

RPET West Europe 2019

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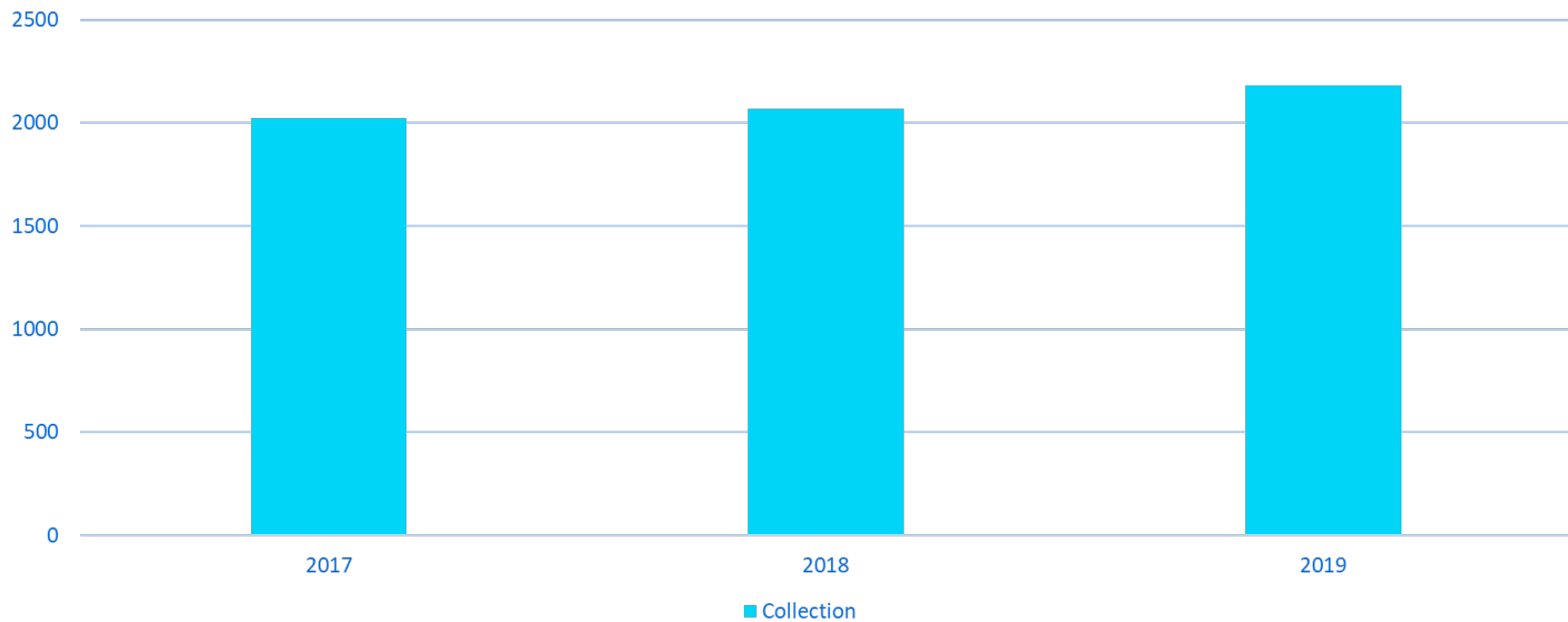
Petcore Conference

2 June 2021

Growth in Europe PET collection



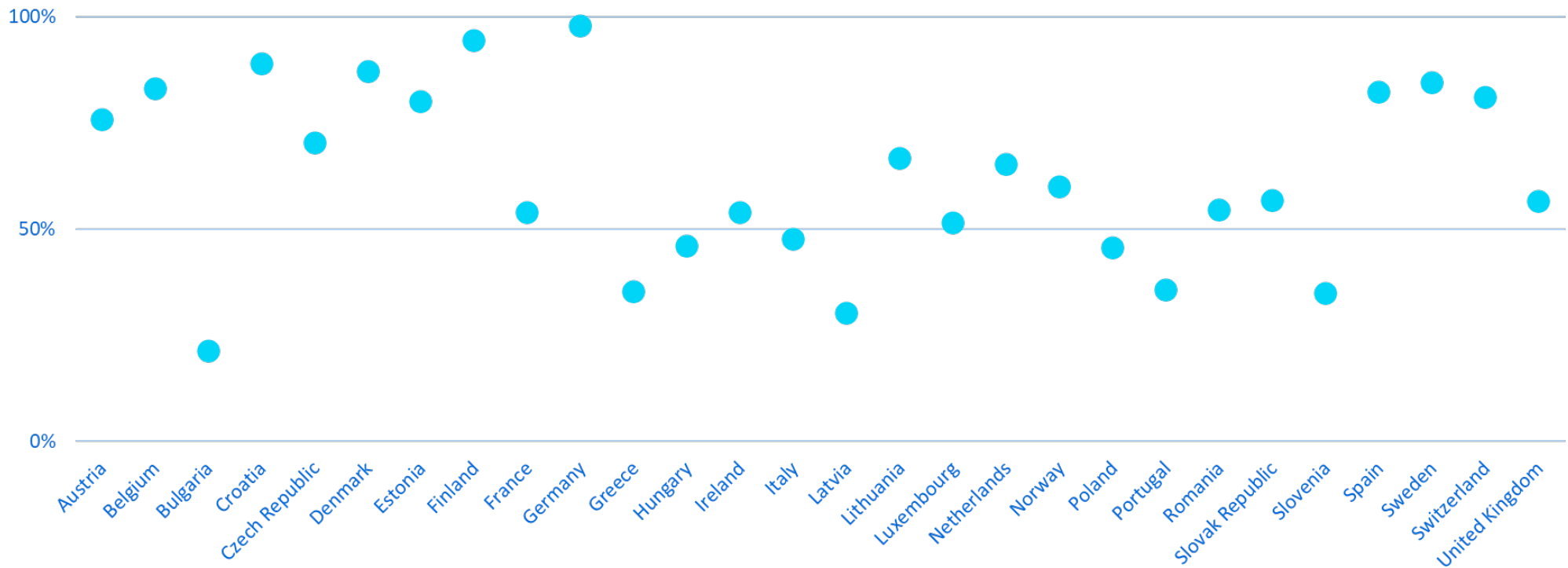
European collection volumes current



Lack of harmonisation in collection systems produces varied rates across Europe



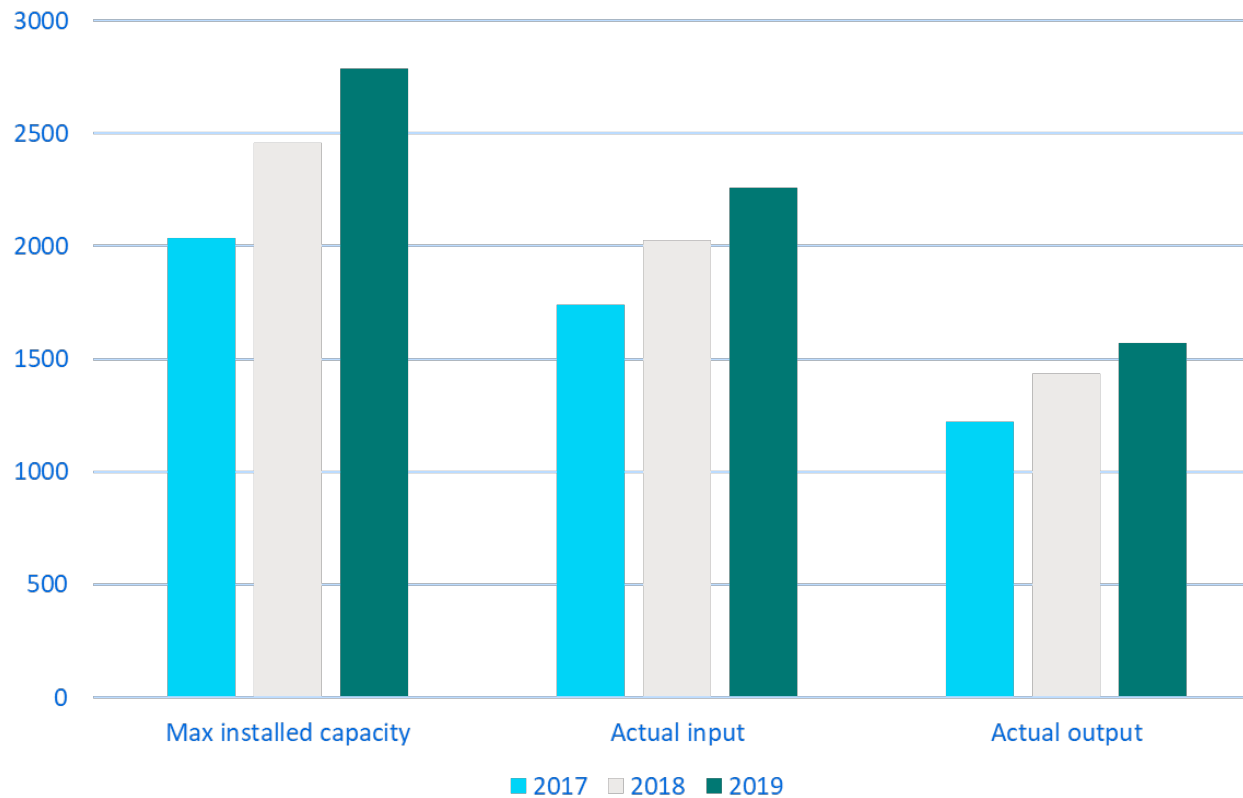
PET bottle collection rates 2019



Source: ICIS

Europe RPET capacity

Reclamation capacities to 2019



Source: ICIS



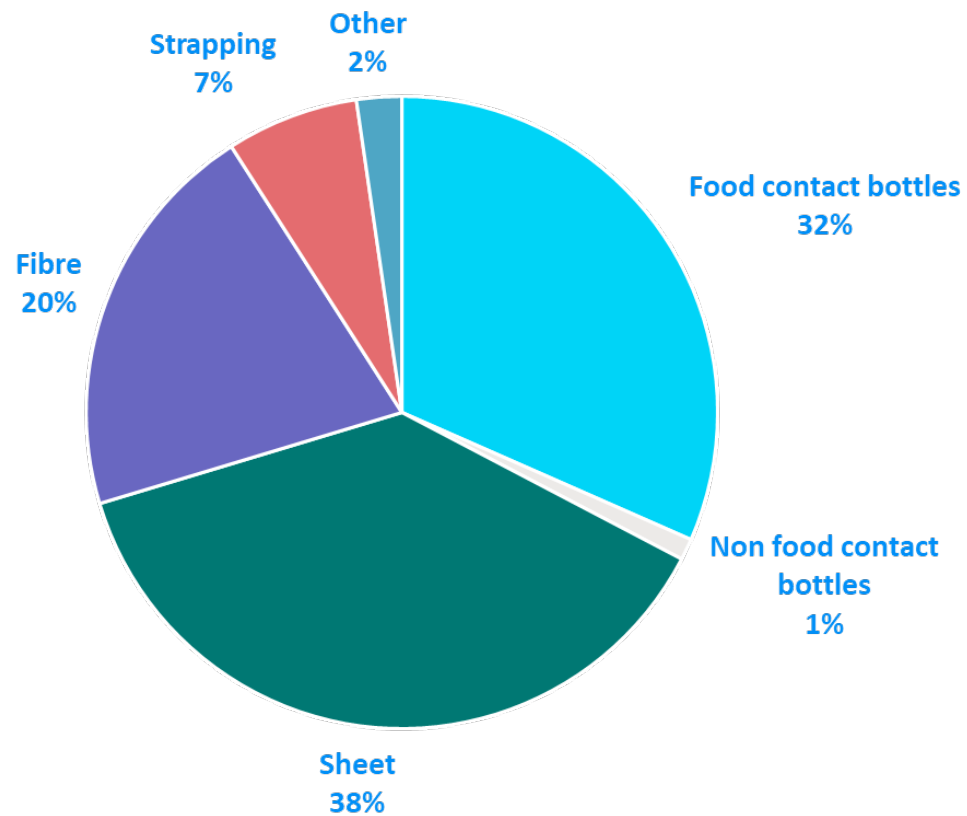
70%

Average yield, decrease on 2018

81%

Average plant utilisation, down from 83% in 2018

Europe RPET end markets 2019



Source: ICIS



+7%

Share of RPET in food contact bottle market, compared to 2018

70%

RPET usage in packaging applications

Brand-owner pledges exceeding SUP mandate



50%

Recycled content on average

Brand owner pledges include recycled content targets: A minimum of 25% and **average of 50%**, and new short-term goals of 100%.



Reduced Virgin Plastic Usage



Higher Usage of Bioplastics



Bottle Collection Targets Set

Nestlé

**Keurig
DrPepper**


PEPSICO

DANONE

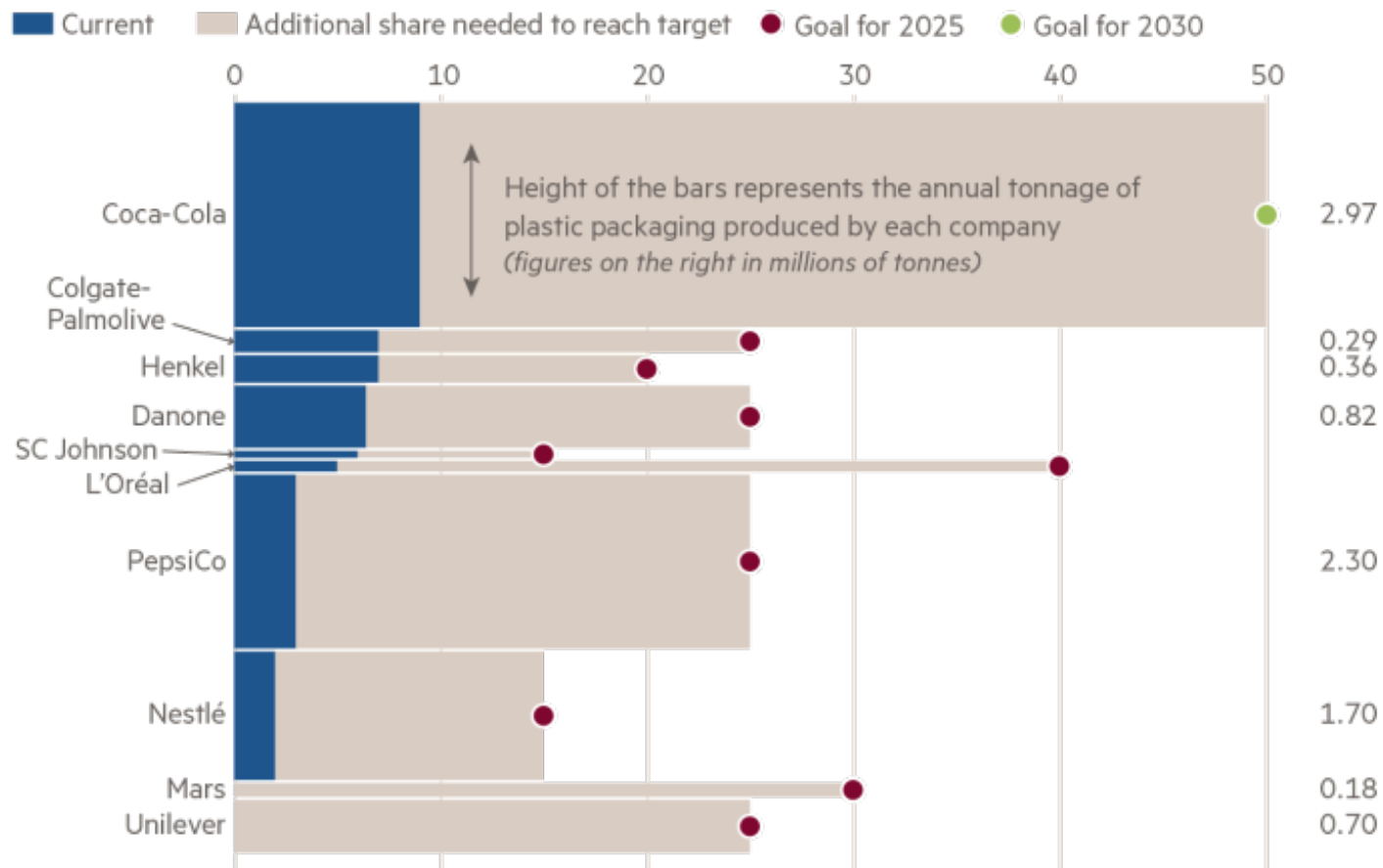
SUNTORY

Coca-Cola

Demand from FMCGs



Share of plastic packaging made from recycled material (%)

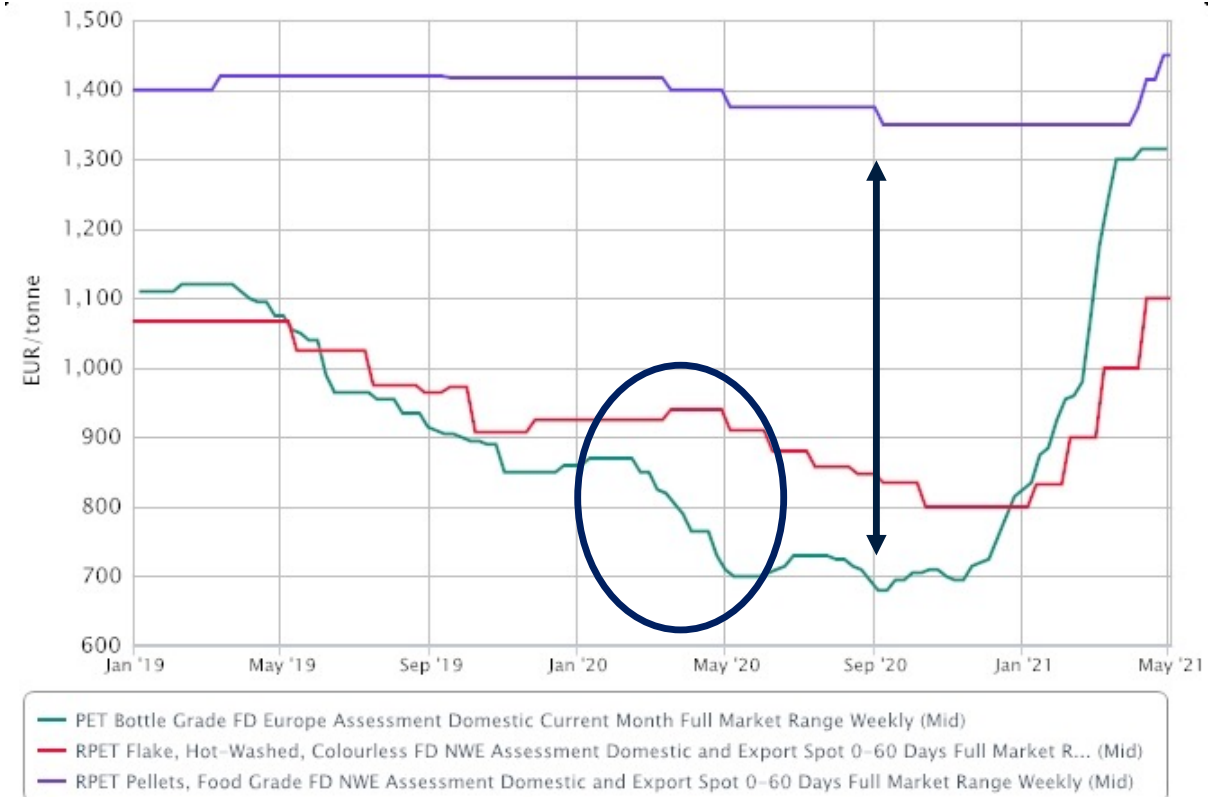


Source: Ellen MacArthur Foundation, Financial Times, 2019

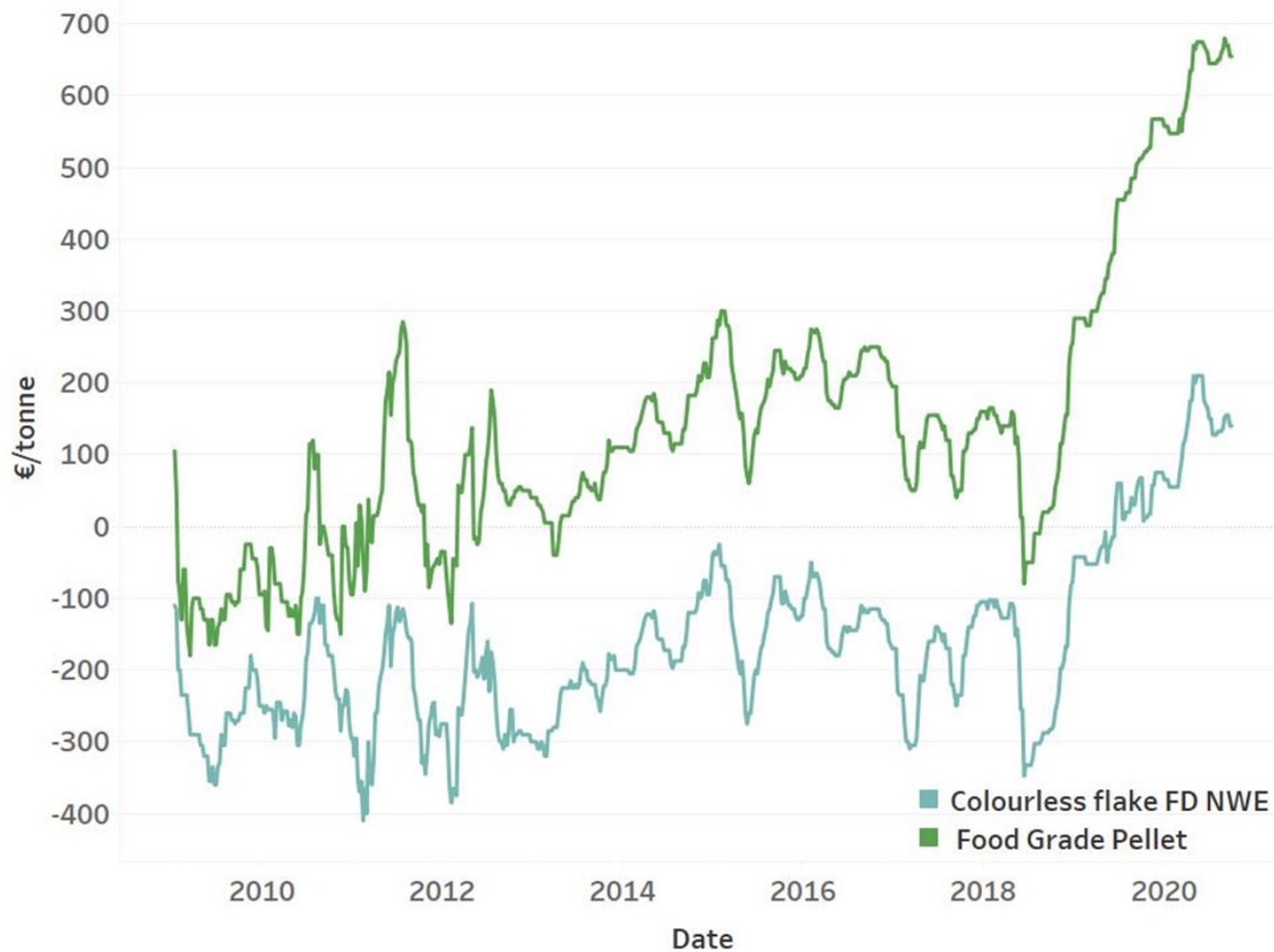
Covid-19: Impact on the RPET market



- 'Traditional' RPET prices tracked virgin, flake and food-grade pellets historically linked
- Sustainability goals create new demand
- Drops in crude, virgin as a result of global lockdowns (April 2020)
- Massive substitution away from RPET, particularly in sheet sector
- Recyclers' margins, operating rates hit



R-PET price mid-point minus virgin PET domestic spot price mid-point



Source: ICIS



100%

Premium of RPET FGP over virgin PET September 2020

30%

Premium of hot-wash colourless flake prices over virgin

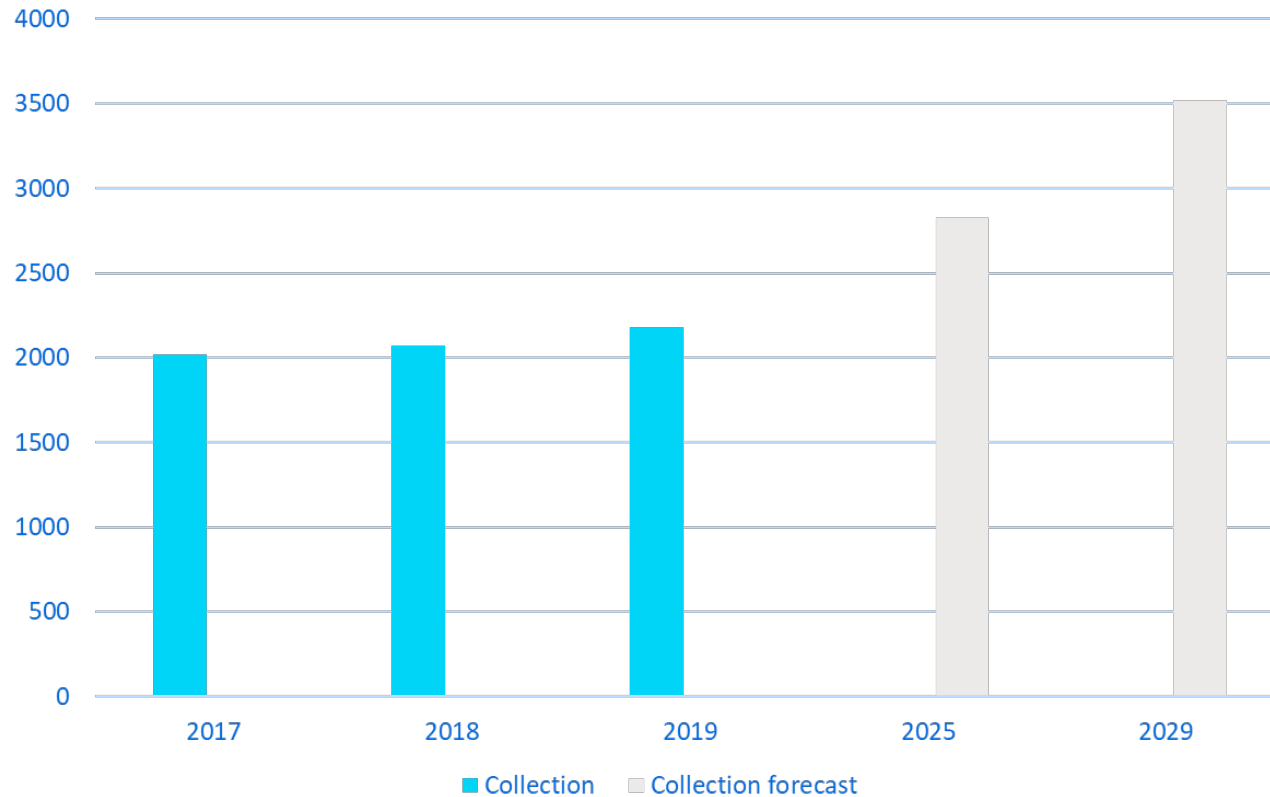
Wider recycled polymer issues created by the pandemic

- Collection and sorting impacted during early phases of pandemic
- Testing cycles for recycled polymers, especially polyolefins, postponed during 2020
- Hygiene concerns lead to more substitution back to virgin
- Consumer focus on sustainability waned
- Closures of business/industry sectors hit supply and demand for recycled polymers

Photo: Rex Features



Growth projections: Europe PET collection



Source: ICIS



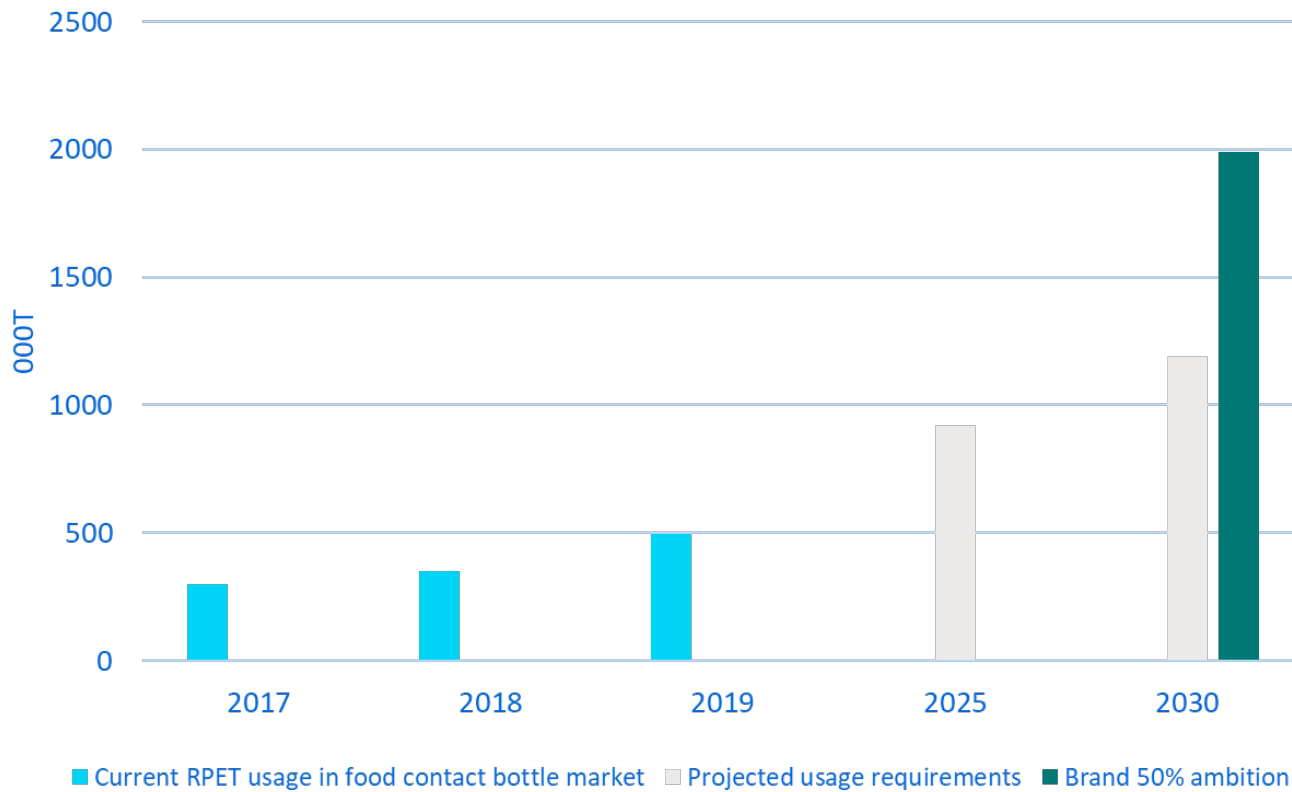
60%

Growth in collection volumes to reach SUP 2025 target

6% pa

Average growth rate to achieve 2029 target

Growth projections: Europe RPET usage in food contact bottle market



Source: ICIS



11% pa

Growth in food grade RPET usage to reach SUP 2025 target

4 x

Volume increase in food grade RPET usage to achieve 50% ambition

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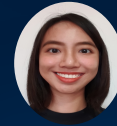
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