Plastics packaging: It's time for 100% SOLUTIONS

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CITEO
Together, let's give
our products a new life.

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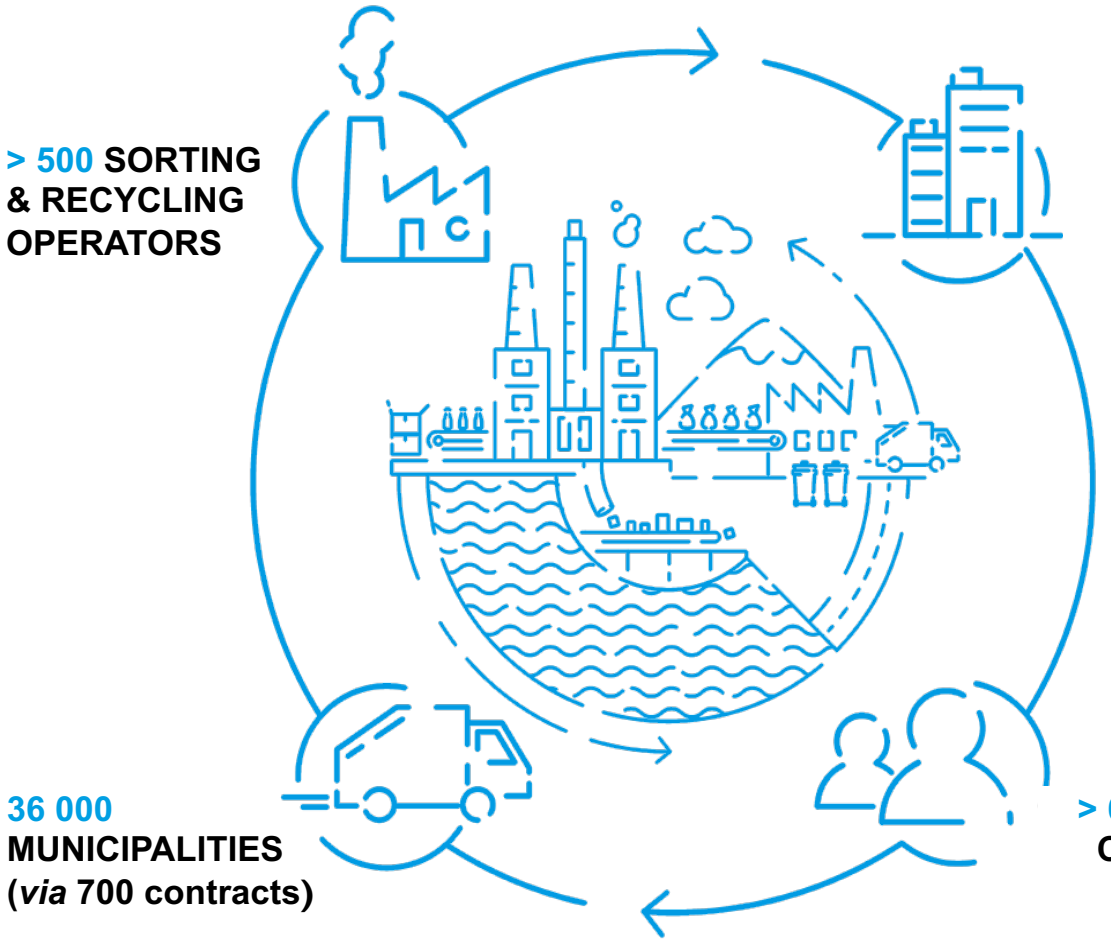
Citeo: 800M€ / year to develop circular economy of packaging & paper

Created by FMCG & retailers to run EPR
> Extended
> Producer
> Responsibility
for household packaging and paper

Mission:
Help our clients reduce the environmental impacts of their products (packaging and papers)

Ambition:
100% packaging reusable or recyclable by 2025 (energy recovery can be a residual solution, not littering)



Plastic packaging = 40% of total plastic production in Europe

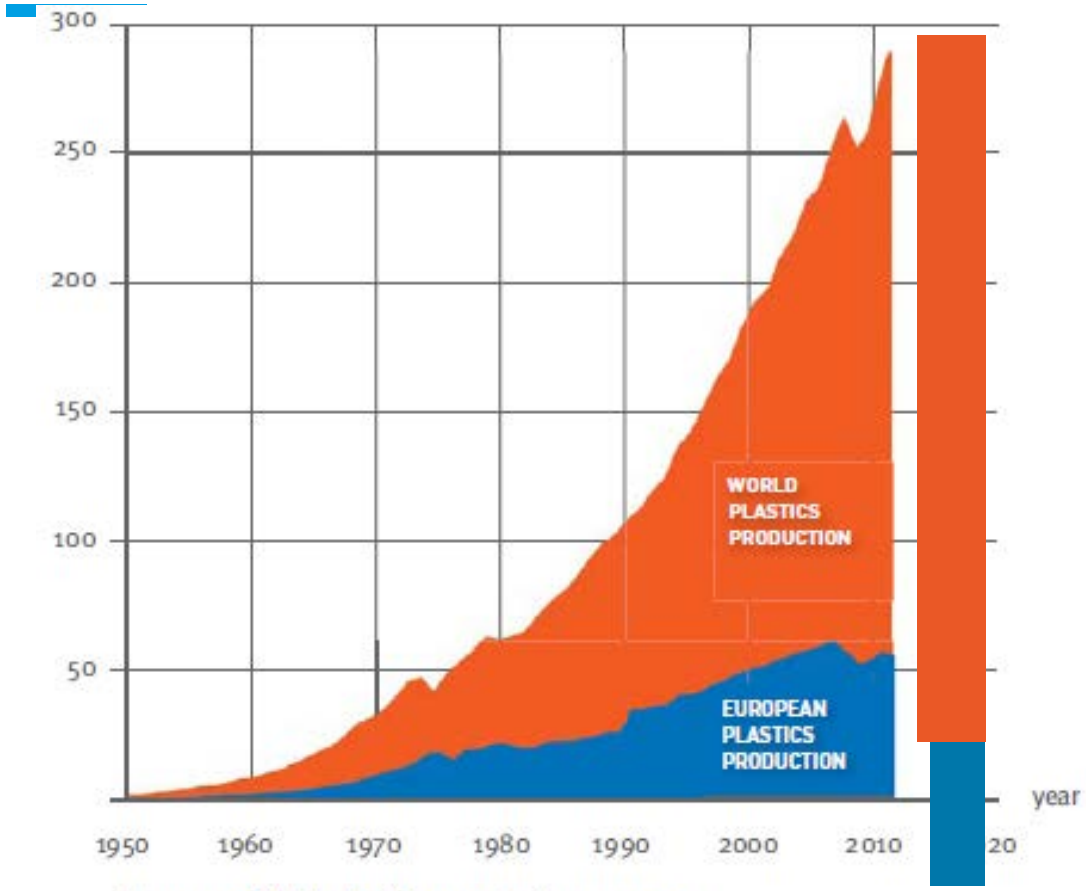


Figure 2: World plastics production 1950-2012

Includes thermoplastics, polyurethanes, thermosets, elastomers, adhesives, coatings and sealants and PP-fibers. Not included PET-, PA- and polyacryl-fibers

Source: PlasticsEurope (PEMRG) / Consultic

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World, 2019
= 368 MT of plastic

Europe, 2019
= 57,9 MT of plastic

Household packaging
= 20% of plastic total

and

Commercial & industrial packaging
= 20% of plastic total

Citeo’s implication to develop household plastic packaging circularity

1. Low tonnage (1,2 MT) but high impact (littering)
2. Recycling rate: 28% (vs 70% all materials)
3. Citeo: pays around 850€ per ton to municipalities for collection and sorting (no limit); invest 190 M€ for 2018-2022 period to develop collection system and improve sorting centers; spends 3 to 4M€/year in R&D
4. Plastic fees paid by clients modulated according to recyclability (from PET to PVC) and integration of recycled content...but prices of recycled plastics are still correlated to virgin

Consumers and Citizens: expectations have never been so high

Adapting production and consumption to preservation of nature is not anymore, an issue for “a few”:

61%
Are very worried about the situation, which calls for radical changes : produce and consume less but better

91%
Think that human being has a catastrophic impact on the environment

61%
Think that states should act first for environment (46% citizens; 43% big companies)

83%
Think that sorting and recycling is a simple individual solution to protect natural environment

…even if the price of good remains the main obstacle
(as prices do not take into account the environmental impact)

Source : Obsoco 4000 persons France November 2020

Europe regulation to tackle plastic issue

Packaging & SUP directives

Packaging directive: mandatory EPR scheme for all packaging in 2025; harmonization of calculations for recycling rates by 2022; new recycling targets for plastic packaging (50% in 2025 and 55% in 2030); ban on landfilling separately collected waste for reuse or recycling in 2030.

SUP directive: prohibition cotton swabs, cutlery, plates, drinking sticks in 2021; EPR to cover littering costs for packaging by 2023; attached caps to all plastic beverage packaging by 2024;

separate collection for plastic beverage bottles

- 77% by 2025
- 90% by 2030

integration of recycled material

- 25% for PET bottles by 2025,
- 30% by 2030 for all plastic bottles

…and more to come soon (packaging directive to be revised end 2021/beg 2022)

French regulation is also accelerating

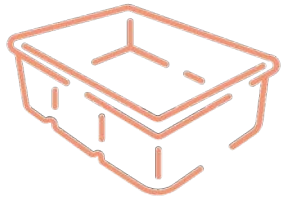
- Reduce single use plastic packaging by 50% in 2030 and 100% in 2040
- Develop reuse packaging: 5% in 2023 and 10% in 2027
- Include reuse and recyclability requirements in public procurement
- Threat to forbid use of plastic resins in packaging: PS?
- Support recycling initiatives as part of the post covid financial plan
- Extend EPR schemes: construction, sports goods, toys, cigarettes

Solutions are on the way...but time is running up

65%

have already sustainable recycling outlets:
PET bottles, HDPE, PP rigid, PE films

develop collection and food contact solutions (chemical recycling)



15%

need improvement:
PET trays, PS, PP films

create chemical industrial facilities. Eg :Total, Trinseo / Ineos, Michelin
Industrialization needed in the next 3 years

20%

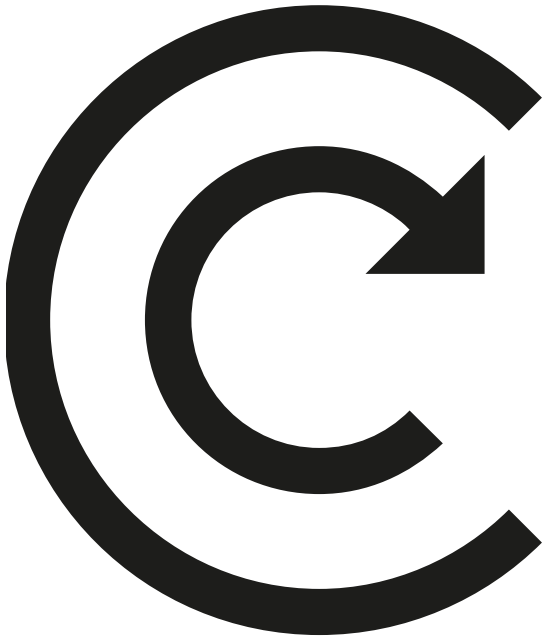
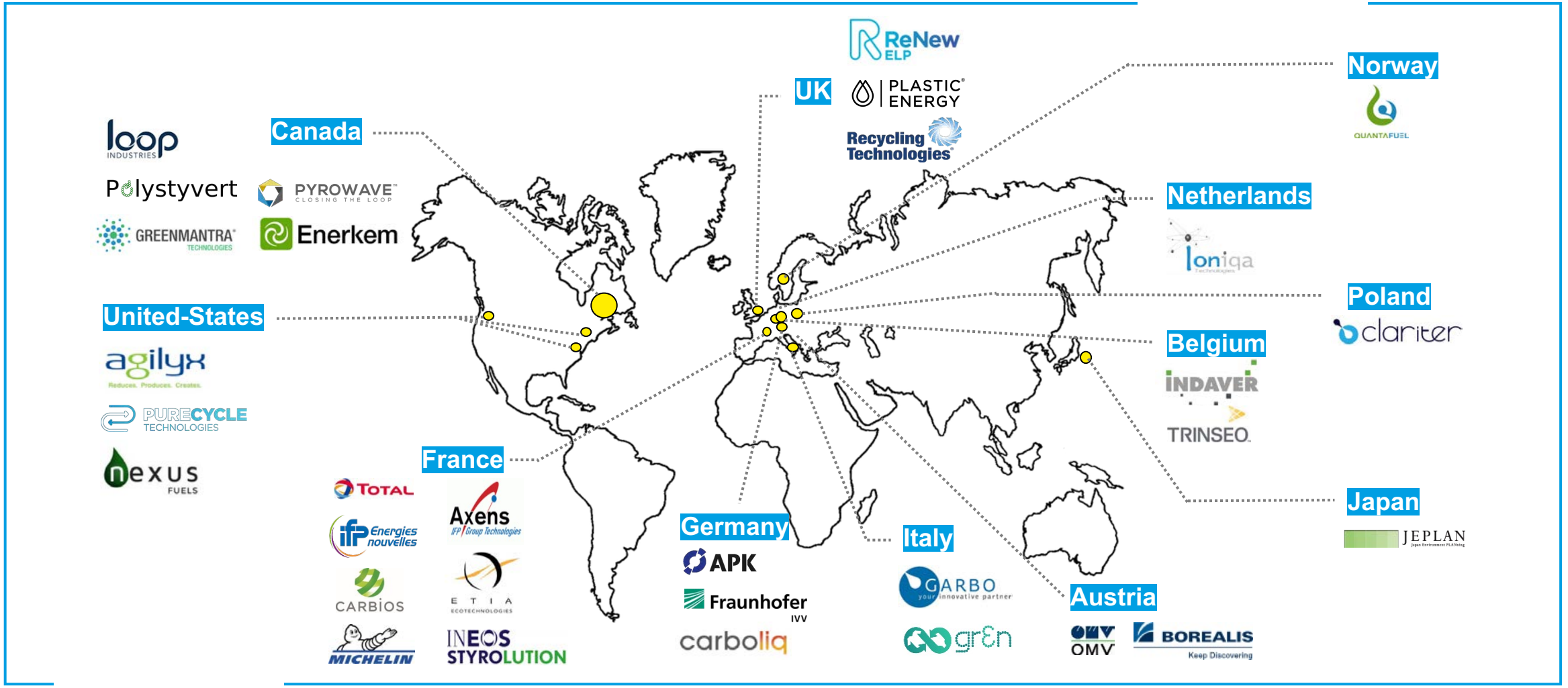
Need ecodesign
multilayer, PVC, PSE

switch (monolayers, cellulosis)

Many FMCG and retailers have committed to 100% reusable or recyclable packaging by 2025

What is needed: commitment from all

1. Minimum requirements for integration not only focused on packaging in order to drive demand
2. Carbon tax at border to stimulate competitiveness of recycled plastics
3. Secure feedstock: stimulate collection (pay as you throw, deposit, etc.); and set conditions for massification
4. Confirm commitment from plastic producers to install facilities
5. Switch to other material solutions when relevant and develop reuse
6. Expand EPR systems around the world
7. Push education programs = plastic is not the issue; it is what we do (or don't do) with it which is the issue



Chemical recycling: many projects worldwide.
Next step: industrialization