

POLICY TO CREATE A CIRCULAR PLASTICS ECONOMY

July 2021

Plastics Circular Economy Goals

A photograph of three children participating in a recycling activity. A boy in the center is pouring a clear plastic bottle into a blue recycling bin. A girl on the right is holding another plastic bottle. A boy on the left is holding a plastic bottle cap. The bin has the text 'WE RECYCLE' and a recycling symbol on it. The background is a bright, outdoor setting with green foliage.

✓ 2040 Goal

- 100% of plastics packaging is reused, recycled or recovered

✓ Interim Goal (2030)

- 100% of plastics packaging is recyclable/recoverable

✓ Best practice goal

- 100% of Division's U.S. manufacturing sites participate in Operation Clean Sweep Blue by 2020, with all North American sites by 2022

Plastic Policy is Advancing

recycling today



Photo courtesy of Thinkstock

CLEAN Future Act targets waste's role in climate change

The legislation, introduced by the leaders of the House Energy and Commerce Committee, would impose new permitting requirements on plastics producers, establish recycled content standards and institute a national bottle bill.

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Ahead of the release of version 2.0 of the Break Free From Plastic Pollution Act this week, the plastics industry makes a very public defense of chemical recycling plasticsnews.com/news/acc-washi... via @plasticsnews

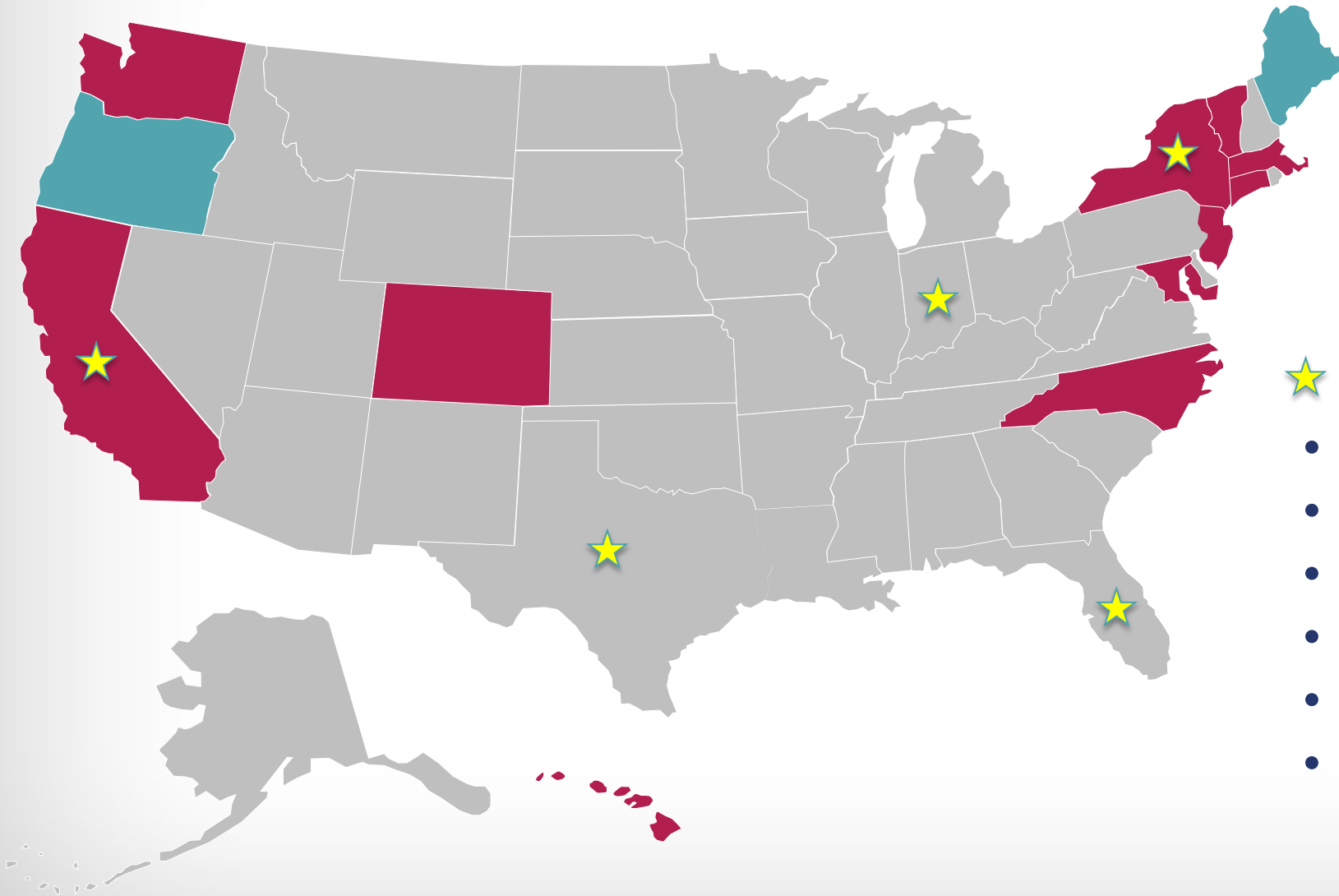


ACC to Washington: Don't block chemical recycling

Producer Responsibility



Producer Responsibility Advancing



★ Proactive Discussions:

- Federal
- California
- Texas
- Florida
- Indiana
- New York

Producer Responsibility Principles



Needs to improve the overall recycling system



Ensure dedicated funding from producers & government



Consider the environmental impact of packaging materials



Support and recognize recycling innovation and technologies



Maintain and promote an American style competitive, free market approach

Developing Federal Plastics Policy



Industry Goals

Reuse, recycle and recover all plastic packaging by 2040.



Roadmap

Comprehensive strategic framework that identifies actions to create a more circular economy for plastics.



Guiding Principles

Outlined 6 principles to drive our public policy development.

Supply & Demand Enhancements Needed To Improve Entire System

Supply

Financing mechanisms like:

- ❖ Producer responsibility models
- ❖ The Recycling Partnership's Accelerator Proposal
- ❖ Improve access, collection and education

Require buy-in from other materials.

Demand

Proposals like :

- ❖ Regulatory framework enhancing demand
- ❖ Brings stakeholders clarity & confidence
- ❖ Support private sector investments

ACC's proposal is plastic specific.

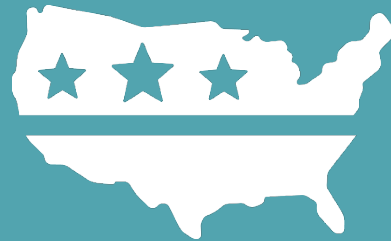


Plastic Waste Reduction & Recycling Innovation Act

Federal Plastics Model Legislation: Strategic Goals & Objectives



Develop a national framework to eliminate plastic waste in the environment







Create a national system to grow the circular economy for plastics



Help EPA reach its 2030 goal by improving how 9,000 recycling jurisdictions recycle

Overview

-  Require plastic packaging include at least 30% recycled plastic by 2030 through a preemptive recycled plastics standard
-  Create a 21st century federal regulatory framework to accelerate a national circular economy for plastics
-  Bring together local stakeholders and experts to develop a national recycling framework
-  Elevate plastics' role in lowering GHGs through a comparative impact study of raw materials

Section By Section Overview



Sections 1-3: Table of Contents, Findings & Purpose



Section 4: Definitions



Section 5: Comparative Impact Study of Raw Materials



Section 6: National Recycling Standards



Section 7: Mandates for Recycled Plastics in Plastic Packaging

Section 2: Findings



Recycling Benefits



Mechanical Recycling Challenges



National Recycling Goal



Advanced Recycling Challenges



National Interest

Section 3: Purpose



To grow the circular economy for plastics products and materials

Section 4: 21st Century Regulatory Framework



Establish certainty to invest in recycling infrastructure for the long-term.



Eliminate confusion and ensure regulatory consistency to drive business decisions.



Create the environment to drive future consequential policy decisions over the long-term.

Codifies Into Law Key Definitions

- ✓ Advanced recycling
- ✓ Advanced recycling facility
- ✓ Advanced recycling feedstocks
- ✓ Advanced recycled products
- ✓ Advanced recycling technologies
- ✓ Approved certification system
- ✓ Attribution
- ✓ Auditable
- ✓ Certified compostable products
- ✓ Certified mass balance
- ✓ Certified recycled
- ✓ Chain of custody
- ✓ Circular
- ✓ Depolymerization
- ✓ Dehydrochlorination
- ✓ Gasification
- ✓ Mass balance
- ✓ Marketers
- ✓ Mechanical recycling
- ✓ Plastic
- ✓ Plastics Packaging
- ✓ Post-consumer material
- ✓ Pre-processing
- ✓ Processing
- ✓ Pyrolysis
- ✓ Recovered feedstocks
- ✓ Recycled plastic
- ✓ Solvolysis

Note: Not exhaustive list

Advanced Recycling



Advanced plastics recycling processes that produce feedstocks for plastics, chemical products, waxes and other non-fuel products should be counted as recycling.

Advanced Recovery



Advanced recovery processes that produce transportation fuels such as jet fuel for airlines or ethanol for use in automobiles or other fuels (marine) should be counted as recovery.



Section 5: Comparative Carbon Impact Study of Raw Materials

Requires National Academy of Sciences, Engineering and Medicine to conduct a study on:

- **Comparative benefits**
- **Resource use**
- **Resource efficiency**
- **Carbon impact across the lifecycle of materials**

Report required within 2 years of enactment and recommendations should promote additional policy actions.

Section 6: National Plastics Recycling Standards



Requires development of minimum standards by DOE and EPA



Establishes National Plastics Recycling Standards Advisory Committee



Requires completion of study on standards topics and related issues



Requires compliance 1 year after effective date of regulation



Prohibits states and municipalities from implementing lesser standards

Goals for National Recycling Standards



**Improve
collection
and
access**



**Improve
outreach
and
education**



**Improve
data
reporting**



**Reduce
recycling
contamination**

Advising on National Recycling Standards



Section 7: Mandates for Recycled Plastics



Develops a national, pre-emptive recycled plastic standard for plastic packaging with the corresponding rates and dates:

- 30% recycled plastic target by 2030



5 Key Things To Know

1. Reflects recycled plastics can be derived from both traditional mechanical systems and advanced recycling technologies.
2. Allows for reduction (not increase) in target rates based on evaluation of market factors.
3. Mandates apply across the average of the entire portfolio.
4. Establishes packaging label to promote attainment of recycled plastics percentage certified by EPA.
5. Establishes nationwide system with preemption to promote efficiency and head off 50 state compliance challenge.

A hand is shown in the bottom left corner, holding a piece of white chalk and drawing a horizontal line under the text '100%'. The text '100%' is written in white chalk on a dark background.

Compliance

- Credible, preemptive program must include mechanisms for oversight & driving compliance
- Creates administrative & recordkeeping program to support recycled plastics attainment
- Framework rewards companies making greater efforts to achieve mandates
- Penalties range from \$.05 to \$.20 cents/pound based on level of compliance & mandate shortfall
- Money used exclusively for municipal educational and infrastructure grants

Preemption & Green Guides

- Critical to overcome plastic waste challenges by preventing a patchwork of inconsistent and misguided state and local rules
- Prevents states and localities from establishing/enforcing different requirements for recycled plastics, restrictions on advanced recycling, certification methodologies, etc.
- More challenging politically, but significant upside
- Language added to Green Guides to provide clarity and confidence for value chain marketing





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