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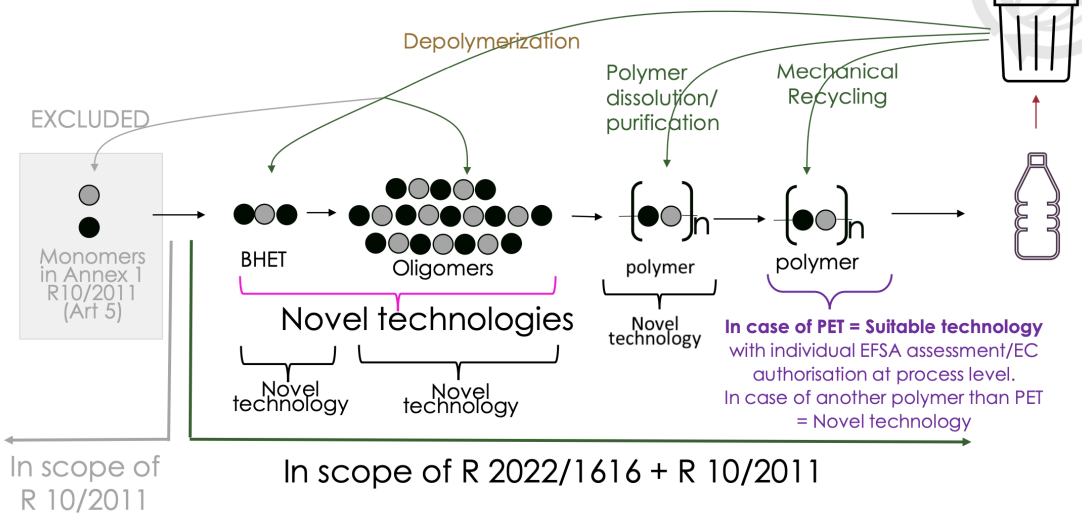
POSITION PAPER ON THE COMMISSION IMPLEMENTING DECISION regarding calculation verification and data reporting on recycled plastic content in single-use plastic beverage bottles.

PETCORE Europe welcomes the European Commission's efforts to support the implementation of the Directive on Single-Use Plastics (Directive (EU) 2019/904, also known as SUP Directive). The SUP directive remains the main instrument to encourage responsible consumer behaviour and to promote the transition to a circular economy with innovative and sustainable business models and products. **PETCORE Europe is supportive of the Commission's objectives for circularity and recycling.** PET is the most used plastic for soft drinks and water bottles as well as the most recycled plastic in Europe and worldwide. PET bottles are made of one of the few polymers that can be recycled into the same form – a new beverage bottle – again and again. Therefore, PET bottles and containers are highly recyclable which is a major contribution to the Circular Economy.

Although **PETCORE Europe welcomes the Commission's objectives** for circularity and responsible consumer behaviour, **the draft of this implementing decision** on calculation verification and data reporting on recycled plastic content in single-use plastic beverage bottles **is posing serious concerns** to the recyclers of PET, PET converters, and PET bottlers. Therefore, **we would like to share our experience and highlight our concerns regarding the following aspects of this implementing decision that would affect the PET sector.**

Firstly, PETCORE Europe would like to raise the attention about the lack of consideration for PET depolymerization recycling technologies in the proposed implementing regulation. In fact, the calculation proposed in the draft implementing decision relies on Regulation (EU) 2022/1616 for "novel technologies" and "suitable technologies" for recycled plastics destined to food contact, which essentially covers thermomechanical recycling, and some chemical recycling technologies applying depolymerization (i.e., glycolysis) that produce intermediate susbstances not registered on the positive list of Regulation (EU) No 10/2011 to produce food contact PET. However, **there exist PET depolymerization recycling technologies** (i.e., methanolysis and hydrolysis) **that produce monomers that are listed on the list of authorised substances of Regulation (EU) No 10/2011 and, therefore, are not in scope of Regulation (EU) 2022/1616**, . With the proposed draft implementing decision, **the output of these PET depolymerisation recycling technologies would not be considered as recycled content in the context of the SUP directive.**

Recast recycled plastics regulation R 2022/1616 - SCOPE



Market studies[1] indicate that thermomechanical recycling alone will reach an **estimated capacity of 900,000 tons of food contact rPET in 2025**. Without the complementarity of recycling PET by depolymerization, **this amount will be short of meeting the 25% recycled content target for bottles in 2025**, because the market will need more than 1,100,000 tons if caps are excluded and more than 1,400,000 tons if the caps are included in the calculation.

The *de facto* exclusion of these technologies (i.e., methanolysis and hydrolysis) in the calculation of recycled PET **is going to compromise already announced investments in this area** (see, for example, the cases of Carbios, CuRe Technology, Eastman, Gr3n, SUEZ-Loop), **and it will not allow to reach the objective of recycled content**, currently set at 25% in 2025 and at 30% in 2030. These projects to build industrial units will have capacities that, as early as 2025 and with an 18-month ramp up, will reach 350,000 tons of recycled plastic, amounting to about 7% of the PET rigid packaging market in 2025[2]. Furthermore, **these technologies are using alternative post-consumer waste streams** different from transparent and light blue bottles, for example in the case of colored bottles, food-trays, non-food contact PET - hence **increasing the capacity to recycle more PET and the overall circularity.**

In light of the above, it becomes clear that the **lack of consideration for recycled content obtained by depolymerization and the lack of visibility** given to such approach **risk jeopardizing the core objectives of the SUP Directive**, because **they compromise investments in these technologies** and investors' efforts to provide feasible solutions that can help meet those goals.

Secondly, the draft implementing decision does not consider mass balance methodology in determining the use of recycled content in a final product. PETCORE Europe supports the idea of including this chain-of-custody method and its use should be technology neutral. This would help create a level playing field, building the necessary bridges between chemical and mechanical recycling , suitable and novel technologies. It would would also simplify calculations and reporting at all stages of the value chain.

To bring the necessary level of confidence and substantiating recycled content claims for PET containers, the mass balance approach shall be done without credits or reallocation and with the exclusion of fuels, because PET is not used to generate fuels via pyrolysis.

[1] KPET consulting
[2] PETCORE data, and KPET consulting data

Thirdly, certain elements of the provisions related to rPET content are problematic for the PET industry. PETCORE Europe would like to draw the attention to norms regarding, in particular, the determination of calculation rules, plastic labels, and caps.

Annex 3 of the draft implementing decision indicates the possibility for EU Member States to determine calculation rules, thereby creating different ones per country, per brand, per format, and so on. Besides going against the spirit and the goals of the SUP Directive, this will eventually create unnecessary different measuring and reporting sytems in the EU countries. Instead, PETCORE Europe is supportive of a coherent systems which does not complicate the calculations.

At the same time, the draft implementing decision seeks to regulate plastic labels, but not paper labels. Yet again, this goes against the SUP Directive, which excludes both typologies. PETCORE Europe is supportive of a coherent approach which remains in line with the SUP Directive.

When it comes to caps, which are also included in the SUP Directive, the European Commission assumes that their weight amounts to only 4% of the total weight, as shown in its calculations. Yet, in reality this is closer to 7-8% of the total weight, and 4% is too low in comparison. Consequently, the demand for rPET needs to take this element into account, especially because the cap cannot be made out of recycled material, given that there is actually no technology to produce such material.

Finally, PETCORE Europe would like to provide some comments about the provisions on the exclusion of post-industrial waste. In brief, eliminating the ability to recycle post-industrial waste and to count it as recycle content will eventually hamper the ability to recycle it effectively. In turn, this will compromise the goal of increasing recycled content by 2025.

At the same time, PETCORE Europe would like to stress that depolymerization recycling technologies can recycle the so-called "waste refusal" from thermomechanical recyclers which corresponds to post-consumer waste that cannot be recycled by these recyclers such as fine material. While such material could be considered industrial waste, it should retain its original Post-Consumer Recycled waste status and be considered for the recycled content targets.

PETCORE Europe (formerly Petcore - PET COntainer REcycling) is the association based in Brussels representing the complete PET value chain in Europe, from PET manufacture to conversion into packaging and recycling, and other related activities. The association is at the forefront of working with all stakeholders to ensure the sustainable growth of PET as a packaging material of choice, and also to further increase post-consumer PET collection and recycling.

May 30th, 2023.