

Cross sectoral statement on the policy framework needed to deliver recycled content in key plastics applications

22 March 2023

The undersigned associations, representing major market sectors, call on the European Commission and Member States to adopt during the present year, 2023, EU harmonised calculating rules for recycled content, by means of mass balance.

To achieve a circular economy for plastics, the use of recycled materials needs a boost. Alongside investments in climate neutral production and supply chains, greater support is needed to prevent waste generation, reuse plastics and the rapid scale-up of mechanical, organic and chemical recycling.

Manufacturers, converters and users of plastic products or plastics packaging in all sectors are keen to significantly increase the supply and use of recycled plastics.

While mechanical recycling has benefits in terms of cost, environmental performance and recycling yields and should remain the preferred choice, more investments in all technologies are needed to increase recycling. Chemical recycling allows the use of plastic waste, especially feedstock not suitable for mechanical recycling, to produce new chemicals including plastics. As such, it can deliver additional high-quality material for a large number of applications, such as certain types of contact-sensitive packaging (e.g. pharmaceuticals, food, and cosmetics), medical devices, or certain automotive components and construction products that require high-quality recycled plastics for safety, regulatory and performance reasons. For this to succeed and be available at scale, EU harmonised rules for calculating chemically recycled content are urgently needed to intensify investments in these technologies.

A viable and efficient way of scaling chemical recycling capacities to meet upcoming targets is to integrate chemical recycling processes into existing large-scale industrial plastics production installations. Integration into large-scale production ecosystems avoids the additional cost, energy, and carbon footprint of segregated production facilities. Frequently, recycled feedstocks are blended with virgin feedstocks and the two different feedstocks cannot be physically separated once they are co-fed into the complex large-scale installations. Therefore, we recommend a mass balance chain of custody to enable the successful commercialisation and promotion of recycled content from technologies where it is needed.

The undersigned associations call on the European Commission to select or develop an EU-harmonised calculation and verification method to stipulate how to allocate the input recycled content to the output products. **We ask the Commission to urgently adopt a mass balance chain of custody to calculate chemically recycled content in plastics. Mass balance is a transparent and auditable method** to trace a defined material characteristic along the value-chain from material suppliers to consumers. A mass balance chain of custody is already used and accepted in other domains such as sustainable forestry products and fair-trade cocoa and chocolate. **To meet the 2030 recycled content targets, legal certainty on the**

method is needed this year to ensure sufficient time to plan, finance, secure permits, and construct additional recycling units and accompanying infrastructure. Each of these steps can take several years.

An EU-harmonised calculation and verification method would also need to stipulate how to allocate the recycled content to the output products. **In our view, a fuel-use exempt¹ model would provide for a robust system, viable with chemical recycling routes, and allow producers and users of recycled content to reach the levels expected by the market and required by EU legislation in a timely manner, so as to drive circularity to the next level.**

In this context, third-party verification and certification of the calculation method will be necessary to ensure credibility throughout the whole value chain and build engagement and trust among consumers.

The rules currently being developed for the Single-Use Plastics Directive (SUPD) implementing act will have a key impact on both mechanical and chemical recycling investments in Europe. Reaching targets being set for 2030 and 2040 (e.g. in the recently proposed Packaging and Packaging Waste Regulation) will require industry to also begin commercial size chemical recycling investments immediately. It is therefore key that policymakers set a precedent as to when and how a mass balance chain of custody in recycled plastics will be applied in the EU sooner rather than later. This precedent should also set the direction of policy in non-packaging sectors such as automotive or construction, where recycled plastics targets are currently under discussion or may arise in the future.

To conclude, the undersigned associations call on the European Commission to use the SUPD legal basis to adopt in 2023 EU calculating rules enabling the use of a mass balance credit method with a fuel-use exempt model to calculate the chemically recycled content in plastics. In addition, there should be clarity and coherence on these rules across other pieces of legislation addressing recycled content in plastics and non-plastic chemical materials. This would boost the circular economy, strengthen the EU's strategic autonomy in raw materials and contribute to meet climate targets.

¹ Fuel used as energy in the process and co-products produced and used as fuels are excluded, with the remaining outputs freely allocated.

Signatories (in alphabetical order)



ACE

The Alliance for Beverage Cartons and the Environment



AISE

The International Association for Soaps, Detergents and Maintenance Products



ARA

Altstoff Recycling Austria



BPF

British Plastics Federation



Cefic

The European Chemical Industry Council



Ceflex

A Circular Economy for Flexible Packaging



Chemical Recycling Europe



CLEPA

European Association of Automotive Suppliers

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Cosmetics Europe
The Personal Care Association



Der Grüne Punkt



EPFA
European Phenolic Foam Association



EPPA
European Trade Association of PVC Window System Suppliers



ERFMI
European Resilient Flooring Manufacturers' Institute



EUMEPS
European Manufacturers of EPS



EuPC
European Plastics Converters



EURO-MOULDERS
Association of European Manufacturers of Moulded PU Parts for the Automotive Industry



EUROPEN
The European Organisation for Packaging and the Environment

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EUROPUR
European Association of Flexible Polyurethane Foam Blocks
Manufacturers



FEICA
Association of the European Adhesive & Sealant Industry



Flexible Packaging Europe



FoodDrinkEurope
The Organisation of Europe's Food & Drink Industry



INCPEN
Industry Council for Packaging & the Environment



ISOPA
European Diisocyanate & Polyol Producers Association



PCEP
Polyolefin Circular Economy Platform



PE100+
HDPE Pipe Systems Association



Petcore Europe
The PET value chain association



Plastics Europe
Association of Plastics Manufacturers



PU Europe
The European voice of the polyurethane insulation industry



SCS
Styrenics Circular Solutions



TEPPFA
The European Plastic Pipes and Fittings Association



Valipac



Valpak



Vinyl Plus
The European PVC industry's commitment to sustainable development