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Resource organisations unite for genuine reporting of recycled content in plastic products through transparent calculation methods

The undersigned organisations, representing the full extent of the European waste management sector including prominent players in the plastic value chain, urge the European Commission and EU Member States to adopt a genuine and reliable Mass Balance Accounting (MBA) credit method in the context of the Implementing Decision under the Single Use Plastic Directive (SUPD). This approach aims to create a fair playing field and promote the advancement of emerging recycling technologies. It emphasizes technology-neutral rules for calculating and reporting recycled product content while ensuring the highest level of traceability.

It is crucial to emphasize that the hindrance to meeting SUPD targets does not primarily occur during the end-of-life treatment stage but, instead, manifests earlier in the value chain, such as in collection and product design. Additionally, the recycling industry has recently encountered a decrease in production linked to factors like the cost of virgin plastics and the influx of rPET imports. Therefore, more than ever, a thoughtfully crafted Implementing Decision on Mass Balance Accounting (MBA) is of paramount importance to not further obstruct those processes that have the lowest environmental impact and the highest environmental performance, in terms of greenhouse gas emissions (GHG), yield, maturity, traceability and quality.

Concerning the MBA, **it is important to note that the fuel use excluded allocation is not a genuine method and creates an unlevel playing field as it cannot be universally applied to all technologies.** For instance, pyrolysis generates credits on materials that are unsuitable for polymer production (e.g., chemicals, solvents, wax) that would be allocated to plastic outputs. This discrepancy leads to an unfair treatment of recycling technologies that exclusively target plastics-to-plastics production and will overshadow established lower-carbon footprint solutions and drive competition for feedstock.

The future interplay of various calculation methods is inevitable because downstream users may receive both chemically and mechanically recycled plastics. In these cases, ISO 22095 states that the lowest traceability requirement applies and therefore, the downstream user would have to apply a mass balance method. This implies that mechanical recyclers would be the sole entities mandated to utilize a non-mass balance approach.

Therefore, to optimise the uptake of recycled plastics, foster the development of all new technologies while ensuring their complementarity, the use of a credit system with well-defined boundaries is necessary.

A 3-step proposal for a genuine and reliable mass balance enforcement:

- 1) **Confront the issue head-on:** in the context of recycled content in plastics products, only plastic waste can be used to generate credits. Credits cannot be generated from tyres and waste oils (e.g., cooking oil, motor oil)
- 2) **Plastics waste-to-plastics:** methods that allocate credits from additional materials to plastics outputs, such as the fuel-use excluded calculation method focusing on plastics-to-chemicals, should not be considered valid for calculating recycled plastic content.
- 3) **Legislation must set clear boundaries for mass balance with credits:**
 - *Plant-Level Conversion factor:* calculate conversion factors at the plant level to maintain accuracy.
 - *Zero Negative Credits:* prohibit the sale of unearned credits during the balancing period.
 - *Location-limited:* prevent credit transfers between sites for simplicity and traceability.
 - *Mandatory Third-Party Certification:* demand third-party certification aligned with defined boundaries for accountability.



The undersigned associations advocate for a technology neutral approach that will result in a fair open market for all recycling technologies. To further stimulate investment in recycling capacity and innovation, regulatory incentives are critical for both the mechanical and chemical recycling industry. This will strengthen the EU's recycling capacities, decrease the need for - and dependency on - fossil resources, thereby helping them stay on track for climate neutrality by 2050.

EuRIC represents the recycling industry at a European level. Gathering the vast majority of national recycling federations from EU/EEA Member States, the Confederation represents about 5,500+ recycling companies – from market leaders to SMEs – generating an aggregated annual turnover of about 95 billion € by treating various waste streams such as household or industrial & commercial waste including ferrous and non-ferrous metals, end-of-life vehicles (ELVs), electronic waste (WEEE), packaging (paper and plastics), end-of-life tyres or textiles. Contact: euric@euric-aisbl.eu

FEAD is the European Waste Management Association, representing the private waste and resource management industry across Europe, including 18 national waste management federations and 3,000 waste management companies. Private waste management companies operate in 60% of municipal waste markets in Europe and in 75% of industrial and commercial waste. This means more than 320,000 local jobs, fuelling €5 billion of investments into the economy every year. Contact: info@fead.be

Municipal Waste Europe is the European umbrella association representing public responsibility for waste. Our members are national public waste associations and similar national or regional associations, regions or municipalities directly. We are committed to sustainable waste management that maximises GHG savings and promotes resource efficiency in a circular economy, while being tailored to meet local needs. Contact: info@municipalwasteurope.eu