks, adhesives and coatings are not included in the Union list because these layers are not subject to the compositional requirements of

Sales Value by country for 2013 in €m



Sales Value by country for 2013 in €m



the Plastics Regulation. The only exceptions are substances used in coatings which form gaskets in closures and in caps. The requirements for printing inks, adhesives and coatings are intended to be set out in separate specific Union measures. Until such measures are adopted, they are covered by national law. If a substance used in a coating, a printing ink or an adhesive is listed in the Union list, the final material or article has to comply with the migration limit of this substance, even if the substance is used in the coating, printing ink or adhesive only.”

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 describes in detail which information should be collated and exchanged in the supply chain to ensure compliance with the requirements of the regulation. Food packaging inks are regarded as “non-plastic intermediate materials”. Manufacturers of food packaging inks are not required to issue a “Declaration of Compliance”, but should provide “adequate information” that will allow the manufacturer of the final plastic article to establish compliance with the Plastics Regulation for those substances for which relevant specifications or restrictions exist. Most of the required information is already contained in the EuPIA model “Statement of Composition” (SoC) as of today. Minor adjustments are necessary though, and will be made in due course.

German Ordinance on Materials and Articles: draft amendment specifying requirements for printing inks/ varnishes applied on food contact materials

Although the European Commission has started an initiative for EU harmonized regulatory approaches to non-plastic-food contact materials including printing inks, Germany apparently believes that the EU process is too slow and therefore exercises the option of adopting a “national specific measure” for printing inks applied on food contact materials. It is intended to implement this measure through

an amendment to the German Ordinance on Materials and Articles, the so-called “Printing Ink Ordinance”. EuPIA and the entire food packaging chain are generally open to appropriate regulations enhancing product and process safety in the complex supply chains, as well as improvements of health related consumer protection, if justified by objective needs. For many reasons, EuPIA and the entire food packaging supply chain hold the firm view that a separate national approach in this field is not a suitable instrument to achieve the objectives, and therefore call on the German legislator to stop this national initiative and to support the EU Commission in developing suitable Community rules for inks and varnishes for food contact materials. Like its Swiss antetype (Swiss Ordinance on Materials and Article SR 817.023.21), the draft German Ordinance is based on the positive list principle. However, as the scope of the draft German Ordinance is much broader, the positive list cannot simply be copied from the Swiss piece of legislation. Therefore, and despite its fundamental criticism of the German approach, EuPIA has been compiling information enabling the establishment of substance lists for the German Ordinance.

A final draft for notification to the European Commission according to the TRIS procedure was announced for May 2014, but has not been received as of the close of the reporting period.

How do the regulatory initiatives affect the current EuPIA concepts in the field of printed food contact materials?

In 2007, EuPIA decided to collate and make publicly available a list of all the substances used in the manufacture of food packaging inks, with the aim of implementing a transparent tool for packaging converters and brand owners (EuPIA Inventory List comprising Packaging Ink Raw Materials Applied to the Non-Food Contact Surface of Food Packaging). From 2007 to 2013 the list served a useful function, intending to be a reference for competent author-

ities and other stakeholders. Since 2010, the amendment on food packaging inks of the Swiss Consumer Goods Ordinance is in force which contains a positive list of substances which only may be used in the manufacture of food packaging inks marketed in Switzerland. Germany follows suit (see above). The consequence of having such listing in national legislation means the EuPIA Inventory List had become superseded by the evolution of legislation and was no longer relevant as an independent, updated document. As a result, it was decided at the end of 2013 that the EuPIA Inventory List should be closed as a document, but would be maintained for the purposes of historical reference only. The regulatory initiatives will also have an effect on the two other core guidance documents that EuPIA has produced to assist members to provide products fit for purpose: The EuPIA Guideline on Printing Inks Applied to the Non-Food Contact Surface of Food Packaging Materials and Articles, and the Good Manufacturing Practices for the Production of Packaging Inks formulated for use on the Non-Food

participated and provided data. FACET allows modelling of the probabilistic assessment of exposure to substances from retailed primary food packaging. It is a much better approach than assuming that a 60 kg adult eats 1 kg of food wrapped in 6 dm² of packaging. FACET includes information about what people eat (dietary surveys), what the food is packed in, the material in the packaging structure, and the concentration of substances in those materials. EuPIA provided the data for substances in inks. In the first half of 2014, EuPIA offered two training courses for member companies, focused on how to use FACET as part of risk assessments.

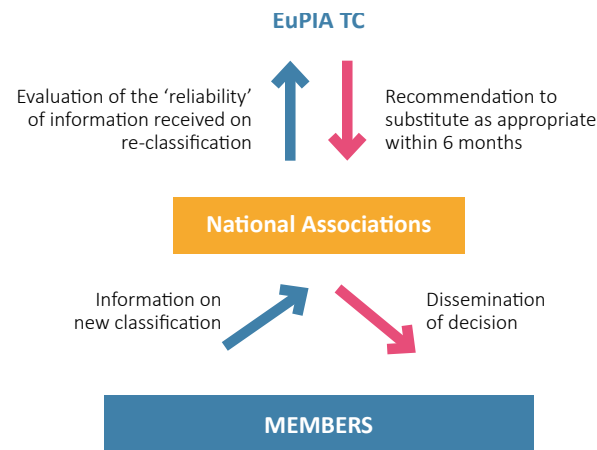
EuPIA TECHNICAL COMMITTEE

Technical issues and non-food applications of printing inks are managed by the EuPIA Technical Committee (ETC) and its subsidiary working groups, Operational Safety & Risk Assessment (OSRA), Labelling & Safety Data Sheets (LSDS) and the Task Force “Mineral Oils in Publication Inks”. In 2014 ETC has established a closer co-operation with Intergraf, the European federation of the printing and graphic industry, on technical issues of mutual interest such as emissions, recycling/de-inking and the EU Ecolabel for printed paper products. ETC continues to maintain the EuPIA Exclusion List for Printing Inks and Related Products, one of its most valued public commitments to safer operations and products through a voluntary ‘prohibition’ of the most hazardous raw materials.

As a result of the procedure established in 2013 (see figure), a new challenge arose due to the re-classification of an important substance, which could not be readily substituted in one segment

of the printing industry. ETC established a transparent, specific process to address this issue, and published a customer information note to explain and reassure regarding safe use of this substance.

EuPIA remains committed to the principle of the Exclusion List. More substance re-classifications can be expected in the coming years, as new data are generated under REACH, so in 2014 ETC is establishing a working group to consider the future development of the Exclusion List. →



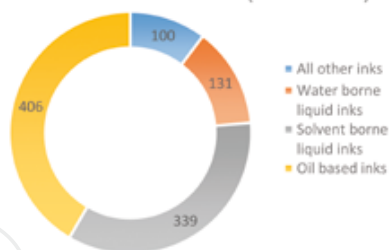
EuPIA TC agreement: substitution period should not commence from inclusion of the substance in Annex VI of CLP Regulation

surfaces of Food Packaging and Articles Intended to Come into Contact with food. Both these documents are currently under review by specialized working groups.

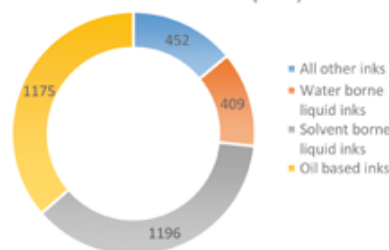
FACET

FACET is an exposure modelling software tool, the development of which was funded by a European Commission Framework project. Trade associations including EuPIA, CEPE, FEICA, FPE, Plastics Europe, CEPI and others have

Sales Volume for 2013 (000s tons)



Sales Volume for 2013 (€m)



Sector-specific activities and guidance

In the past year ETC has undertaken activities and produced guidance on a number of important non-food issues:

- » Toy safety: an updated EuPIA position statement on the suitability of inks and related products for toys, reflecting the latest status of the Directive and EN 71 harmonised standards, was published in October 2013. ETC is investigating the impact of inks of proposed new migration limits for lead, primarily affecting inorganic pigments.
- » Cosmetics packaging: ETC members have been participating in a cross-sector task force, which is developing a standardised approach for communication of information about packaging to cosmetic brand owners/safety assessors. The approaches and documents developed for food packaging have provided useful models for this work.
- » Biocides: a EuPIA-specific guidance document on 'treated articles' was published to assist members in understanding their obligations and advising customers. In conjunction with the Biocide Users' Task Force (see separate article), ETC is monitoring the preservatives used in printing inks and related materials in order to defend their use and ensure that suppliers take the necessary action concerning active substance approval.
- » Environment and sustainability: the information note "Environmental Impact of Printing Inks" is now available in four languages and is used to help answer questions from customers and printers' associations. Environmental Product Declarations are not currently required for printing inks, but a standardised 'virtual ink formulation' has been developed to produce a representative Ecofoot-print report for printing inks using the CEPE tool (see Sustainability article), enabling members to give an easier and more robust answer to any queries in this area.

ETC also takes on the task of monitoring numerous specific 'substances of interest' used in printing inks, particularly when these are included in the Community Rolling Action Plan (CoRAP) for substance evaluation under REACH. This vigilance will enable information on downstream uses to be provided to registrants as required, as well as pro-active decision-making on potential ink impacts and substitution.

Members of the Task Force "Mineral Oils in Publication Inks" participated in the MOCRINIS workshop, organised by the mineral oil industry in September 2013, and its continuing working group to develop balanced and scientific arguments in reaction to political pressure. They have also tracked the draf-

ting of a new German ordinance on mineral oils and participated in hearings. EuPIA positions will be developed as required on this topic, although no specific regulation of printing inks is being proposed; mineral oil-free news inks - identified as one of the sources for mineral oils in recycled paper/board - are feasible in principle, but alone would not solve the problem since mineral oils in recycled paper/board and packaged foodstuffs can come from many different sources.

EuPIA supports initiatives to enhance the recycling of recovered paper and continues to be an active participant in the European Recovered Paper Council (ERPC). EuPIA is a Supporter of the "European Declaration on Paper Recycling 2011-2015", a voluntary cross-industry commitment to a sustainable increase in paper recycling. EuPIA has co-developed and supports a number of ERPC guidance documents, accessible via the ERPC website at www.paper-recovery.org, and where relevant participates in projects to address technical issues encountered in paper recycling.

Hazard communication

The EuPIA MSDS working group has made significant contributions to the continual improvement of CEPE's guidelines on labelling and safety data sheets. It also gives expert input to the CEPE project on safe use information for mixtures, providing important advice on typical Operating Conditions and Risk Management Measures for the use of printing inks in practice.

Operational health and safety

The EuPIA OSRA group supports members of EuPIA and CEPE, but also their customers and downstream users, in the goal of operating at a high level of plant and occupational safety. OSRA's expertise has been augmented by some new members over the past year, including a paint company new to the group.

As every year, OSRA continues to publish its popular Safety Flashes and Safety Alerts on a broad range of topics, highlighting significant incidents or risks and sharing key learning points for members with the aim to reduce the risk of a similar occurrence. In recent months OSRA has also been reviewing and updating its guidelines on safe handling of energy-curing materials, both for members and for customers, and is developing new or updated guidance on laboratory safety and handling of flammable liquids.

OSRA guidelines are made available on the Workplace for use by EuPIA/CEPE members. Those intended for customers are also available on the public area of www.eupia.org.

11TH EUPIA ANNUAL CONFERENCE

EuPIA's 11th Annual conference was held on the 27 - 28 March 2014 in Lisbon, Portugal. Thomas Hensel, Past President of EuPIA, the European Printing Ink Association, welcomed more than 80 participants with the 4 values that the association stands for: proactive, competent, trustworthy and reliable.

Thomas Hensel reflected on the past ten years and recalled why EuPIA was founded. A decade ago there was felt the need to elevate the image of the printing ink industry because its esteem with customers was low, the value the industry brought to society was not recognised and it was not deemed to be an appealing sector to attract new generations. On top of these observations the industry faced a phenomenal legislative challenge. Hensel then described the work that EuPIA has been doing in these last ten years and concluded that the association has done a great job in meeting the needs that were expressed at its creation, proudly serving over 80 members representing some 12,000 jobs throughout Europe.

MARKET IS STILL SUFFERING

From the presentation of Martin Kanert, EuPIA's Executive Manager, it is clear that the legislative challenge still exists and there is still a long way to go. Martin Cellier, chairman of the Statistics Working Group gave the perfect introduction to the topic of day 1: Doing business in a shrinking market. 28 companies participate in the EuPIA statistics, covering 90 % of the total European market. Overall the volume dropped by 3.2% and the value by 3.4% (in 2013) so clearly the market is still suffering from the economic problems in Europe. Cellier explained that the share between inks for packaging and inks for publication continues to shift in favour of packaging, illustrated by the fact that in 2013 the market share of publishing decreased further to 61 % whereas in 2005 it was 69 %.

USE OF SPECIAL INKS WILL BECOME MORE IMPORTANT

The next 3 speakers, Dr. Thomas Weskamp - McKinsey, Dr. Klemens Bertold - Funke Druck GmbH and Thomas Dresek - Axel Springer AG shared their views and experiences on doing business in a shrinking market and why they still invest in publication. In a shrinking market it is necessary to behave rationally in core markets and find growth elsewhere. The key is to differentiate and in the ability to adapt.

The newspaper of the future will no longer be driven by technologies but by market demands, with a shift from "Publisher is King" to "Customer is King". The reader

is now central, so it will be important to use different products to create "other" types of newspaper. Certainly the media landscape of the future will not be print OR digital, but print AND digital. The use of special inks and processes will become more and more important and will offer many possibilities. Dresek proposed that the ink makers use publishers as laboratories to work together on new developments.

The first day closed with a panel discussion which concluded that although the market is shrinking there are enough challenges for those who make creative use of the opportunities laying in front of them; which seamlessly leads to the topic of day 2: Innovation as driver for the future.

THE NEED TO BE CREATIVE

This session was introduced by Felipe Mellado, the newly nominated president of EuPIA.

The whole packaging concept is to be rethought due to the changing market conditions as Andrew Revel of Faraday explained. The consumers get older and have larger budgets to spend. Shopping is changing from large stores to more local small scale stores. And then there is the whole area of online shopping. How will this influence packaging?

Another challenge for the industry is the growing demand for new bio-based materials which will have different characteristics and therefore have other migration properties that need to be investigated. These new materials need new inks, so "be creative", was the message.

INNOVATION IS THE DRIVER FOR THE FUTURE

Hervé Baratte - Baratte Consulting sets the Environment for Innovation. No one can afford to "stop innovating" because of a difficult market. Innovation is teamwork and a company's first researchers are its sales force. They are in contact with the market and pick up the first signals for new needs. Baratte quoted "Employees First, Customers second". If this is done the right way, it is possible to secure non-customers to make sure they become future clients.

The third speaker of the day, Dr. Martina Weidner of Altana described the endless possibilities of using printed electronics in packaging and Point of Sales displays. It is obvious that imagination and creativity drive innovation to an unknown extent. Mr. Mellado rounded-up a very successful 11th Annual Conference with the conclusion that even in a shrinking market, for both publishing and packaging, innovation is the driver for the future.

Next year's conference will take place in Marseille, France on the 23 - 24, April 2015.

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