



## Packaging industry challenges and opportunities in EU

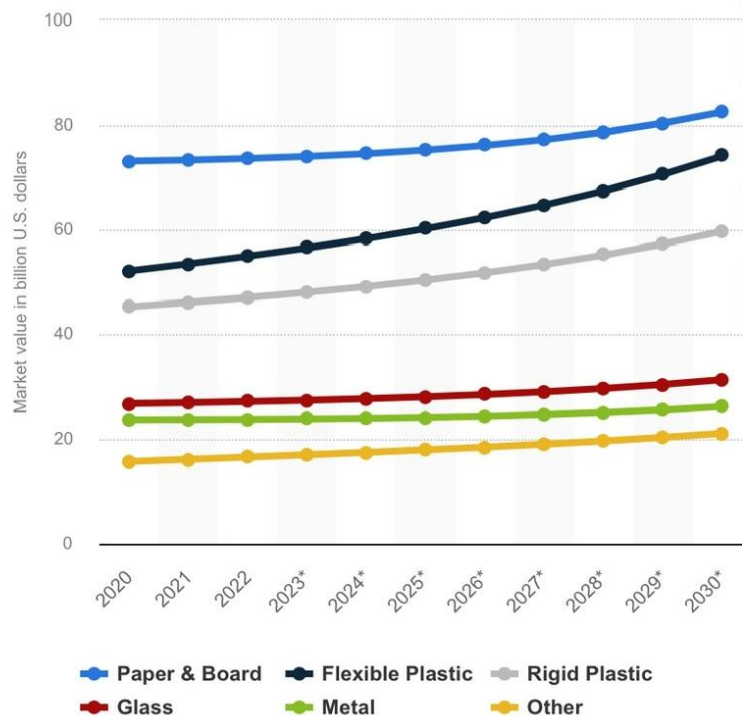
Polish Chamber of Packaging 30<sup>th</sup> Anniversary Conference 27.11.2024

## Packaging industry challenges and opportunities in EU

- Europe as packaging market
- Packaging regulation in European Union
  - History
  - Packaging and Packaging Waste Regulation (PPWR)
  - Green Claims Directive
- What kind of packaging will be the winner in Europe in the future

## Europe as packaging market

Market value of packaging material in Europe from 2020 to 2022 with a forecast from 2023 to 2030, by material type  
(in billion U.S. dollars)



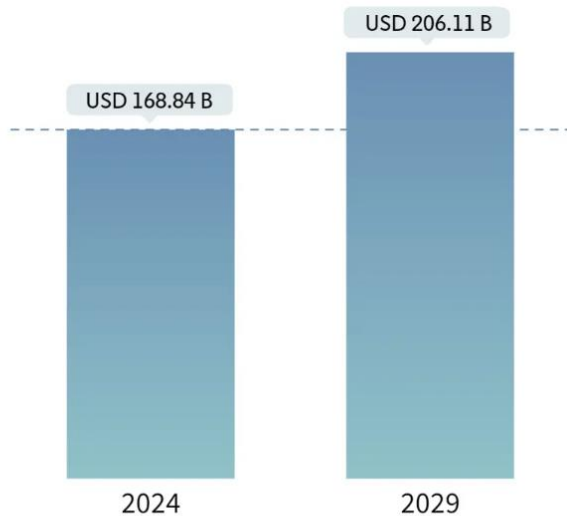
Total market value of European packaging materials 2022 was 243,11 Billion \$

## Europe as packaging market

### Europe Consumer Packaging Market

Market Size in USD Billion

CAGR 4.07%



Source : Mordor Intelligence



|              |             |
|--------------|-------------|
| Study Period | 2019 - 2029 |
|--------------|-------------|

|                          |      |
|--------------------------|------|
| Base Year For Estimation | 2023 |
|--------------------------|------|

|                    |                    |
|--------------------|--------------------|
| Market Size (2024) | USD 168.84 Billion |
|--------------------|--------------------|

|                    |                    |
|--------------------|--------------------|
| Market Size (2029) | USD 206.11 Billion |
|--------------------|--------------------|

|                    |        |
|--------------------|--------|
| CAGR (2024 - 2029) | 4.07 % |
|--------------------|--------|

|                      |     |
|----------------------|-----|
| Market Concentration | Low |
|----------------------|-----|

### Major Players



\*Disclaimer: Major Players sorted in no particular order

## The top-3 challenges of packaging in circular economy

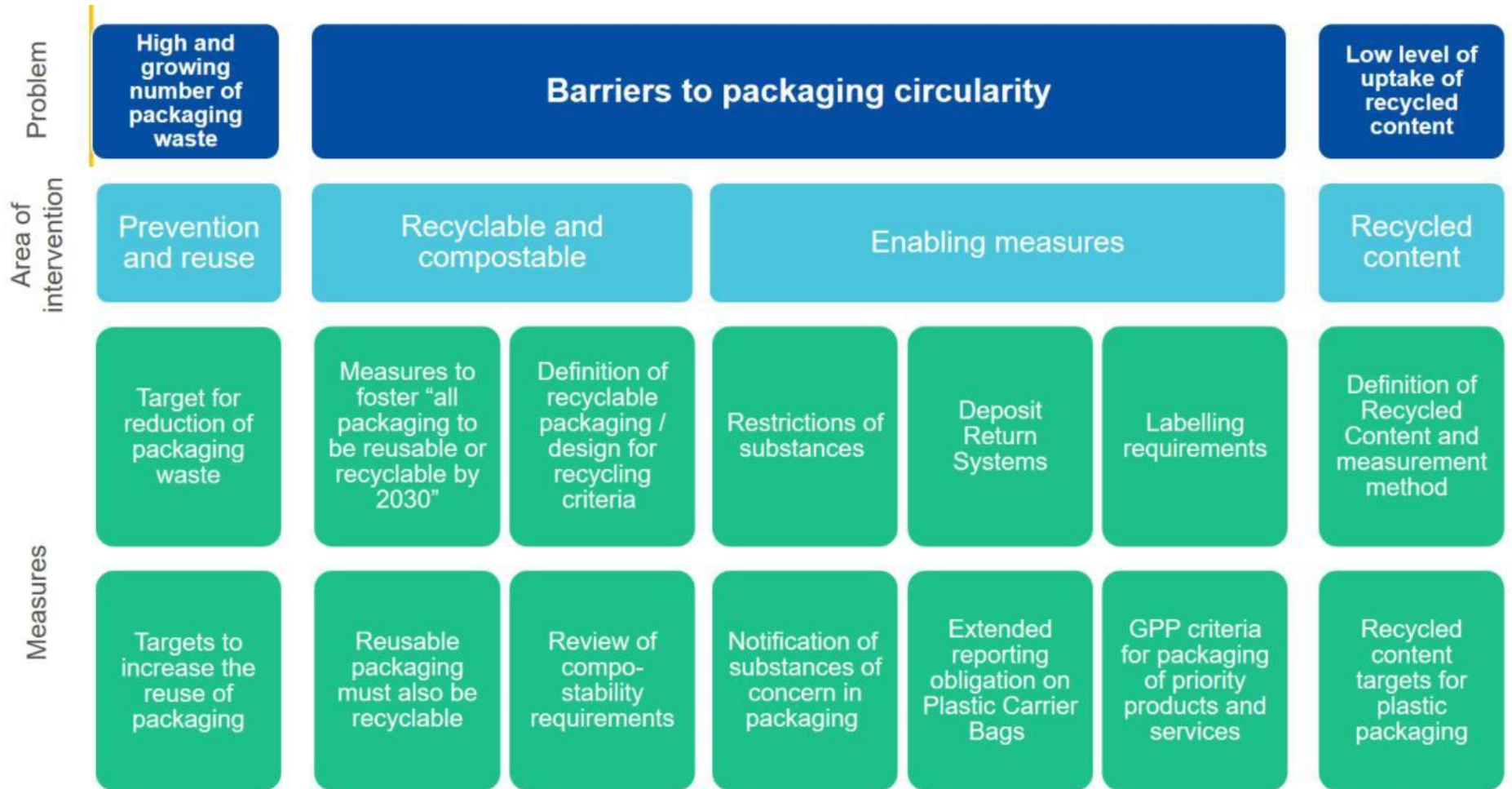
1. Plastics
2. Plastics
3. Plastics

- Plastics are cheap, light weight, formable, durable, technical etc...
- Durability becomes a problem after use
- Recycling of plastics is years behind other materials
- New and innovative recycling technologies are available – even recycling back to food contact material will be possible
- Efficient waste management is needed together with co-regulation



## EU Packaging Regulation - now and in the future

- Food Contact Material Regulation – 1950's
  - Objective: to keep consumers safe
  - Certificate of Conformity + Chain of Custody
- Circular Economy Package/Plastic Strategy/SUP-directive – 2016
  - Mandatory targets for packaging recycling
  - Extended Producer Responsibility
  - Reduction of SUP waste
  - All plastic packaging to be recyclable or reusable by 2030
- Packaging and Packaging Waste Regulation – expected EIF by end 2024, obligations gradually 18 months later
  - Reduction of all packaging waste
  - All packaging to be recyclable by 2030 – recyclability to be defined
  - Mandatory recycled raw-material content in plastic packaging
- Green Claims Directive – negotiations between the EU institutions will start second half of 2024
  - Environmental claims must be verified by a third party
  - Prior approval required?



## PPWR – things that need to be considered by those who want to do packaging business in EU in the future

Only placing packaging on the EU market in **conformity with requirements** (ao. Art. 5-12)

- Requirements for substances in packaging (→ PFAS)
- Recyclable packaging
- Minimum recycled content in plastic packaging
- Biobased feedstock in plastic packaging
- Compostable packaging
- Packaging minimisation
- Reusable packaging
- Labelling of packaging

Appropriate **conformity assessment procedure** (Art. 38-39) has been carried out

**Technical documentation** (Annex VII, Art. 5-11) has been drawn up by manufacturer

Register of producers (Art. 44) & Extended Producer Responsibility (Art. 45-47)

Transmit **packaging data** for **packaging database** (Art. 57)

## Why is packaging targeted now by the EU?

EU Commission:

- "Packaging waste volume grows faster than GDP"
- "Reuse is automatically environmentally better than single-use"
- "Packaging GHG emissions are at the same level as Hungary"

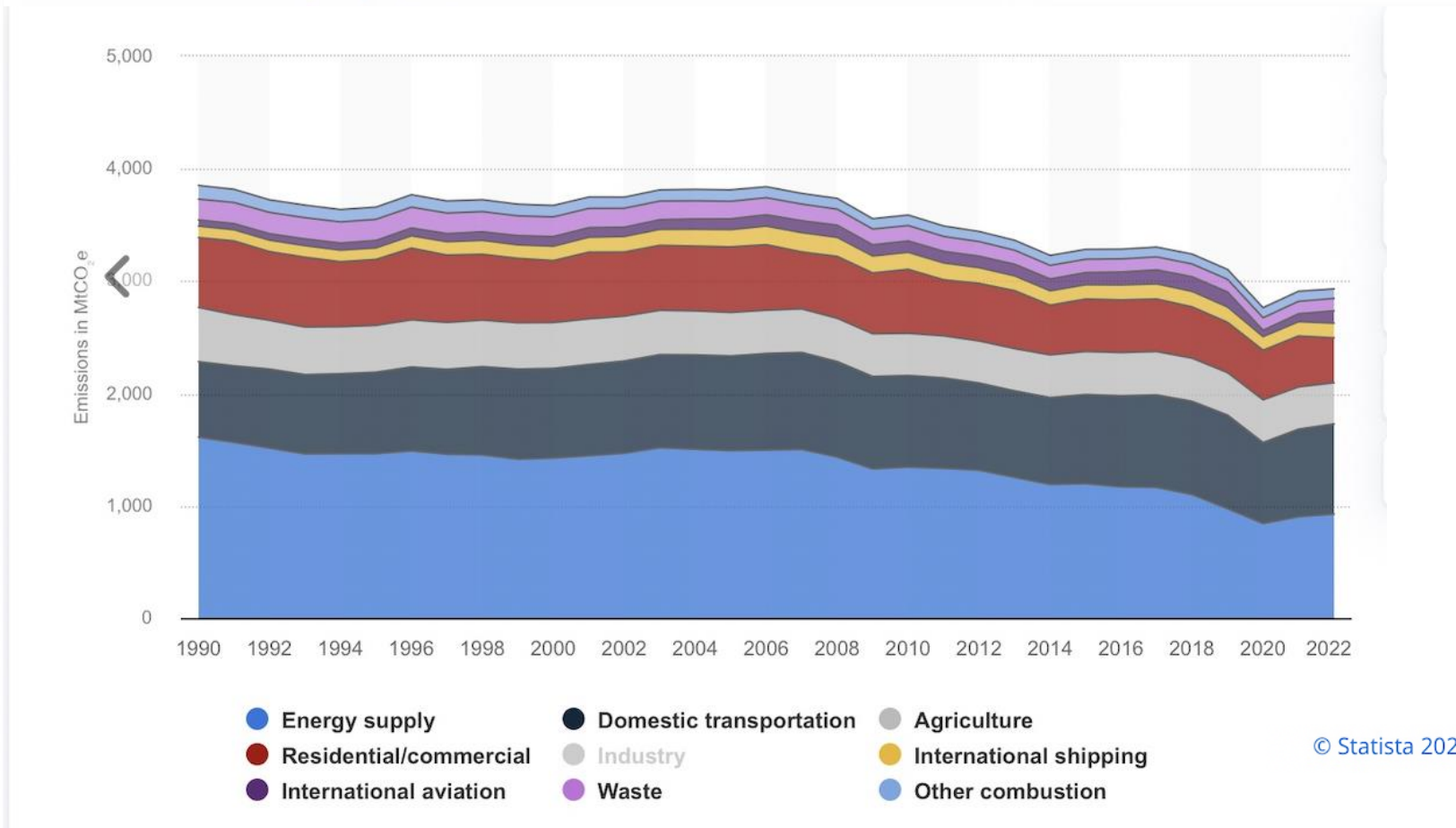
Critics:

- "There is lack of reliable packaging data"
- "Washing and transporting empty packaging is not always environmentally better than easily recyclable packaging"
- "Hungary represents 1% of EU GDP and 1,6 % of GHG emissions\*"

\* Source: IFCCC

## Annual greenhouse gas emissions in the European Union (EU-27) from 1990 to 2022, by sector

(in million metric tons of CO<sub>2</sub> equivalent)

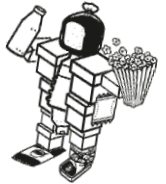


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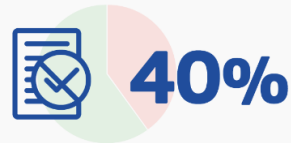
## PPWR – biggest challenges

- Packaging waste to be reduced by 5 % by 2030 -> actual reduction by 19 % from 2023 figures (PPWR reference year is 2018)
  - Unrealistic?
- Reuse target for beverages 10% by 2030 (2040 targets are not mandatory)
  - Obligated party: final distributor = wholesale/retail
  - DSR requires investments from the value chain -> more cost -> higher price?
  - What if the customers don't choose beverage in reusable packaging?
- All packaging to be recyclable by 2030 at scale (>70 % by 2030 and >80 % by 2038)
  - Innovative packaging is exempted by 5 years only – innovation killer?

## EU Green Claims Directive Background



53% of green claims give vague, misleading or unfounded information



40% of claims have no supporting evidence



Half of all green labels offer weak or non-existent verification



There are 230 sustainability labels and 100 green energy labels in the EU, with vastly different levels of transparency

## EU Green Claims Directive Objectives

### The proposal on green claims aims to

- make green claims reliable, comparable and verifiable across the EU
- protect consumers from greenwashing
- contribute to creating a circular and green EU economy by enabling consumers to make informed purchasing decisions
- help establish a level playing field when it comes to environmental performance of products

## EU Green Claims Directive Key Measures

**To ensure consumers receive reliable, comparable and verifiable environmental information on products, the proposal includes**

- clear criteria on how companies should prove their environmental claims and labels
- requirements for these claims and labels to be checked by an independent and accredited verifier and
- new rules on governance of environmental labelling schemes to ensure they are solid, transparent and reliable

## GREEN CLAIMS DIRECTIVE - TIMELINE AND NEXT STEPS



## Packaging is walking on a Circular Economy Wire in European Union



Your packaging is not compatible with Circular Economy  
 = You risk of falling from the wire and have less or no business opportunities

Your packaging is compatible with Circular Economy

= it is:

based on renewable raw material

- recyclable (and recycled)
  - Biodegradable (in certain end uses)
  - Reusable (within a system)
  - recycled content in plastic packaging
  - compliant to food contact material regulation (revision tbc)
- = You stay on wire and have more business opportunities



**Thank you for your attention!**