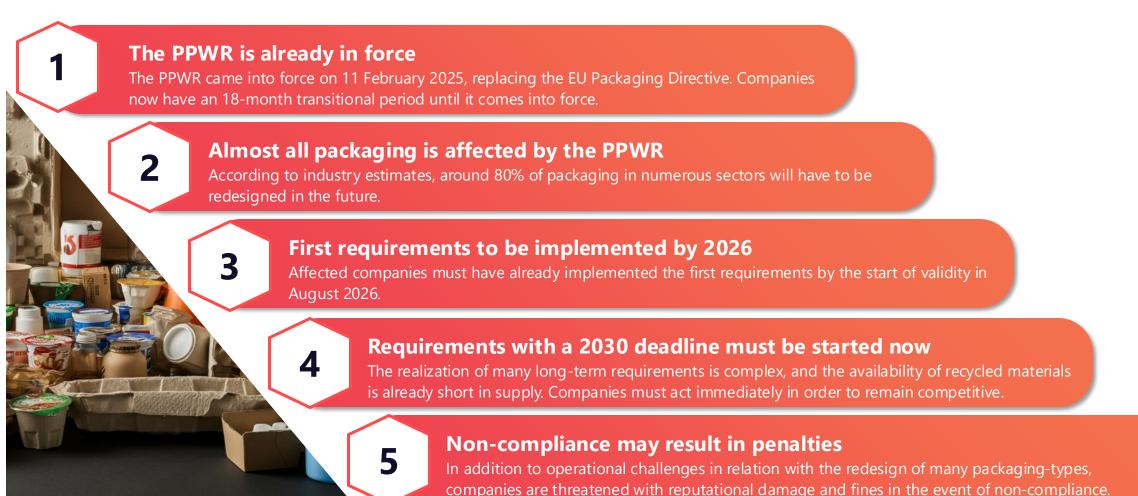
European Packaging Regulation - Packaging and Packaging Waste Regulation (PPWR)

May 2025

Summary

- Packaging requirements have become considerably stricter as a result of the European Green Deal. Consequently, the packaging industry is now facing far-reaching changes.
- With the aim of minimizing the **environmental impact of packaging** and **promoting the circular economy**, the **Packaging and Packaging Waste Regulation** (PPWR) came **into force on 11 February 2025**, replacing the EU Packaging Directive.
- The PPWR affects all companies that manufacture packaging for the EU, distribute or use it in the EU. According to industry estimates, around 80% of packaging in numerous sectors will have to be redesigned in future.
- Affected companies must have **completed the implementation of first requirements** by the time they **come into force in August 2026**. Over the years, the **regulatory pressure will continue to increase** as additional requirements are introduced and existing ones are tightened by 2030.
- The PPWR stipulates that **only packaging** with a **valid EU declaration of conformity** may be placed on the market. This declaration requires a **comprehensive conformity assessment procedure**, which is accompanied by **additional obligations** for production, use, reuse, recycling and disposal of packaging **along the entire supply chain.**
- In addition to the **operational challenges** associated with the redesign of many packaging types, companies are threatened with **reputational damage and fines** if they violate the regulation.
- In order to be able to fulfil the requirements from August 2026 and also **long-term**, companies and in particular supply chain management & procurement departments must **start preparing today**.
- HÖVELER HOLZMANN supports you from the resource-saving readiness check, the creation of a PPWR roadmap to implementation support to put all requirements pragmatically into corporate practice.

The 5 key takeaways on PPWR¹ will give you a quick overview of the materiality and the consequences of non-compliance



May 25

European Packaging Regulation - Packaging and Packaging Waste Regulation (PPWR)¹ has been in force since February 2025

Goals



- Reduce environmental impact of packaging in EU by ...
- ...reducing resource consumption and packaging waste as well as promoting recycling and circular economy

Affected are...



- ... Producers (EU & poss. non-EU)
- ... Distributors (EU & poss. non-EU)
- ... Importers (EU) &
- ... Consumers (EU)

of packaging or packaged products

Background & classification

- Part of **European Green Deal**; EU Circular Economy Action Plan → Growth strategy for resource-efficient, clean & competitive European economy
- Replaces EU Packaging Directive & German Packaging Act

PPWR centerpiece: conformity assessment procedure²



Challenges



- Ensure quality and availability of required materials
- Increasing cost pressure while safeguarding own competitiveness
- Need for investment (e.g. in recycling technologies for producers)
- Increased administrative burden due to parallel EU regulations (e.g. EUDR)

Sanctions/Harms³



- Fines in case of non-conformity (exact amount to be determined by EU)
- **Economic damages** for non-saleable goods
- Reputational risk from non-compliance

Timeline

Agreement

between EU

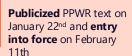
institutions +

adoption of

PPWR









Effective date $\mathsf{PPWR} \ \& \ \text{implement initial}$ requirements:

information/notification/reporting obligations, substance restrictions, labelling obligations, reuse/refill, recycling target





From 2028 Fi 2

Implement further

plastics

requirement: bio-based

From 2029 From 2030

Implement further requirements:
deposit and return

scheme (DRS)

Implement remaining requirements: recyclability, minimum recycled

content, packaging minimization, formats/deceptive packaging,



1 PPWR - Link

² Only relevant for actors who put packaging on the market for the first time 3 The detailed penalties and their implementation are still being finalized and may vary from Member State to Member State

From 2026, affected companies must have implemented the first requirements and taken them into account for their declaration of conformity

Requirements Currently only defined for memb	Relevant for									
	Start berstates	Prefabricator / Packaging manufacturer	Chemistry	Aesthetics and health (exkl. medecine ¹)	E-Commerce	Logistics companys	Retailers (with own-brand products)	FMCG	Hotel and restaurant industry	Recycling 8 waste manageme
Recycling goals	2025				•		•			
Conformity assessment	2026			•	•	•	•	•		•
Information-/notification-/reporting- obligations	2026	•	0	•	•	0				•
Labelling obligations	2026		\bigcirc			\circ			0	
Substance restrictions	2026			\bigcirc		\bigcirc			\bigcirc	
Reuse/refill	2026	•								
Compostability	2027	•	0	0	0	0	•	•	0	•
Extended producer responsibility (EPR)	2027					0			0	
Bio-based plastics Notyetspecified	2028									
Deposit and return scheme (DRS)	2029	0	\bigcirc	0						
Recyclability	2030									
Minimum recycled content	2030									
Packaging minimization	2030								\bigcirc	0
Formats/deceptive packaging	2030									0
Reduce waste	2030	•		0	0	\circ	0	\circ	0	

Relevant for conformity assessment

High impact

While EU implementing acts are still expected for some requirements, first partial requirements have been finalized for the start of application

Effective dates PPWR requirements Content Requirements Exceptions Conformity assessment Apply new rules for conformity assessment of packaging 2026 Relevant for registration only: For Information/notification/ manufacturers who place a **yearly Inform end users** on reuse/refill options maximum of 10 tons of packaging in reporting obligations circulation in an EU member state for first time Comply with limit value 100mg/kg lead, cadmium, mercury **Substance requirements** & hexavalent chromium in packaging materials Practical examples for Comply with PFAS² limits for food packaging e.g. substance restrictions see following slide **Use identification feature** (e.g. serial number) + name/trademark with postal address and contact details of **Labelling obligations** producer/importer on packaging For sales and transport packaging: Use QR codes on packaging Transport of dangerous goods, [...], Packaging in flexible format for transport of food and animal feed Apply definition of reusable packaging For drinks packaging: Perishable drinks [...] **Ensure** existence of reuse system Reuse/refill **Participate in reuse system** for users of reusable packaging General: Retailers with sales areas of no more (incl. ensuring compliance between system & packaging) than 100 square meters, islands with



fewer than 2000 inhabitants.

inhabitants [...]

municipalities with fewer than 54

Create incentives to collect packaging

A large proportion of companies will have to change around 80 % of their product packaging to meet the new requirements of the PPWR

Example of substance restrictions

PIZZA BOXES, PAPER CUPS ETC.



Extract of compliance challenges

- Limit values for PFAS chemicals in packaging
- Frequently used in pizza boxes, paper cups, straws etc. to improve resistance: water, grease and dirt repellent

Example of recyclability

YOGHURT PLASTIC CUP



Extract of compliance challenges

- In future, packaging weight must be 70% recyclable
- Design often contradicts PPWR recycling specifications
 - Several types of plastic: polypropylene (PP) & polyethylene terephthalate (PET)
 - Full-surface adhesive label

Example formats

COSMETICS AND TOILETRIES



Extract of compliance challenges

- Ban on disposable packaging for cosmetics, hygiene and toiletries in accommodation sector
- Minimum limits: liquid up to 50 ml & solid up to 100 g

Example of deceptive packaaina

E-COMMERCE PACKAGING



Extract of compliance challenges

- Proportion of empty space in packaging for e-commerce, among others, may not exceed 50% (filling materials count as empty space)
- Requirement to reuse at least
 10 % of all e-commerce
 packaging



Companies must act now in order to fully comply with the requirements from August 2026 and avoid fines

Immediate need for actions

Simplified representation need for action

Need for action short to medium-term

Need for action by start of 2026





Identify PPWR-relevant packaging and derive applicable requirements (taking exceptions into account)



Prioritize requirements/measures based on deadlines & complexity of implementation



Finalize requirement- implementation from roadmap with start of validity **2026**



Identify packaging with insufficient information



Draw up a Roadmap for implementing requirements (by length of implementation horizon)



Start implementing complex, longer-term requirements from Roadmap



Contact suppliers to obtain implementation status and **packaging information**



Pilot most important adjustments



Schedule remaining requirements and process these successively



Understand own PPWR-role(-s) at item level



Establish governance & lean processes



Continuously monitor current legal situation



We are happy to support with a modular, customized approach so that relevant aspects of the law are implemented pragmatically and with minimum effort

PPWR readiness check Initiate & pilot testing Roadmap **PPWR-product** assessment **Develop PPWR implementation plan** & GAP-analysis Prepare a detailed **implementation plan** Analyze affected packaging for timely fulfilment of all PPWR Analyze packaging used with regards requirement: to PPWR requirements & company

- **Prioritize** PPWR requirements
- Define **responsibilities**
- Plan communication & resources
- Outline necessary process changes
- Set up governance structure

Implement "PPWR short-track"

Ensuring milestone achievement for:

Short-track (until 2026)

- **Conformity assessment:**
 - Revise/extend current conformity assessment process
- **Substance restrictions:**
 - Contact suppliers to create transparency about processed substances
 - Change-over affected packaging

Implement "medium - & long-track"

Wholistic roll-out

Ensuring milestone achievement for:

Medium-track (until 2027-29)

- Compostability
- Extended producer responsibility
- Bio-based plastics

- Recyclability
- Packaging minimization

✓ Medium- & long-track requirements implemented in a legally compliant & pragmatic manner within specified deadline

Depending on affectedness

- ✓ Affected packaging identified
- ✓ Sustainability ambition level defined
- ✓ Gaps in PPWR compliance documented & longlist of measures derived

Derive adaptation requirements for

Collect available & qualitative data

responsibilities with PPWR relevance

Definition below (ESG) ambition level

Process & document analysis

Capture current processes &

• **Derive gaps** for PPWR fulfilment

 $\sim 4-8 \text{ weeks}^1$

- ✓ Roadmap for PPWR compliance created for pragmatic implementation
- ✓ Roadmap coordinated & communicated with relevant departments

 $\sim 2-4$ weeks¹

- ✓ Short-track requirements implemented in compliance with law
- ✓ Long-track requirements initiated with acute pressure to act

Depending on affectedness

role

packaging

We look forward to the exchange!

Our sustainability experts for **PPWR**



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We look forward to introducing ourselves in person to discuss suitable ESG approaches and develop solutions together.

Further information on our sustainability practice at HHC / valantic can be found HERE.





Publications & Webinars

Publication in <u>trade journals</u> such as Logistik Heute, Beschaffung aktuell etc. as well as sustainability studies with leading universities etc.



Regular webinar series on current sustainability topics

References

Numerous **references** - from SMEs to DAX companies - in a wide range of industries with successful **projects on social & ecological sustainability issues**

