EU REGULATIONS AND INTERNATIONAL AFFAIRS DEPARTMENT
INTERNATIONAL REGULATIONS OFFICE

Warsaw, January 8th 2026

ORLEN'S POSITION ON DRAFT DELEGATED DECISION ON THE REUSE OBLIGATION OF PALLET WRAPPINGS AND STRAPS

1. ORLEN GROUP

ORLEN Group is an integrated, multi-utility corporation primarily active in Central Europe. We supply energy and fuel to over 100 million Europeans, and our advanced products are sold in over 100 countries across six continents. We are involved in upstream and downstream sectors, as well as in power generation and distribution. ORLEN Group is one of the biggest fertilizers and petrochemicals producer in CEE region. Central to ORLEN's mission is the commitment to lead the regional energy transition. The company is dedicated to adopting innovative, clean, and sustainable technologies, focusing particularly on low- and zero-emission power generation. This forward-thinking approach is part of ORLEN's strategic goal to achieve emission neutrality by the year 2050.

2. ORLEN'S POSITION ON DELEGATED ACT PROPOSAL

On 10 December 2025, the European Commission published for public consultation a draft delegated decision under the Packaging and Packaging Waste Regulation („**PPWR**") concerning reuse obligations for certain transport packaging formats, specifically **pallet wrappings and straps**.

Article 29 of the PPWR, in its current wording, imposes extremely excessive requirements on the reuse of transport or commercial packaging on entities that use them. Under Article 29(2) and (3), undertakings operating within a single Member State or between affiliated undertakings within the European Union are required to ensure that, by 2030, 100% of such packaging is reusable within a reuse system.

The draft delegated decision proposes to exempt these packaging formats from reuse obligations laid down in Article 29(2) and (3) of the PPWR, which is a step in right direction.

ORLEN's position is submitted in the context of mentioned public consultation. Its purpose is to address the continued inclusion of pallet wrappings and straps within the scope of reuse targets under Article 29(1) and to explain why, in light of technical, operational, and legal considerations, **these packaging formats must be fully excluded from all reuse targets under Article 29 and not only from the 100 % reuse obligations**.

Currently, in accordance with Article 29(1), where operators trade in goods within the Union, they must ensure that, from 1 January 2030, at least 40% of packaging is reusable within a reuse system, and from 2040, this percentage should increase to 70%.

The following considerations set out key reasons supporting ORLEN's position.

Firstly, there are no viable alternatives to plastic pallet packaging on the market. Such packaging is light and has exceptional technical properties: it ensures maximum safety, load stability and protection against rain and sun, as well as exceptional adaptability to all formats. At the same time, enforcing the requirements from Art. 29 would cause **serious disruptions in supply chains and force the use of inefficient solutions**. Especially since, unlike the current optimised, efficient and flexible single-use packaging, reusable pallet packaging is unlikely to be available on an industrial scale before 2030. This conclusion follows directly from the findings assessed in the Deloitte study[1], which identifies the **absence of mature automated solutions, significant operational efficiency losses, safety and handling constraints and unresolved logistical challenges**.

Secondly, the urgent implementation of such solutions would be extremely costly. According to the Belgian consulting agency RDC Environment[2], **efforts to implement the provisions of Article 29(1)-(3) for pallet packaging** would result in **additional annual expenses of approximately EUR 5 bln for eight sectors** (agricultural, dairy, water, glass, cement, construction, retail, plastics), resulting from the need to i**ncur mentioned increased logistics and cleaning costs**, as well as the **need to operate two parallel systems** (single-use pallet packaging and reusable packaging). Two systems are needed as for now reusable packaging relies on manual application. This leads to significantly lower throughput compared to automated single-use systems, increased labour requirements and higher operational complexity. Any partial obligation still requires parallel operation of automated single-use lines and manual reuse processes, duplicated infrastructure and higher organisational and operational burdens. Strict requirements in light of lack of automated reuse solutions lead to loss of operational efficiency. Automated single-use wrapping systems achieve substantially higher pallet throughput than manually applied reuse solutions. Introducing reuse at any meaningful scale results in reduced line efficiency, increased handling time and higher dependence on manual labour. As reuse systems require the return of packaging components through reverse logistics, it entails additional transport movements, increased handling and storage requirements, tracking and sorting of reusable items and cross-border return flows within the EU market. Such logistics systems must exist even under partial reuse targets and must operate across Member States, adding additional costs for running business.

As a consequence, it could lead to a reduction in the export competitiveness of EU companies, as exporters from third countries would not be required to bear such costs, and it would also weaken the internal market, as EU companies would be forced to operate within parallel systems. The obligations regarding the reuse of packaging will therefore result in significant economic burden for EU companies.

Thirdly, the Deloitte study underlines **low recycling rate** for stretch films and straps due to factors such as contamination, collection inefficiencies and sorting challenges. Furthermore, research conducted by the German Institute for Energy and Environmental Research (Institut für Energie- und

[1]Study on exclusion of plastic pallet wrappings and straps from the 100 % reuse obligations of transport packaging in the Packaging and Packaging Waste Regulation (PPWR)
[2]Economic impact on switching to reusable options for pallet wrapping

Umweltforschung)[3], states that **disposable plastic packaging has lower negative impact on the environment than reusable packaging**, the production of which is associated with an increase in greenhouse gas emissions of between 35% and 1700%. Reusable pallet packaging requires the use of heavier and less flexible products, which leads to less optimal use and results in a poorer environmental footprint. As a consequence, transport costs increase, fuel consumption and emissions increase and logistics efficiency decreases. These impacts apply proportionally to any level of reuse and are not limited to a 100% scenario. In this context, mandating reuse for packaging formats does not address the primary environmental bottleneck. **Targeted measures to improve collection, sorting, and recycling rates would deliver more reliable environmental benefits than imposing reuse requirements that cannot be implemented without significant negative impacts.**

Additionally, the practical meaning of the 40% reuse target set out in Article 29(1) remains unclear in the **absence of the calculation methodology foreseen under Article 31.** Article 30 introduces the concept of "equivalent units" without defining how different transport packaging formats are to be measured, weighted, or aggregated. Until the delegated act under Article 31 is adopted, economic operators and Member States lack legal certainty as how reuse targets are to be calculated and demonstrated in practice, particularly for mixed transport packaging systems.

Finally, even under an interpretation whereby Article 29(1) establishes an aggregate reuse target across all transport packaging formats, stretch films and straps must be exempted from the scope of the target. **Including a packaging format that cannot be effectively replaced with a reuse solution in the calculation base artificially increases the denominator, thereby forcing other packaging formats to compensate for a structural impossibility.** Such an outcome would be inconsistent with the objective of ensuring technically and operationally achievable reuse obligations.

Concluding, the constraints identified in the Deloitte study are inherent to the reuse replacements of stretch films and straps as such, and do not arise only at a 100 % level of implementation.

[3]Comparative life cycle assessment of various single-use and reuse transport packaging