Joint Industry Position

Legislative Proposal on Preventing Plastic Pellet Losses to the Environment

The participating industry associations, representing polymer producers, converters, transporters, and recyclers, welcome the European Commission's proposal to address plastic pellet loss. We support the reduction of plastic pellet loss to the environment and the European Union's 2030 microplastic reduction targets. Moreover, we support:

- Binding, mandatory, and harmonised legislation to prevent pellet loss, for all pellet handlers.
- Elimination of all pellet losses via a management approach, underpinned by independent auditing and certification.
- Inclusion of maritime shipping in pellet loss prevention legislation, including binding pellet loss prevention measures for shippers in full alignment with IMO recommendations.
- Legislative minimum performance requirements for the packaging of plastic pellets.

Nevertheless, aspects of the Europe Commission's proposal, along with amendments proposed by the European Parliament, raise concerns that the participating associations believe need to be addressed before legislative entry into force to achieve effective, proportionate, and workable legislation. Specifically:

- Clear and harmonised definition of a plastic pellet.
- Flexibility to choose the most effective pellet loss prevention measures.
- Support for Small and Micro Sized Enterprises to Prevent Pellet Losses
- Regulatory Coherence with EU legislation, International Recommendations and Standards

Further to these concerns, we have proposed a series of legislative amendments that we believe can form the basis of workable compromises on these points of concern (see Annex).

Clear and Harmonised Definition of a Plastic Pellet

Preventing plastic pellet loss starts with a clear and harmonised definition of a plastic pellet. The participating industry associations propose that this legislation adopts the OSPAR Commission's definition of a pellet, which explicitly includes pellets, powders, and flakes.

Whilst some policymakers have sought to include dust from plastic pellets in this definition, we believe that this is inappropriate and disproportionate. Dust is not a feedstock in plastic product manufacturing operations, it is a waste material that is not placed on the market. The

¹ OSPAR (2021) Recommendation 2021/06 on the reduction of plastic pellet loss into the marine environment (pp 2).

management of plastic dust emissions requires a bespoke and separate technical approach, owing to its fundamental lack of uniformity, one not foreseen in the Commission's initial proposal. The inclusion of dust would be an excessive and disproportionate increase in legislative scope, complexity, and cost for European industry, at a time of significant competitive pressure.

Flexibility to Choose the Most Effective Pellet Loss Prevention Measures

The participating associations are concerned that some policymakers are seeking prescriptive pellet loss prevention measures. We do not support prescriptive approach to pellet loss prevention measures, packaging characteristics or pallet loading limits. We endorse the management approach that has been proposed by the Commission, specifically that duty holders "shall consider" pellet loss prevention, containment and clean up measures taking into account the nature and size of the installation as well as the scale of its operations. This obligation, with the oversight provided by independent auditing and certification, combined with supervision by member state authorities, is sufficient to achieve efficient and effective pellet loss prevention across the plastics value chain.

Support for Small and Micro Sized Enterprises to Prevent Pellet Losses

The participating industry associations note and wish to highlight that small and micro enterprises have specific needs that have not been adequately addressed in the Commission's proposal. Therefore, we seek regulatory provisions that enable access to training and financing for small and micro enterprises. Further, we believe that small and micro enterprises should be granted favourable tax treatment for capital expenditure related to this regulation and benefit from a longer entry into force period of 24 months to ensure a level playing field.

Regulatory Coherence with EU legislation, International Recommendations and Standards

The participating industry associations note, with concern, the potential aspects of the Commission's initial legislative proposal, and amendments proposed by the European parliament to create significant legislative incoherence (e.g., PPWR requirements for packaging formats). We urge Member States to utilise existing legislative precedents or provisions to avoid unnecessary regulatory duplication and inconsistency.

As proposed by the Commission, the text of Article 16 seeks to assign burden of proof in compensatory claims from the plaintiff to the defendant. The defendant would need to prove a negative and demonstrate an absence of contribution to damage. In practice this would promote both a settlement pressure on the defendant and potentially unmerited claims. We urge Member State to align Article 16 of the Commission's legislative proposal with Article 79a of the revised Industrial Emissions Directive.

The participating industry associations note that the first reading position of the European Parliament seeks legislative amendments that would set requirements for pellet loss reporting, hazard labelling of pellets, chemical disclosure, and the maritime transport of pellets, which diverge from other EU legislation and IMO recommendations.

We highlight that via the European Union's primary chemical control legislation, REACH and CLP, pellet loss reporting, and hazard labelling obligations already exist, with chemical disclosure for polymers potentially forthcoming. These Parliamentary amendments would see double regulation, increased legislative incoherence and administrative burden for little to no additional benefit if they entered into force. We urge Member States not to set duplicate requirements and rely on the complementary provisions of Europe's chemical control legislation.

Regarding the maritime transport of plastic pellets, we recognise that the regulation of maritime transport is the domain of the International Maritime Organisation (IMO). Nevertheless, pellet spills that have occurred in European waters during maritime transport in recent years point to the regulatory action. Recently, the IMO has acted on this point by publishing recommendations for the carriage of plastic pellets by sea in freight containers². Thus, we call on Member States to adopt IMO's recommendations and give it legal effect in Europe. This action must also include a review mechanism to amend these provisions in the event further recommendations or regulation published by the IMO. EU obligations must help to ensure the safe, secure, and sheltered stowage of maritime shipping containers that contain pellets. This will avoid international regulatory divergence and ensure that any measures that are mandatory in Europe are fully consistent with maritime transport measures for pellets, recently adopted by the IMO.

Lastly, we support a selective widening of the exemption from certification requirements for participants in EMAS, the Eco-Management and Audit Scheme, to participants in other internationally recognised standards for environmental management systems. We believe that such an extension is appropriate, coherent, and beneficial both in terms of promoting pellet loss prevention, and by extension the EU's environmental objectives, whilst also reducing costs for economic operators who have proactively sought to go beyond legislative minima.

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² International Maritime Organisation (2024) <u>Recommendations for The Carriage of Plastic Pellets By Sea In Freight Containers</u>













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Association of European Plastics Recyclers

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