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Brussels, 29th July 2021

Dear [redacted]

Further to our meeting on the 27th of May 2021 on the topic of mass balance and Recycled Content calculations for the 2025 and 2030 targets as set by the Single-Use Plastics Directive, **where we conveyed our position against the polymer-only model**, we are now writing to complement our feedback and further engage on your request for input on the proposals made in the paper drafted by Eunomia and presented in the workshop on the 29th of April 2021.

Cefic supports the objective of a climate-neutral European economy by 2050 and the transition to a circular economy will be fundamental to achieving this, as well as the broader goals of the European Green Deal. Chemical recycling of plastic waste has an enormous potential to contribute to this transition. **The industry is undertaking efforts and is investing to replace an ever-increasing part of feedstock with waste-based secondary raw materials.** To stimulate this change of feedstock, legislation must undergo the paradigm shift from a waste orientation to a resource orientation.

In the recent weeks, we have studied, together with our members, the 'Recycled Content in Plastic Beverage Bottles – Workshop Briefing Paper' shared by Eunomia in April 2021. **We appreciate the recognition of the contributions non-mechanical recycling can make, the considerations of chain of custody approaches, and the role of a credit-transfer in achieving the 2025 and 2030 targets.**

Mass balance methodology can accelerate feedstock transition and enables rapid innovation of processes and business models, provided it is reinforced by a solid legislative framework. In our assessment, we consider the free attribution model as proposed by Eunomia to be the closest to our mass balance position, based on the societal contributions it can make and its potential to quickly increase the recycled content in our economy. Based on this model, Plastics Europe recently announced investments in the scale-up of chemical recycling planned by member companies amounting to €7.2 billion by 2030.

We stress our commitment to be more circular and thus to produce recycled feedstock and to speed up the transition of a circular economy for plastics by using our existing fully integrated production facilities. This matters when considering the overall sustainability impact. If needed, to align a mass balance model with the presented reading of the current recycling definition as per the Waste Framework Directive, **we can support the direction of Eunomia's proposal for the 'fuel exempt' model. We propose to refine this model to 'fuel *use* exempt'.**

Our suggestion is driven by the understanding that the recycling step is corrected for (1) system/process losses, (2) fuel generated and used by the process (auto-consumption), and (3) substances generated and used as fuels. We believe the above supports the objective of closing the economic material circle.

We thank you for considering our input on this important topic and we would welcome an opportunity to further discuss, clarify and elaborate on our proposal. Would it be possible to have a meeting at your earliest convenience so we can have your feedback and learn about the next steps and the possibilities to contribute to your ongoing work? If we may, we will contact you to explore mutually convenient dates. Looking ahead, we affirm our will to work together with you for a circular economy and a resource-oriented legal framework, enabling the transitions to 2050.

Yours sincerely

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