

Recycling of plastics. What impact norms have on the development of the market of recycled materials?

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ready for the resource revolution



Why the Circular economy?



**To decouple
economic growth
from natural
resource use**



**To address
the problem of
depletion of
raw materials**



**To fight against
climate change**



THE CHALLENGES OF PLASTIC – SOME FIGURES

More than 40 years after the launch of the first universal recycling symbol, only 7% of plastics produced in Europe effectively come from recycled plastics



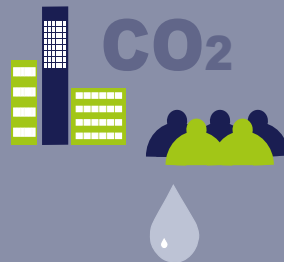
And Why the Circular economy for plastic



**Decrease in the
consumption of
Raw Material**



**Decrease in
the emission
of GHG**



**Decrease in the
amount of
plastics in the
oceans**



Transition needs to be accelerated overcoming barriers

Regulatory Barriers



Technological barriers

**Inexistence of a structured
market**

Actions underway and to be taken

Overcome
Regulatory Barriers

Setting
governmental and
regulatory
initiatives



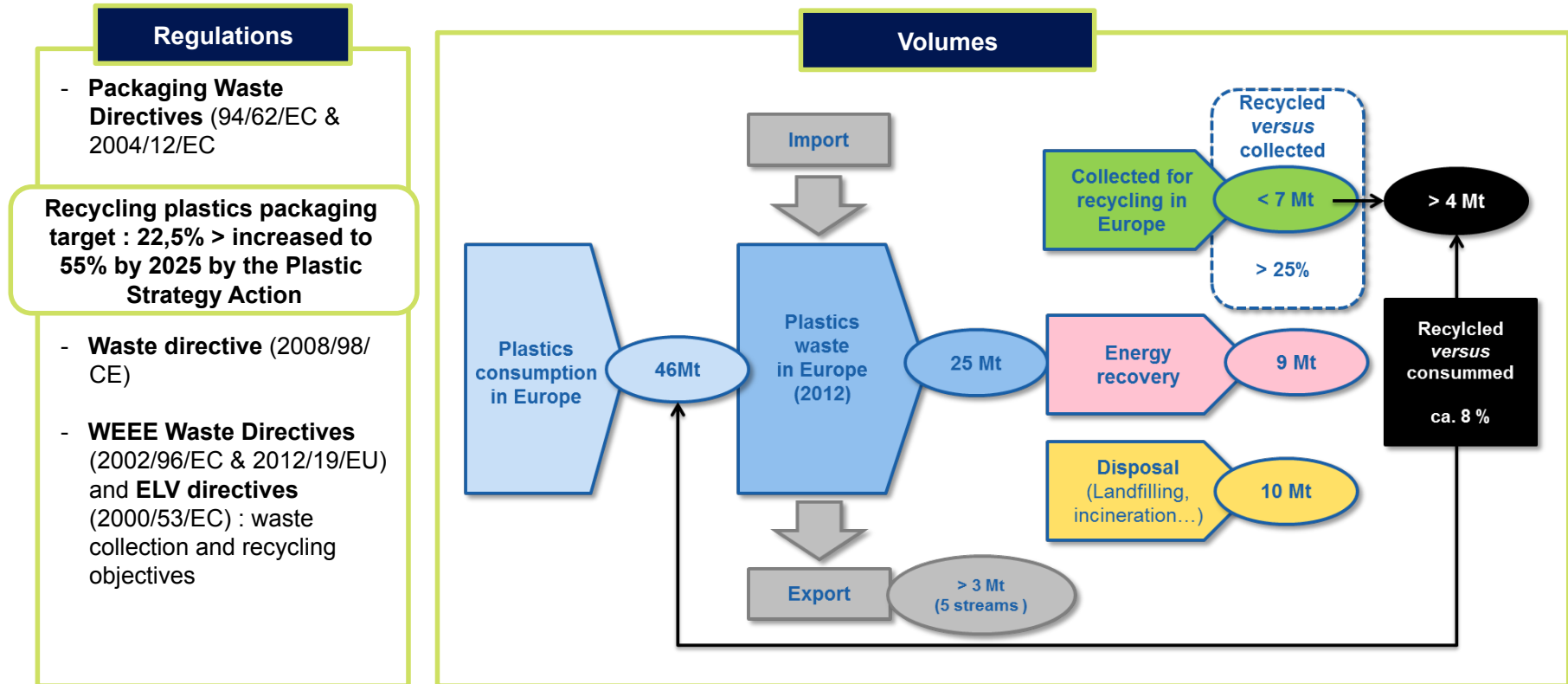
Putting a price
on Carbon



Calling for
changes from
NGOs and citizens



Treatment of plastics waste today in Europe



Regulations used mainly to push towards selective collection & sorting while the share of recycled plastics is only 8% of the virgin plastic volumes

The EU Circular Economy Package: a starting point to tackle the issue

Political coherence / Global vision / Benefits for the EU

WASTE LEGISLATIVE PROPOSALS

- Waste Framework Directive: 65% recycling target for municipal waste (2030) ; unified calculation method ; adapted definitions (“final recycling process” ...) ; general requirements for Extended Producer Responsibility
- Landfill Directive: 10% recycling target for municipal waste (2030)
- **Packaging & Packaging Waste Directive: 75% recycling target for packaging (2030)**
- WEEE / Batteries & Accumulators / End of life vehicles

To be reviewed and finalized by 2017

ACTION PLAN (NEXT 4 YEARS)

- Production: BREFs, Ecodesign
- Consumption: Ecolabel, GPP
- Waste management: Waste to Energy
- SRM market (quality standards), Fertilizers, REUSE, waste shipment
- Sectorial action: **Strategy on Plastics (55% Recycling plastics packaging target)**, Marine litter, Food waste, Construction & Demolition, Biomass & Bioenergy
- Innovation & Investments: Funds under Horizon 2020, Juncker Plan, Cohesion Funds

Not yet finalized. Concrete recommendations to come within next 4 years

- The Commissions’ perspective: a major political and economic project
- Industry reactions: overall satisfied ≠ NGOs: disappointed
- Political reactions: mitigated

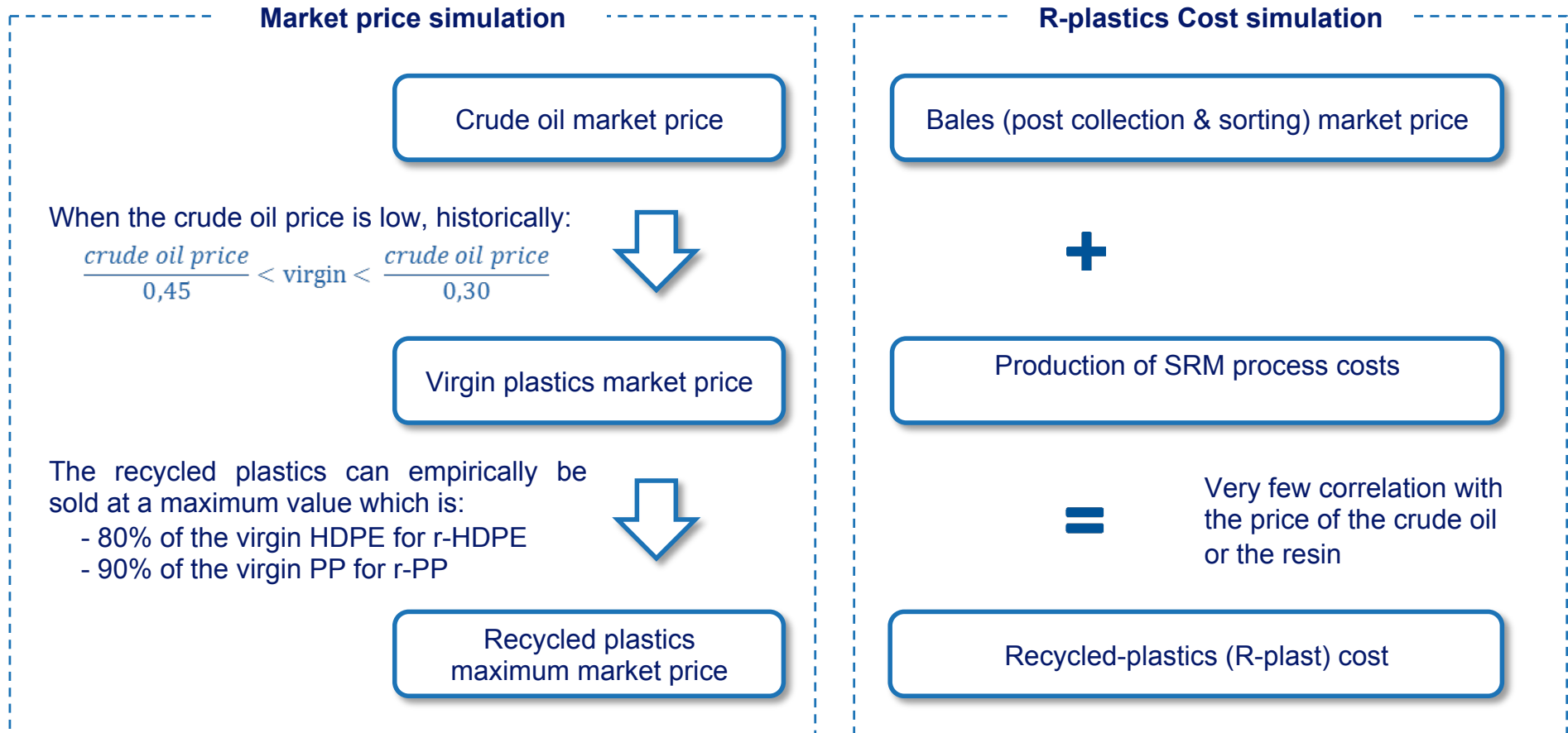
Big opportunities in the value chain created by the new regulation

To bring the plastics recycling rate in Europe for PACKAGING WASTE to 55% it takes...

- ...60 additional big plastic packaging sorting plants with 80 kt/y capacity each (4,8 Mio. t/y total new capacity)
- ...170 additional plastic recycling plants with 25 kt/y input capacity each (4,25 Mio. t/y total new capacity)

Financial needs are tremendous,
however there is today no viable downstream market to sustain such investment

But cost gap between primary and secondary raw materials remains



Market price of the recycled resins can be empirically determined from the crude oil price, while their cost is hardly correlated with crude oil

Encouraging the demand side

Moving from a Push to Pull policy => key issues to accelerate the circular economy for plastic recycling

- 1. Stimulate demand**
- 2. Guarantee Quality**

Stimulate Demand

SUEZ suggestions:

1. Fiscal incentives (ex: 0% VAT in China)
2. Support Secondary Raw Materials (ex: Orplast in France for r-plastics)
3. Ambitious Green Public Procurement (ex: 40% target recycled paper in France - 2020)

Guarantee Quality

Example of EU measures:

1. Coordinate national End-of-Waste
2. Certification on some flows: EU CertPlast for plastics

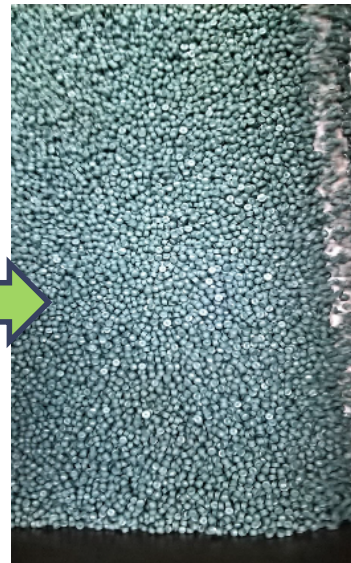
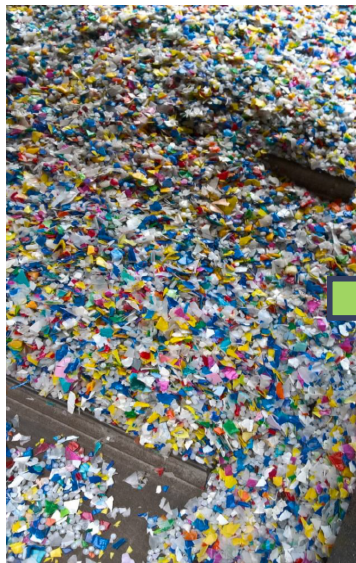
Transition towards a Circular Economy: gaining speed and ensure high quality and critical mass are essential

Actions underway and to be taken



Sorting

Overcome Technological barriers



Products

Actions underway and to be taken

Impulsion to come from
industrials



L'ORÉAL

Thank you!

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