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## **Chemical Recycling Europe position on the upcoming Packaging and Packaging Waste Directive proposal**

Chemical Recycling Europe (CRE), the association representing the chemical industry at EU level, welcomes the upcoming revision of the EU Packaging and Packaging Waste Directive (PPWD). CRE member companies support mandatory recycled content targets for packaging which will incentivize circularity in the plastics supply chain and lower climate impacts for the packaging industry to become more sustainable.

However, a holistic policy framework is needed to enable the chemical recycling industry to grow and to provide the necessary legislative clarity and certainty. We believe that chemical recycling plays an important part in achieving circularity for plastics and complements mechanical recycling. Chemical recycling targets difficult to recycle plastic waste feedstocks to produce high quality outputs used for closed-loop recycling, food contact applications and other value-added materials.

To make best use of the benefits that chemical recycling technologies offer, **EU legislation needs to level the playing field for all recycling technologies to be able to legally contribute to achieving recycled content targets.**

As such, CRE urges the European Commission to:

- Adopt a favourable, credible and trusted mass balance accounting system for the industry to successfully grow its existing operations and contribute to the growing demand for high quality recycled content;
- Incentivize efforts to minimise quantities of plastics ending up in landfill and incineration through a ban or by mandating further sorting prior to incineration and landfill;
- Harmonise end-of-waste criteria for chemical recycling outputs across the EU;
- Enable access for all recycling technologies to be able to adhere to food contact legislation by lowering the cost and administrative burden for novel technologies.

**Adopt a favourable, credible and trusted mass balance accounting system for the industry to successfully grow its existing operations and contribute to the growing demand for high quality recycled content**

Mass balance is a well-established chain of custody model which allows for the traceability of material flows in complex supply chains where physical segregation is not possible. Mass balance has been already extensively used in renewable energy, biomass, paper, fairtrade foods and many other supply chains. Demonstrating circularity and sustainability is directly dependent on mass balance accounting for tracing materials across complex supply chains.

Due to the nature of chemical recycling and as fossil-based and recycled inputs will be mixed to produce base chemicals for new products, mass balance is needed to trace the recycled content throughout the supply chain. Thus, a supportive, harmonised mass balance accounting framework is



needed to incentivize the industry towards the sustainable production of higher quantities of chemical recycling output. In the context of the PPWD as well as the taxes on plastic packaging in Spain, Italy and the UK, the mass balance model is crucial to allow recycled content from chemical recycling to be counted towards the targets and the recycled content thresholds. Whether for the purpose of EU targets or national taxes, the same mass balance model needs to be applied.

### **Incentivize efforts to minimise quantities of recyclable plastics ending up in landfill and incineration through a ban or by mandating further sorting prior to incineration and landfill**

Recent data shows that as of 2020, in Europe (EU and UK, Norway, Switzerland), only 34.6% of post-consumer plastic waste was collected for recycling (some of which has been exported for recycling outside of Europe) while as much as 42% was sent to energy recovery facilities (a form of incineration where energy is recovered) and 23.4% was sent to landfills<sup>1</sup>.

In the context of low recycling rates and compliance issues with existing obligations of member states under the Waste Framework Directive it is important to underline that enhanced collection, sorting and the establishment of EPR schemes are a priority. All plastics should be collected through separate collection including flexible plastics.

The EU Green Deal sets an ambitious growth roadmap towards a climate-neutral circular economy for the EU by 2050. Chemical recycling can help drive the EU towards a sustainable model by turning waste back into valuable products and thus keeping them in the circular economy and reducing carbon emissions by avoiding incineration and moving waste up on the waste hierarchy. Chemical recycling will effectively help increase recycling rates. More plastic waste feedstock sent for recycling enables the industry to produce higher quantities of recycled content and displace the production of virgin plastics.

### **Harmonise end-of-waste criteria for chemical recycling outputs across the EU**

Clarity and alignment between European countries on end-of-waste status for the chemically recycled output would resolve an important barrier for implementation, facilitate uptake and enable transparency and traceability in the supply chain. Closer alignment to relevant regulations for chemical products would reduce 'red tape', substantial costs and business risk to this new, developing sector and improve industrial efficiency and economic output.

### **Enable access for all recycling technologies to be able to adhere to food contact legislation by lowering the cost and administrative burden**

Chemical recycling technologies are critical enabling factors behind setting mandatory recycled content targets as part of the PPWD. The PPWD proposal needs to provide the necessary incentives for packaging to achieve higher recyclability while allowing for innovation to expand the existing recycling infrastructure especially through the development of chemical recycling technologies. These will help to fill the gap between the current mechanical recycling capacities and address some of its

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<sup>1</sup> Plastics Europe The Facts 2021, available at <https://plasticseurope.org/wp-content/uploads/2021/12/Plastics-the-Facts-2021-web-final.pdf>



shortcomings while addressing the large gap in supply and demand for recycled content especially in contact sensitive applications. Furthermore, food contact legislation needs to allow a reasonable and less burdensome entry to the market for certain chemical technologies that have not yet received full authorisation. Innovative SMEs and small companies cannot currently overcome all the necessary administrative and financial hurdles imposed through current legislation.

Finally, data based on Life Cycle Assessment (LCA) as well as the balancing of the environmental impact of the recycling process together with the requirements for high-quality recycled content and other useful outputs derived from chemical recycling need to be considered in tandem to meet the demand for virgin quality recycled content and to transition to a circular plastics economy.



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