

European PET recycling market: state of play and trade dynamics

PET Recycling Focus Session, PRSE 2024

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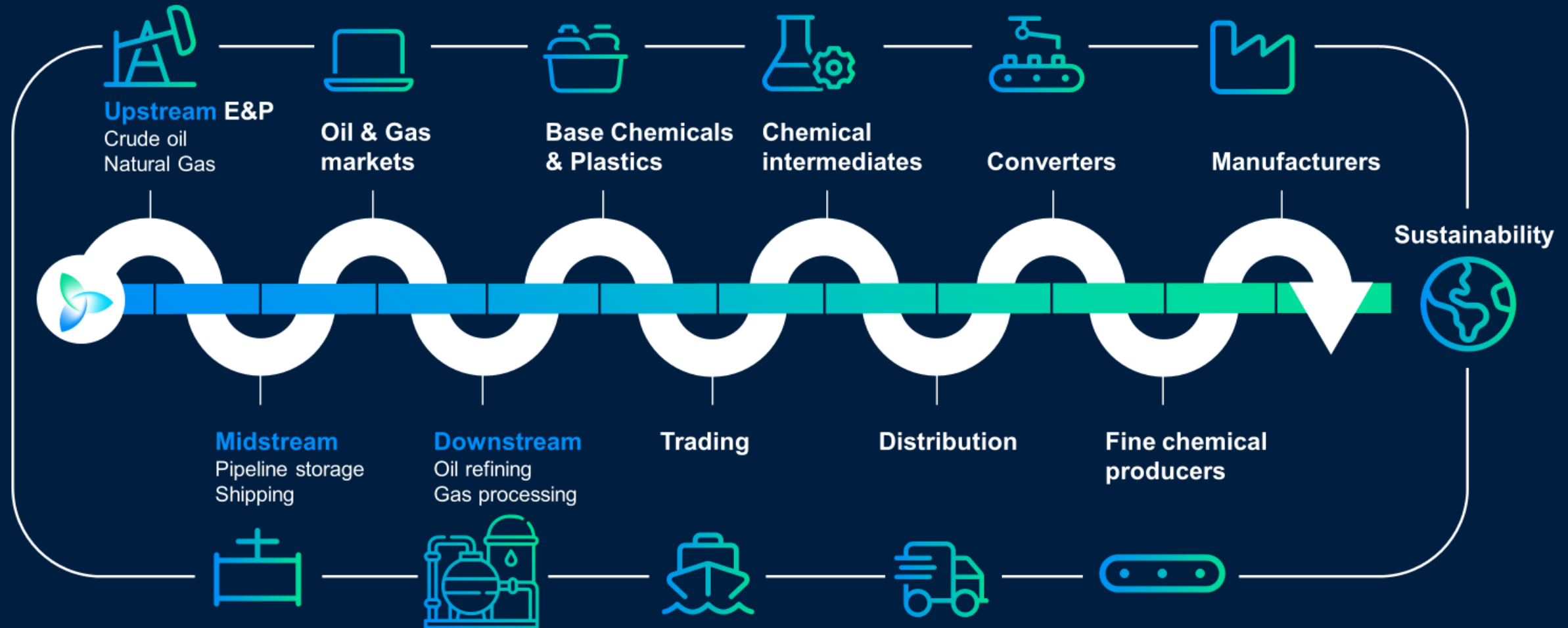
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Agenda

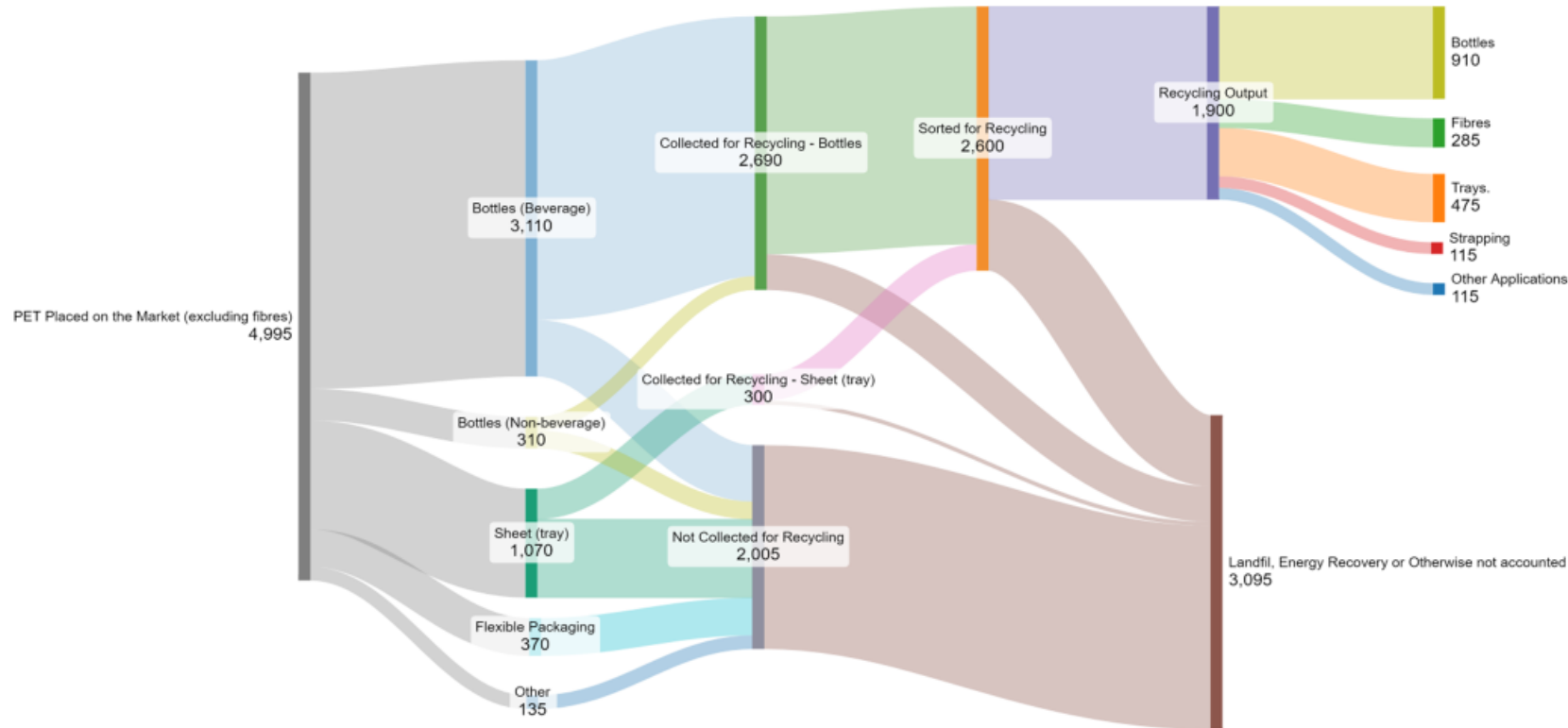
- 01 R-PET market state of play
- 02 Mechanical recycling long-term outlook
- 03 The role of chemical recycling
- 04 Trade dynamics
- 05 Looking ahead to 2025

Positive progress has been made towards meeting the 2025 SUP Directive targets

Work yet to be done for all EU member states to achieve targets



2022 PET and R-PET material flow in '000 tonnes (excluding polyester fibres)



75%

Average PET beverage bottle waste collection rate

– EU 27+3, 2022

24%

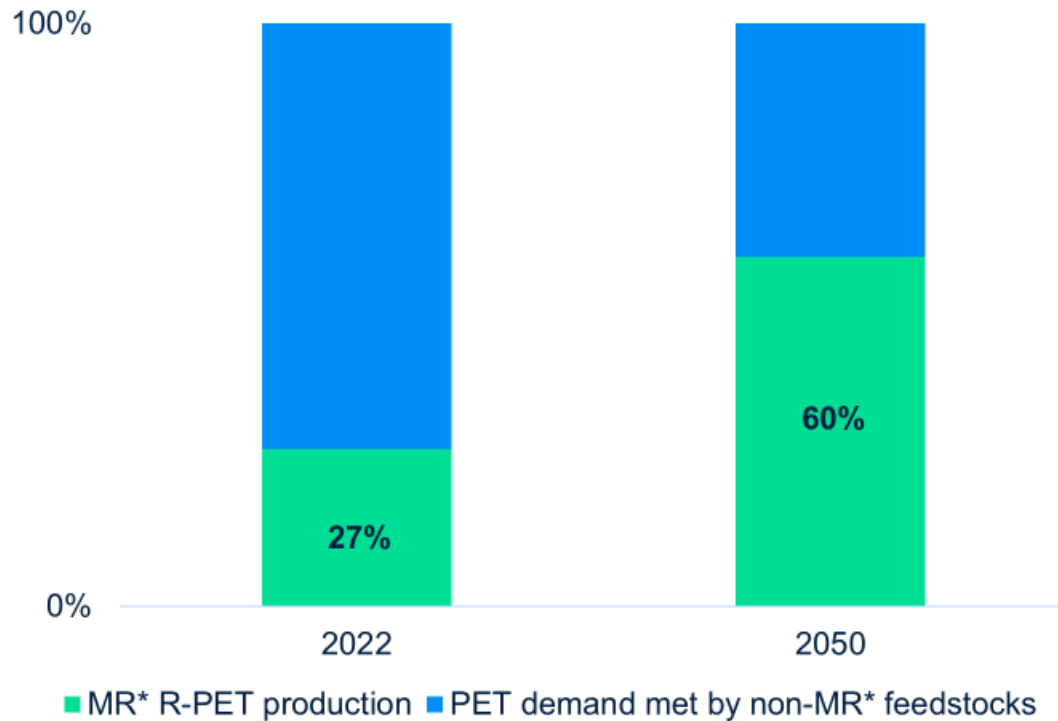
Average R-PET content in beverage bottles

– EU 27+3, 2022

By 2050 the penetration rate of mechanically recycled PET on total PET demand is forecasted to increase to 60%



Mechanical recycling production penetration on total PET demand, Europe



HOWEVER,

Mechanical recycling needs further support given the ambitious PPWR recycled content targets proposed

Additional demand and quality requirements will also determine availability of supply

CAN CHEMICAL RECYCLING CLOSE THE SUPPLY GAP?

*MR: mechanical recycling

Europe includes EU countries, Norway, Switzerland and the United Kingdom

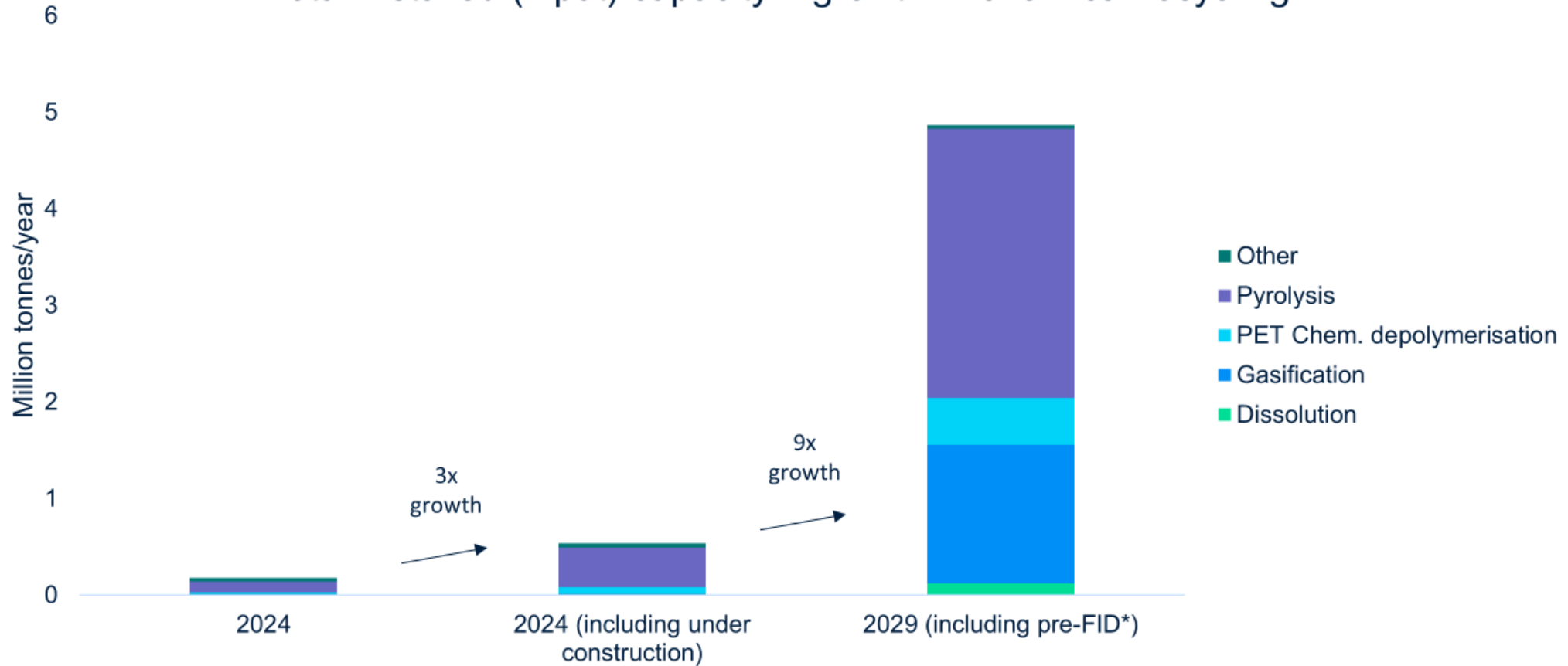
Source: ICIS Supply & Demand Database and Recycling Supply Tracker – Mechanical, 2024

Chemical recycling has the potential to produce additional feedstock and support industry in achieving recycled content targets

PET Depolymerisation represents 10% of total capacity in project pipeline



Total installed (input) capacity** growth in chemical recycling



Europe includes EU countries, Norway, Switzerland and the United Kingdom

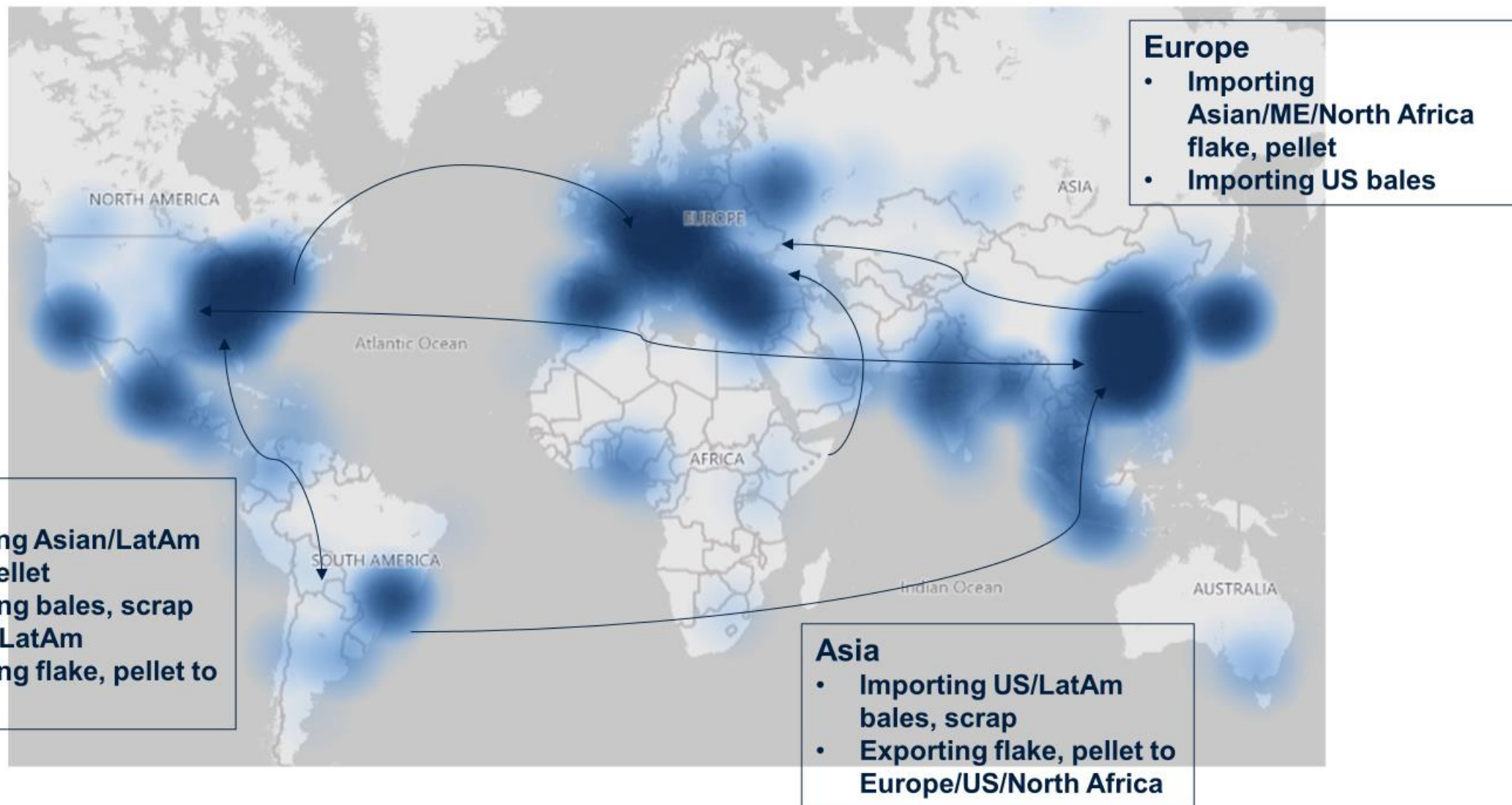
* Final Investment Decision

** Includes pyrolysis-based projects (tyre pyrolysis excluded), gasification, glycolysis, hydrolysis, methanolysis and dissolution projects

Source: ICIS Recycling Supply Tracker – Chemical, 2024

Trade patterns strengthening

Should Europe allow imported materials to count towards the targets?



Key conversations in Europe in 2024



Regulation:

Clarity on SUPD penalties essential before 2025

Packaging and Packaging Waste Regulation

Spanish Plastics Tax enforcement

Several DRS due 2025



Capacity:

New pellet capacity coming online, will there be enough flake to feed it?

Single Solution Pellets



Imports:

Imports are going to play a part, but exactly when and to what extent remains a question mark



Demand:

Will consumer demand improve over 2023 levels?
When and how quickly will demand for R-PET return?



Thank you

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