L'alimentation, c'est la vie !

Notes

Position Ania mass balance

Paris, 30/07/24

Introduction

Ania is the French Food & Drink Association. Ania brings together 32 trade associations, 6 associated members, and 17 regional associations. Ania represents more than 19,000 companies including world leaders, SMEs, and VSEs.

Ania would like to thank the European Commission for the opportunity given to comment on its proposal for an implementing decision laying down detailed rules for the application of Directive (EU) 2019/904 (hereinafter 'SUP Directive') regarding the calculation, verification and reporting on the plastic recycled content of single-use plastic bottles.

Ania supports the Commission's objective to create a favourable framework for the development of **chemical recycling**, a **complementary solution to mechanical recycling**. In particular, Ania welcomes the Commission's decision to adopt the **fuel use exempt** mass balance credit allocation method for the calculation, verification and reporting on the plastic recycled content of single-use plastic bottles.

It is important to note that **these calculation rules,** which apply today only to single-use plastic bottles falling under the scope of the recycled plastic content targets outlined in Article 6 of the SUP Directive, **will apply tomorrow to all plastic packaging** falling under the scope of the plastic recycled content targets set out by Article 7 of the Commission's proposal for a Packaging and Packaging Waste Regulation (PPWR).

Complementarity of the mechanical and chemical recycling

While mechanical recycling is sufficiently developed at scale to effectively recycle certain plastics such as PET, it is not suitable for recycling other types of plastics used in food packaging applications: e.g. polysterene yoghurt containers. It is therefore necessary to develop, finance, and deploy at scale new plastic recycling technologies necessary to complement mechanical recycling.

Chemical recycling is the only mature technology to date with the capacity to recycle at scale certain flexible plastics, as well as certain bottle caps, labels, and shrink wraps. Pyrolysis allows to process plastics such as polypropylene and polyethylene back to their virgin form, while guaranteeing a recycled material that can be used in food-grade applications.

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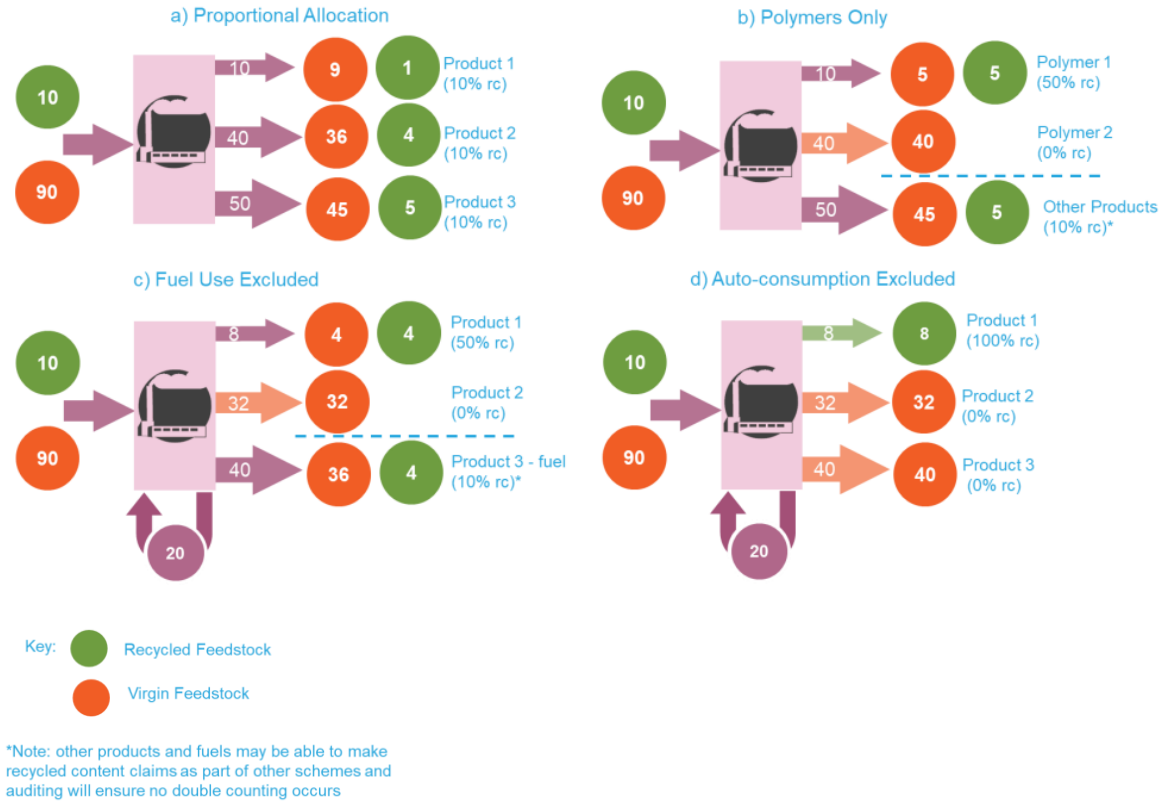
Why do we need to develop chemical recycling?

For pyrolysis to be deployed at scale and to allow the industry to meet its plastic recycled content obligations under the PPWR, the decision taken on the rules for calculating the plastic recycled content in single-use plastic bottles is key.

Compared to other mass balance recycled plastic content credit allocation methods, the fuel use exempt method will enable recyclers to make a greater proportion of recycled material credits available to food & drink producers for the same quantity of input (plastic waste). Under the fuel use exempt method, only products used for energy purposes are excluded from the accounting for recycled material credits. Whereas under the polymers only method, both products used for energy purposes and products that will not be used to manufacture plastics are excluded from the accounting.

This is illustrated in the figures presented in the Eunomia study[1] commissioned by the Commission:

Figure 4-10: Potential Co-Product Allocation Options for Mass Balance



*Note: other products and fuels may be able to make recycled content claims as part of other schemes and auditing will ensure no double counting occurs

Considering the forthcoming introduction via the PPWR of recycled plastic content targets for all plastic packaging, it is essential for manufacturers to have access to **sufficient quantities of food grade plastic recycled material at a reasonable price**, in order to be able to meet these targets.

[1] European Commission, Directorate-General for Environment, Hann, S., Bapasola, A., Fletcher, E. et al., *Study to develop options for rules on recycled plastic content for the implementing act related to single-use plastic bottles under Directive (EU) 2019/904*, Publications Office of the European Union, 2022, https://data.europa.eu/doi/10.2779/13133

According to a study[2] , the polymers only allocation method represents an additional cost of 40% per tonne of recycled allocated polymer when compared to the fuels exempt method. Chemical recycling technologies are inherently expensive. As a result, the recycled material obtained by using them often costs more than virgin plastic. For this reason, the slightest surplus in terms of costs can have a major impact on investment. **Adopting the fuels exempt method would reduce the cost of chemically recycled plastic, encouraging an increase in demand, and creating a positive signal for investors and chemical recycling operators.**

Transparency

We support the introduction of **guarantees for consumers** via the calculation and verification rules introduced by the implementing decision. It is essential for our industry to maintain and solidify the trust relationship we built with our consumers. Consumers must have full visibility on and understanding of our commitments and actions in terms of the recycled plastic content of our products' packaging.

Conclusion

We are in favour of including a **review clause** in the implementing decision. This would allow, once the chemical recycling market has reached maturity, the potential modification of the mass balance allocation method used for the assessment of chemically recycled plastic content. This would encourage R&D and investment activities to develop a new generation of chemical recycling methods that would be more energy efficient and require a smaller quantity of virgin inputs. The review clause should not pre-determine the mass balance method to be adopted in the future. An economic and environmental impact study should be carried out, to serve as a basis for a reasoned decision.

[2] https://plasticseurope.org/de/wp-content/uploads/sites/3/2023/03/Innovations-PK-PED-2023-Pra%CC%88sentation-Dr-Peter-Sandkuehler-Dow.pdf