



creating circularity in food packaging

Transitioning towards a more circular future in food packaging with Tray rPET by Faerch

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We are a global leader in rigid food packaging and the world's first integrated tray recycler

▪ Faerch at a glance

 **27,100,000**

FOOD TRAYS PRODUCED FOR CIRCULARITY
- EVERY DAY*

 **60,000**

RECYCLING CAPACITY IN TONNES
OF PET HOUSEHOLD WASTE

+22,800 

PRODUCT DESIGNS AVAILABLE

+4,600 

VALUED CUSTOMERS
GLOBALLY

5,500 

DEDICATED EMPLOYEES

 **+25**

PRODUCTION SITES

+90 

COUNTRIES WITH
SALES PRESENCE

Status per June 2024

2

* The share of products designed for circularity means the weight of products, where the recycled material can feed a closed-loop scheme to be used in the same quality applications (e.g. tray-to-tray). Currently, it is only mono-PET products that are accepted as products designed for circularity. This is taken relatively to the total weight sold by Faerch.

Faerch offers packaging solutions for various markets

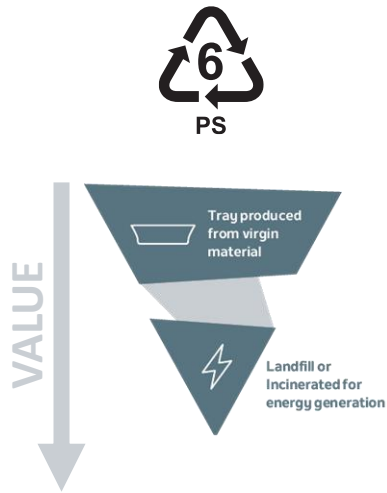
■ Faerch Product Offering by Segments – Overview



PET is the only material enabling true circularity: Recycling food packaging back into new food packaging

No recycling

Some materials are single use

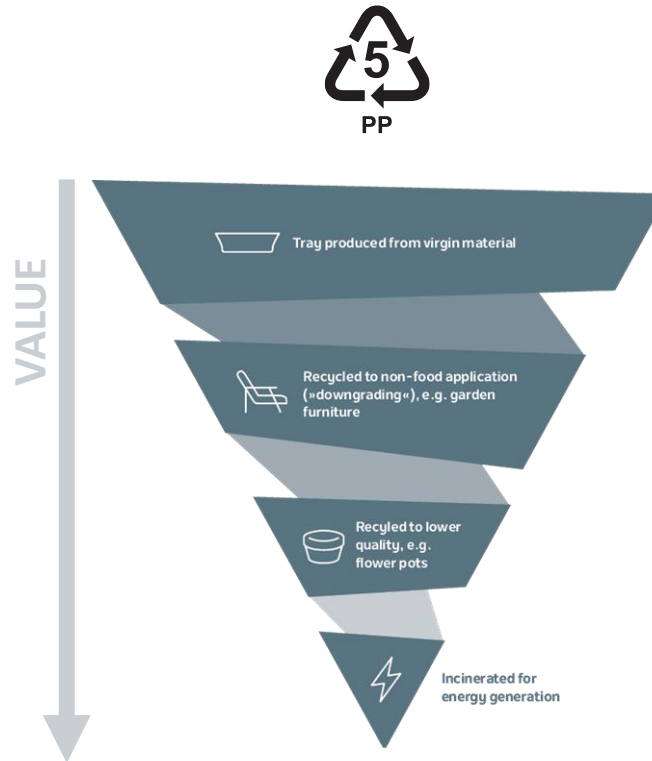


Linear

Single use: Use → Lose

Downcycling / Spiral recycling

Others are recyclable, but not back into the same quality due to irreversible degradation

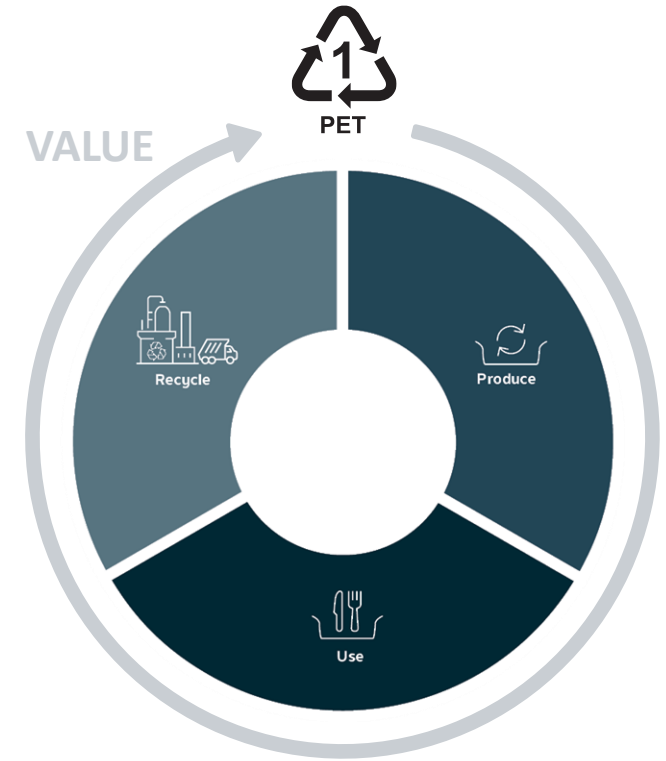


Linear downcycling

Multiple life: Use → Use → Lose
Always made from virgin in food-contact applications
Cannot be recycled back into food-contact applications

Circular Recycling

PET can be recycled back again and again without loss of functional properties



Circular

Made from recycled content and recyclable back into products of the same quality
i.e. food packaging back into food packaging

Faerch are creating true circularity in food packaging working collaboratively to transition towards a more sustainable future

The installation of Faerch's tray recycling line has moved the dial for both Faerch and the entire industry. Faerch's innovative recycling process produces a circular food-grade PET stream.

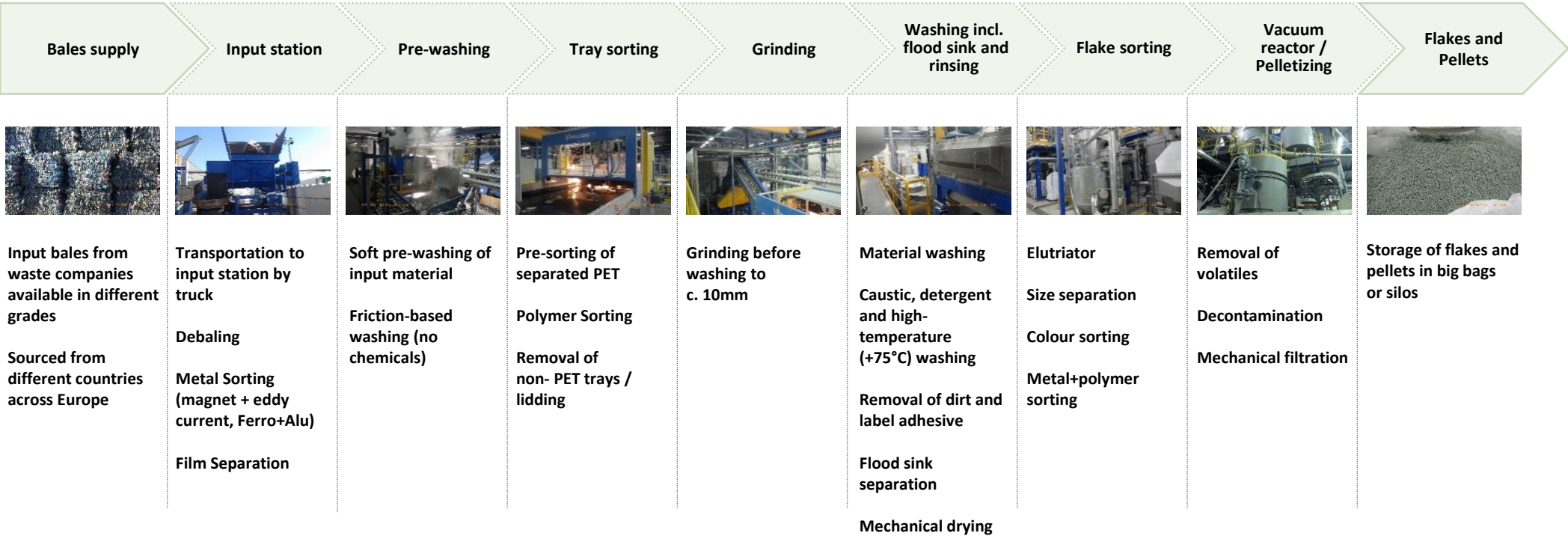


Faerch

Transforming waste into valuable resources

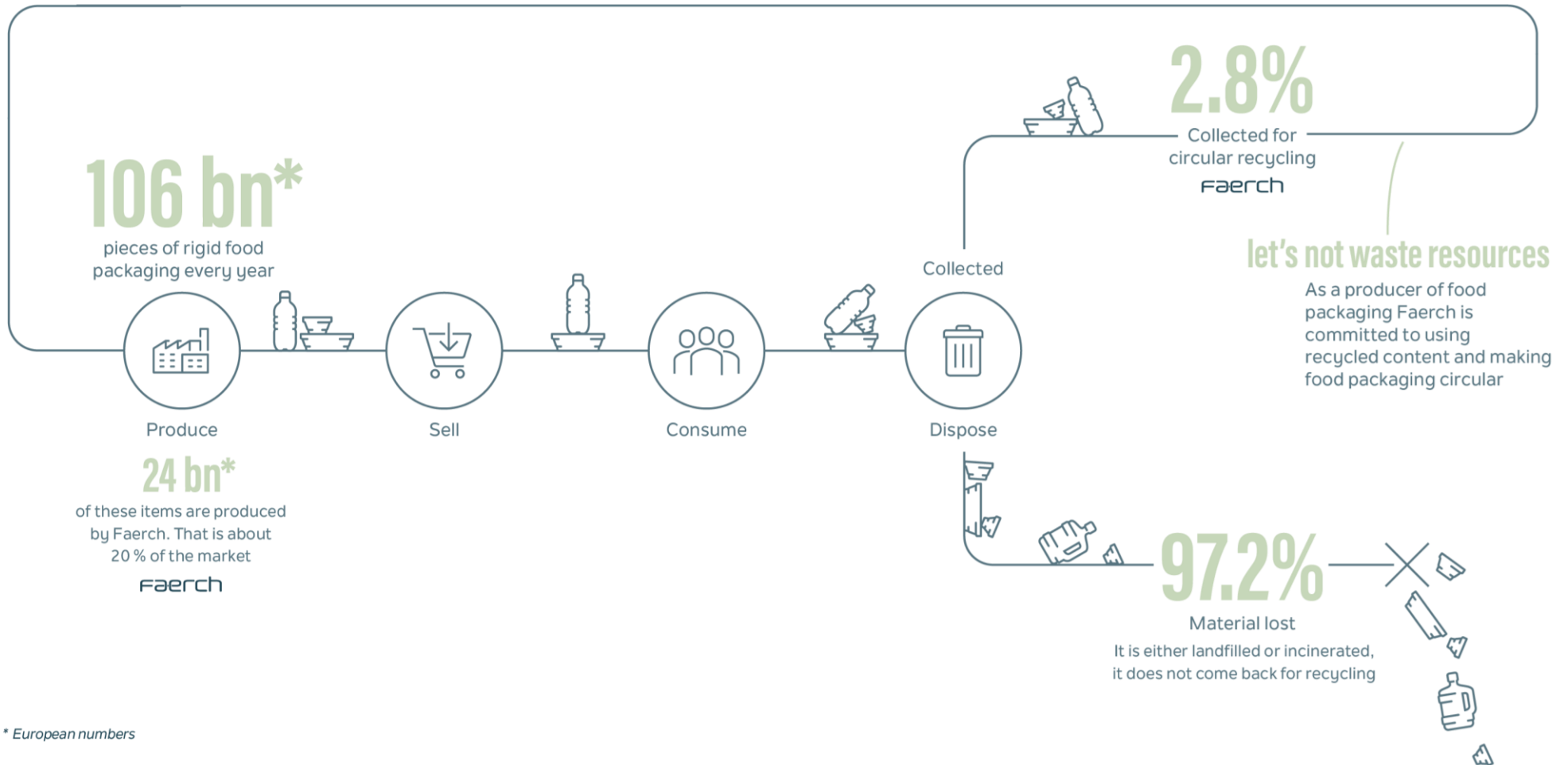
Tray rPET is clear and mixed coloured plastic pellets made from food packaging consumer waste, and the material can be recycled again and again

From Post Consumer Waste to food safe Tray pellets



Currently the food packaging value chain is linear

- Let us turn waste into valuable resources and create a circular loop for the materials



* European numbers

To achieve true circularity we need a balanced waste stream and “stop stealing”



No transfer between waste streams



At Faerch we produce tray rPET at scale

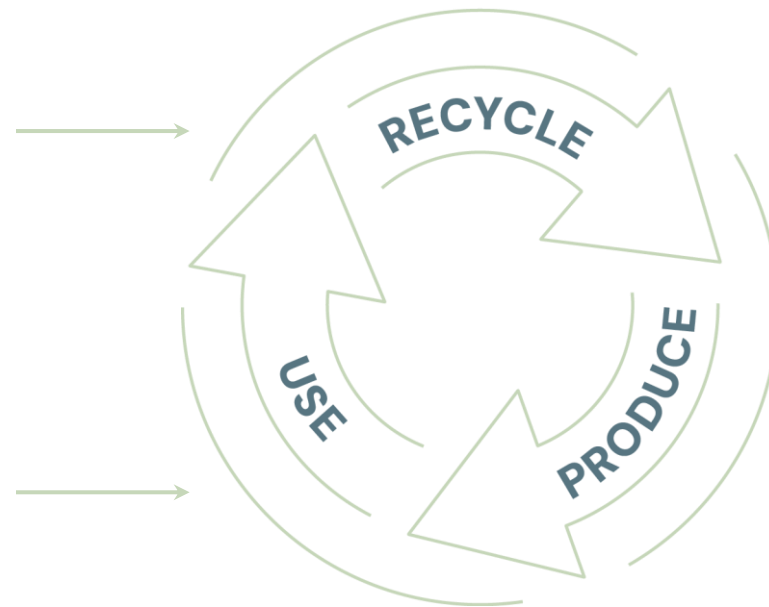
- The installation of Faerch's tray line has been a game changer for both Faerch and the entire industry.
- Faerch's innovative recycling process produces two circular food-grade PET streams — coloured and non-coloured. This approach supports future-proof business models, strengthens brands, lowers emissions, and promotes a healthier environment.



Coloured Trays



Non-coloured Trays



Coloured rPET Flakes



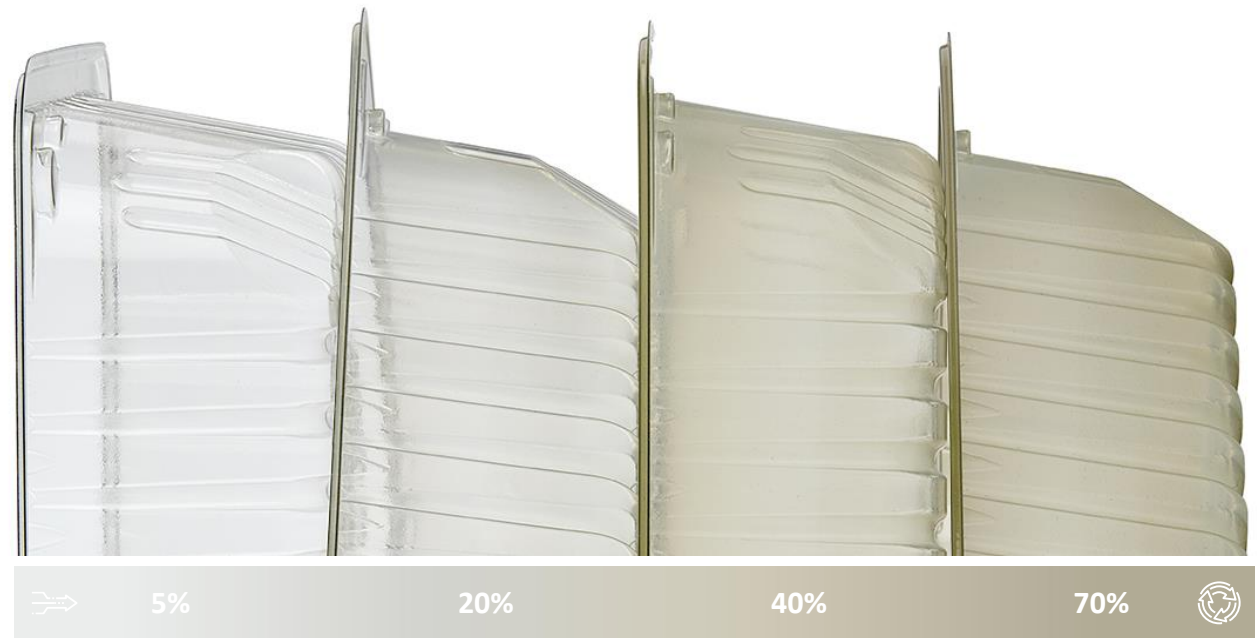
Non-colored rPET Flakes

From Clarity to Circularity

- Tray rPET contains contaminants.
- Benefit:
 - **Strong consumer appeal.**
Consumers have a clear preference for packaging with recycled content and accept increased haziness or discolouration due to recycled content*



Higher Tray rPET content visually reflects the circular content they are made from



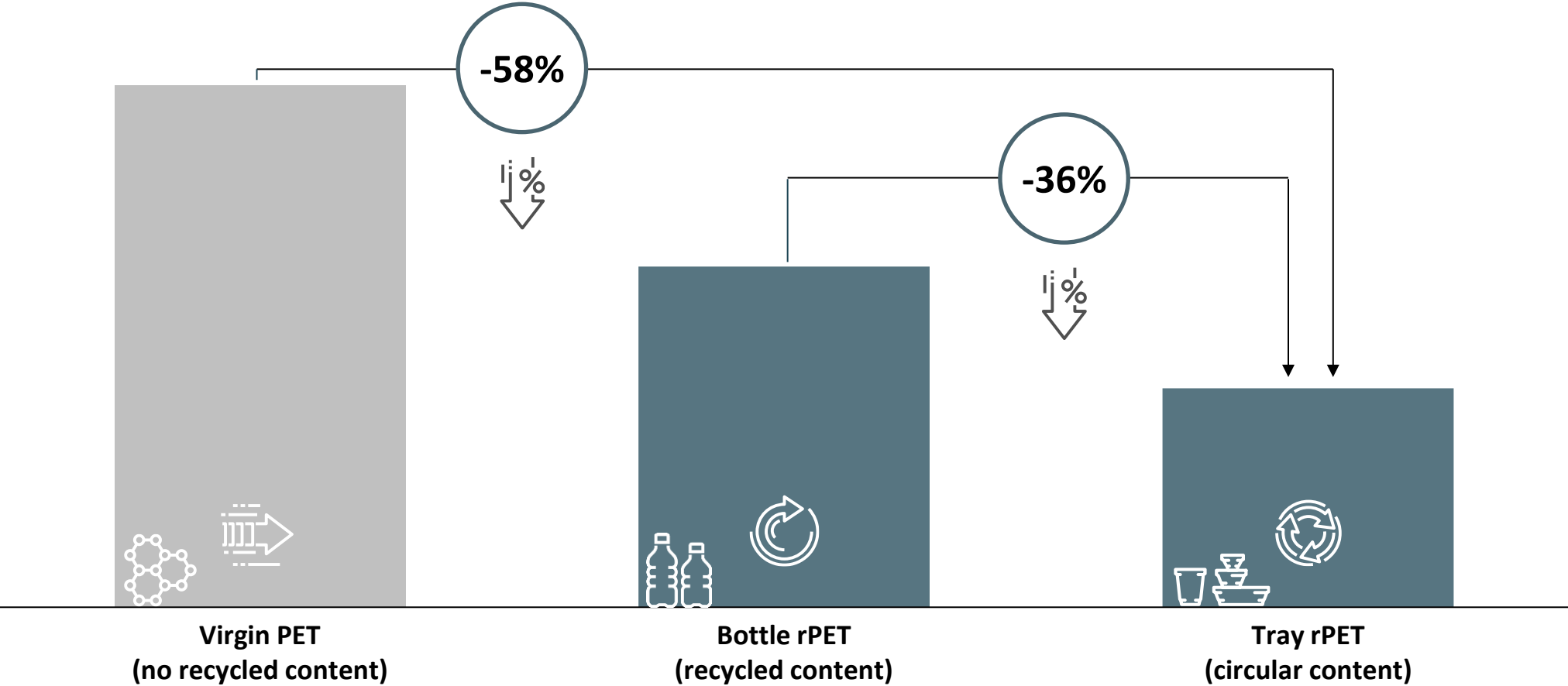
Tray-to-Tray rPET content



*The study »Closing the Perception-Reality Gap for Sustainable Fresh Food Plastic Packaging, 2024« finds that slight discolouration due to recycled materials is accepted, and even more so when consumers are informed about it.

By using Tray rPET carbon emissions can be reduced by 58% compared to virgin PET and 36% compared to Bottle rPET

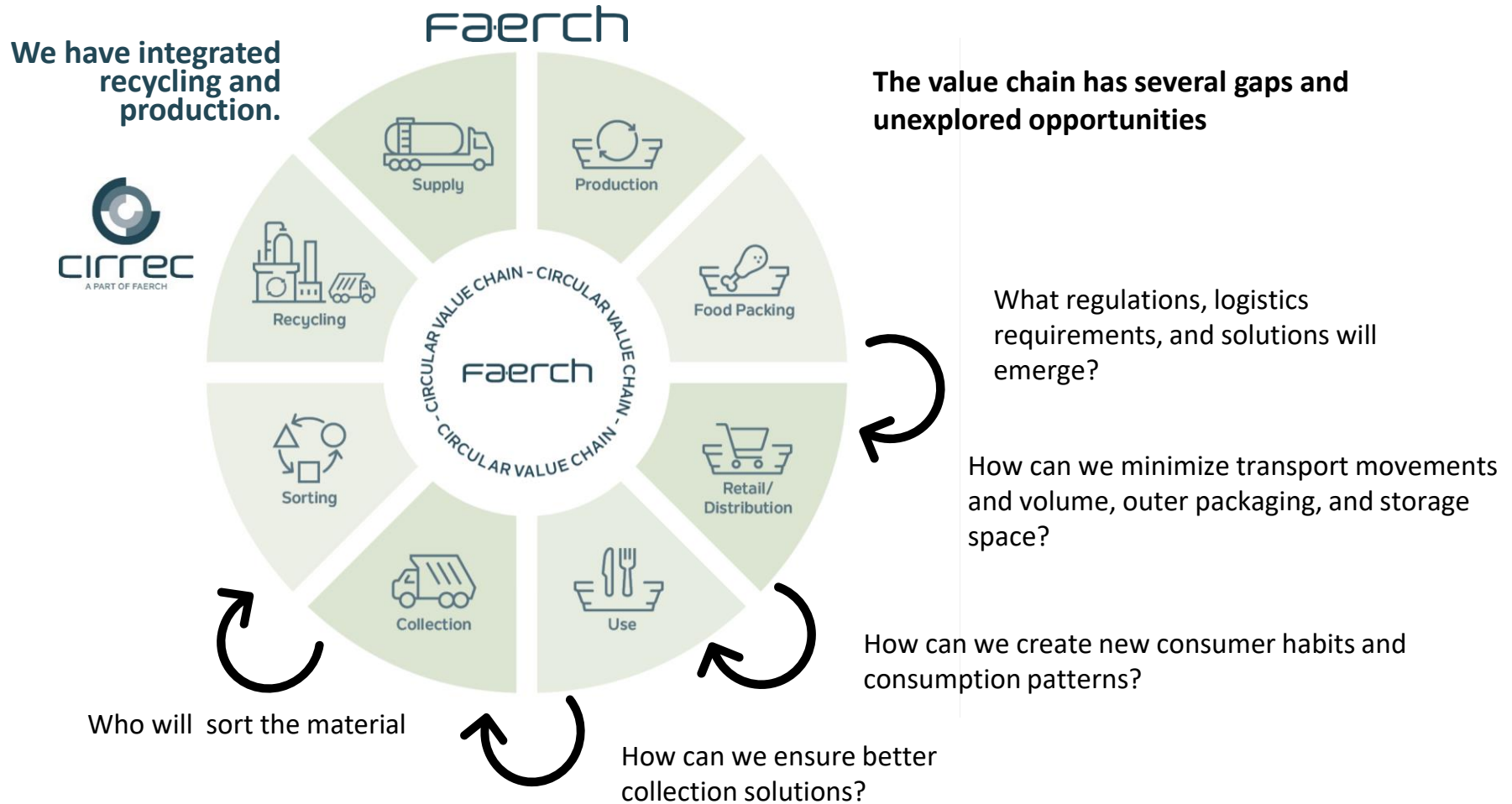
Reduction in kg CO₂-eq per kg material (%)*



*This estimation is only based on the raw material input alone and not a full product carbon footprint. Data is from Ecoinvent version 3.10 for virgin PET and bottle rPET production. Emission data for "Tray rPET" is preliminary results from our recycling site Cirrec. The allocation procedure follows EU PEF methodology, accounting for the different market realities for bottle and tray rPET, which results in differences in the allocation factor "A" (A_{bottle}=0.5, A_{tray}=0.2) and thereby differences in the benefits attributed to the recycled material.

The path to net-zero: Sustainable by design

In addition to conscious material use, we must collaborate at various levels and across the value chain






Danish Crown

Faerch



A goodbye to black meat trays to increase the recyclability

- **Evolve by Faerch**
 - Meat trays made of black PET are currently not detectable with the sorting technology used by Danish recyclers, a limitation that leads to trays being incinerated instead of being recycled.
 - Danish Crown is actively addressing this challenge by changing the colour of millions of meat trays from black to the green Evolve by Faerch trays.
 - In addition to enabling increased tray recycling, the new trays will be composed of at least 90 percent recycled plastic.
- Other Customer Success Stories to come:
 - Material conversion in Dairy (e.g. Arla from PS to PET)

Our closed loop- solutions

Control over the product throughout its entire consumption journey



Smukfest
Circular drinking cups at Danish Festival SmukFest achieved a return rate of 95% through high consumer engagement.
Report available



Tray 2 Tray by Faerch
The world-first closed loop recycling solution have now collected more than 25 million ready meal trays which are turned into new food grade trays by Faerch.



TESCO
Back of Store by Faerch
A perfect example of the circular economy in action. Tesco will be diverting 2,000 tonnes of retail ready packaging tray waste back into food packaging applications.
Solution available for all major retailers.



deli carte
Tray 2 Tray by Faerch
Faerch CPET trays combines food safety and circularity without compromising on any functional properties. In short: We closed the loop in collaboration Deli Carte!

With a clear focus to increase the use of circular content in our products

▪ Current Faerch Achievements

3x

Tripling recycling capacity
with the second tray
recycling line at Cirrec

27,100,000*

Food trays produced
for circularity
- every day



60,000

Recycling capacity
in tonnes of PET
household waste



3/21*

The Faerch
Circularity Ratio



57%

Average amount of
post-consumer recycled
content in our PET
products

Legislation – current and upcoming – is a game changer for the packaging industry

- **Circularity becomes a key principle from design to end-of-life**



- **Packaging and Packaging Waste Regulation (PPWR) - A European Directive**

Harmonises national law and promotes reuse, recycling and other forms of recovering of packaging waste.

Regulations in different areas set clear targets for recycled content and more resource-efficient solutions.



- **Life Cycle Assessments (LCAs) - Green Claims**

Requirements for stronger fact-based communication (eg. Life Cycle Assessments (LCAs) and third-party validation).



- **Extended Producer Responsibility (EPR) - Fees and Plastic Taxes**

Implementing end of life responsibility as part of transition towards sustainable packaging.

Thank you for your attention

Any questions? We are happy to help and looking forward to hearing from you.

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