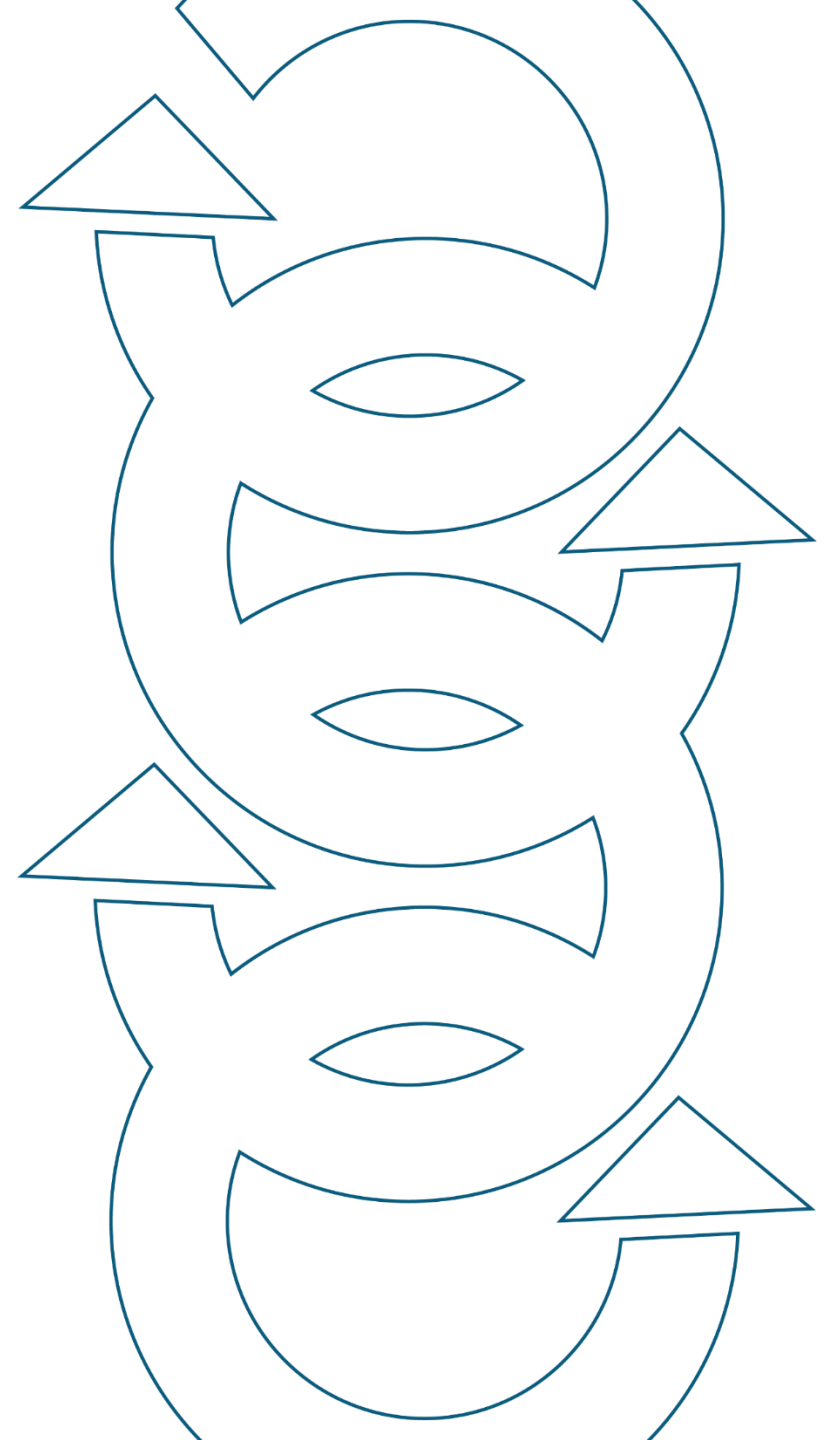




Leading a more circular
plastics value chain

Incorporating Recycled Content – Verification and Combatting Fraud

Steve Morgan, 13 May 2025



Who We Are

RECOUP is the UK's leading independent authority and trusted voice on plastics resource efficiency and recycling. As a registered charity, supported by our members, RECOUP aim to:



Inspire collaboration by connecting the whole plastics value chain



Lead the continued development of a plastic circular economy, resource efficiency, recycling and reuse



Educate the public and businesses on all aspects of plastics recycling and resource efficiency

What We Do



Trials & Testing



**Citizen
Engagement**



**Plastics in the
Environment**



**Reuse of Packaging
& Products**



**Policy, Advocacy
& Compliance**



Infrastructure



**Recyclability of
Packaging & Products**



**Life Cycle
Assessments**



**Environmental
Consultancy**

EARLY BIRD
TICKETS AVAILABLE NOW!

THE RECOUP CONFERENCE

LEADING A MORE
CIRCULAR PLASTICS
VALUE CHAIN



GET YOUR TICKET NOW!

25 SEPTEMBER 2025

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AWARDS

*Ceremony &
Networking Dinner*

24 SEPTEMBER, 2025

www.recoup.org

Incorporating Recycled Content – Verification and Combatting Fraud

- The commercial challenge for UK recyclers.
- UK Plastic Packaging Tax.
- Other tax systems and recycled content legislation.
- Verification – what’s happening in the UK.
- Existing certification schemes.
- Recommendations for future action:
 - BPF and RECOUP *Recycled Content Verification Systems* report
 - Mass Balance Allowance in the UK
 - New RECOUP research



The Commercial Challenge

- UK plastic packaging recyclers have been significantly impacted by commercial challenges.
- Energy prices and logistics costs.
- Main challenge is from the commercial challenge of imported plastic packaging.

“The aim of the tax is to provide a clear economic incentive for businesses to use recycled plastic in the manufacture of plastic packaging, which will create greater demand for this material. In turn this will stimulate increased levels of recycling and collection of plastic waste, diverting it away from landfill or incineration.”

HMRC [1]



**CRISIS IN EU PLASTIC RECYCLING
DEMANDS IMMEDIATE ACTION**
**WAVE OF RECYCLING PLANT CLOSURES
ACCELERATES ACROSS EUROPE**

Crisis in EU Plastic Recycling Demands Immediate Action

Wave of Recycling Plant Closures Accelerates Across Europe



Viridor to exit UK mechanical recycling operations at Avonmouth

5TH NOVEMBER 2024 | 2 MINS

Business Announcement



Cost, Cost, Cost ...

- ✓ UK Plastic Packaging Tax – generating UK demand for recycled plastic in packaging markets.
- ⊗ Demand often being met by low cost (non-EU) imported recycled material rather than UK produced recycled plastic.
- ⊗ Importers undercut UK and European suppliers due an entirely different cost base and greater access to material:
 1. Very low collection & sorting costs which can also make use of an informal collection sector (vs expensive collection and sorting systems in Europe).
 2. Very low labour costs.
 3. Weak health & safety standards with potentially hard to validate ethical and environmental practices.
 4. Lower costs of compliance with waste, environmental and labour laws.
 5. Often lower energy costs.
 6. Access to government subsidies in some countries.
- ⊗ HMRC losing revenue for an unknown quantity of packaging that is incorrectly avoiding paying the tax.



Enforcement ...

- ✓ Responsibility of the company to provide evidence.

Records for plastic packaging components that contain recycled plastic

- Provide sufficient supporting evidence that recycled plastic was used.
- Show which dates the evidence relates to, such as the dates that the components were finished or imported.
- Show which plastic packaging component the percentage relates to, including product lines or production runs.
- Confirm the source of the recycled plastic.

Documents that can be used as evidence for Plastic Packaging Tax

- Provide evidence from the manufacturer of the plastic packaging.
- Prove that you (or a competent third-party) have a robust supply chain audit that can provide this evidence.

But ...

- ⊗ No recognised certification scheme is required.
- ⊗ Verification of recycled content is not being sufficiently enforced, particularly imported packaging.
- ⊗ Limited use of certification schemes and third-party auditing.



Guidance

Records and accounts you must keep for Plastic Packaging Tax

Find out what records and accounts you must keep to support the information that you submit on your Plastic Packaging Tax return.

From: [HM Revenue & Customs](#)

Published 17 December 2021

Last updated 2 February 2023 — [See all updates](#)

Other Recycled Content Tax Systems

Spanish Plastic Packaging Tax

- €0.45 per kilogram of non-recycled plastic used in non-reusable packaging.
- To qualify for reductions, recycled content must be certified by an accredited entity under the EN 15343 standard, the European standard for plastics recycling traceability and recycled content.



Italian Plastic Packaging Tax

- The tax rate is fixed at €0.45 for every kilogram of virgin plastic present in 'MACSI' (single use plastic products).
- The Plastica Seconda Vita (PSV) mark is an Environmental Product Certification system is the first Italian brand dedicated to products and materials obtained from the 'valorization' of plastic waste.
- PSV Certification process includes inspections at production sites.
- PSV 'mark' may differ on the material used – pre-consumer, post-consumer or a mix of both, or the intended use:
 - ✓ Food contact (PSV-Food).
 - ✓ Reusable shopping bags (PSV-Bag).



PPWR – Article 7 – Minimum Recycled Content in Plastic Packaging

- Any plastic part of packaging to contain minimum % recycled content.
- Calculated as an average per manufacturing plant and year.
- Recycled content to be from post-consumer plastic waste.

Plastic category	2030 target	2040 target
Contact sensitive packaging, except single use beverage bottles, made from PET as the major component.	30%	50%
Contact sensitive packaging made from plastic materials other than PET , except single use plastic beverage bottles.	10%	25%
Single use plastic beverage bottles	30%	65%
Packaging other than those above for the year in question	35%	65%



PPWR – Also ...

Most Imminent Secondary Legislation – 31 December 2026

- ✓ Implement acts establishing the methodology for the calculation and verification of recycled content.
- ✓ Implementing acts establishing the methodology for assessing, verifying and certifying through third party audit, and is applied in cases where the recycled content recovered from post consumer plastic waste is recycled or collected in a third country.

(42) There should be an incentive for economic operators to increase the recycled content in the plastic part of packaging.

- ✓ *One way is to ensure the modulation of extended producer responsibility fees based on the percentage of recycled content in packaging.*
- ✓ *Fee modulation should be based on common rules for the calculation and verification of the recycled content.”*

Article 6 – Recyclable Packaging

5. By 2030 the Commission shall adopt implementing acts establishing: (b) Chain of custody mechanism based on ...

- technical documentation referring to the quantity of collected packaging waste that is sent to sorting and recycling facilities;*
- a verification process that allows manufacturers to obtain the necessary data from the downstream operators ensuring that packaging is recycled at scale.*

Also ... Single Use Plastics Directive – calculation, verification, and reporting of data on recycled plastic content in SUP beverage bottles.



Recycled Content Requirements

UK Packaging Tax

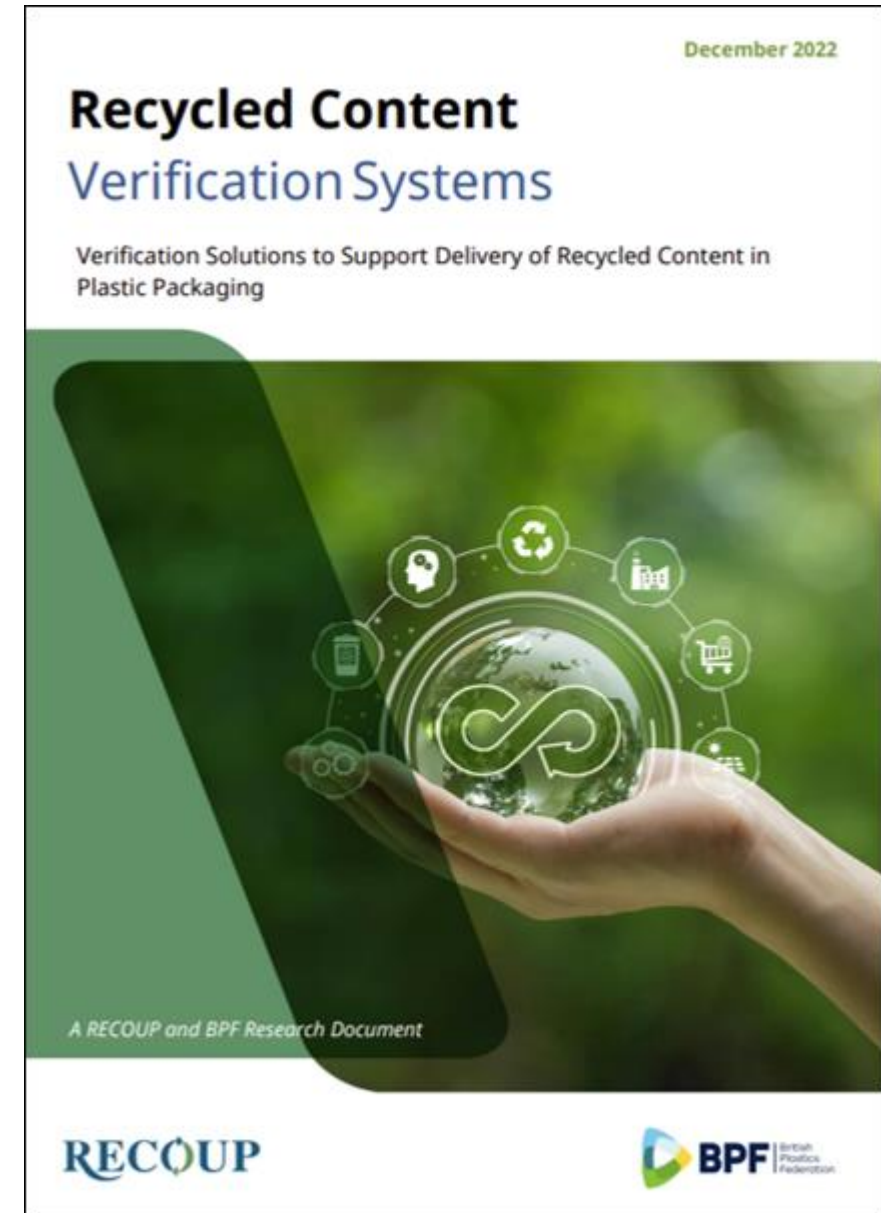
- ✓ No requirement to use a recycled content verification scheme.
- ✓ Records do need to be kept to claim an exemption and due diligence is needed.

Verification scheme can:

- ✓ Provide Evidence.
- ✓ Meet Customer Requirements.
- ✓ Positive Reputation.
- ✓ Prevent Fraud.

Three Broad Approaches

1. Independent Third-Party Auditing
2. Certification Schemes
3. Scientific Laboratory-Based Testing Approach



Scheme	Methodology / Standards	Scheme Certifies Auditors	Recycled Content Verification		Geographical Region			
			Mechanical	Chemical	National (UK)	National (non-UK)	European	International
RecyClass Recycled Content Traceability	Traceability uses EN 15342:2007 and chain of custody ISO 22095	✓	✓				✓	
REDcert²	Uses RED cert principles and checklists	✓		✓			✓	
ISCC	Change of custody - physical segregation and mass balance	✓	✓	✓				✓
UL	Uses the Environmental Claim Validation Procedure (ECVP)	✓	✓					✓
SCS			✓					✓
Intertek	Uses ISO 14021:2016		✓					✓
Greencircle			✓			✓		
DIN Certco	Uses ISO 14021:2016 and BS EN 15343:2007		✓			✓		✓
QA-CER	Goes beyond ISO 14021:2016. Certification based on ISO 9001	✓	✓					✓
Plastica Seconda Vita	Uses ISO 14021:2016	✓	✓			✓	✓	
Company scheme using independent auditor	Based on ISO definition		✓	✓				✓

✓ National (non-UK) scheme but can be used elsewhere

- ✓ **Consistent reporting mechanism.** A consistent and independent audit approach and reporting templates to work from.
- ✓ **Operate internationally / multinational and to operate to recognised international standards on recycled content and traceability.** A central requirement due to the international supply chain and use of globally recognised standards.
- ✓ **Provision to have an annual in-person audit at a site level with an auditor pool that can be deployed worldwide.** As an example, RECOUP and the BPF are aware of one business had tasked audits of their sites in Canada, China, Europe and the UK and needed an auditor that could deliver consistently in all countries.
- ✓ **Affordable, credible and add value.** To ensure the administration costs associated with implementing the tax are kept to a proportional and reasonably expected level, are robust and transparent, and noticeably add value to business operations.
- ✓ **Monitor scientific laboratory-based testing technology.** This technology should be monitored closely to ensure any opportunities to verify recycled content are considered to improve the current audit-based systems.

Examples of ISCC PLUS certified feedstocks*



Bio



Corn



Canola



Sugarcane



Cotton



Bio-circular



Tall Oil



UCO



Forestry residues



Straw



Circular (technical)



Mixed Plastic Waste



End-of-life tires



Waste textiles



Mine gas

Renewable–energy–derived



Hydrogen



Power-to-X



ISCC registration and certification process Overview



* Carbon dioxide, Oxygen and Nitrogen from ambient air can also be covered under ISCC PLUS. (as specified in the PLUS system document)

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ISCC EU

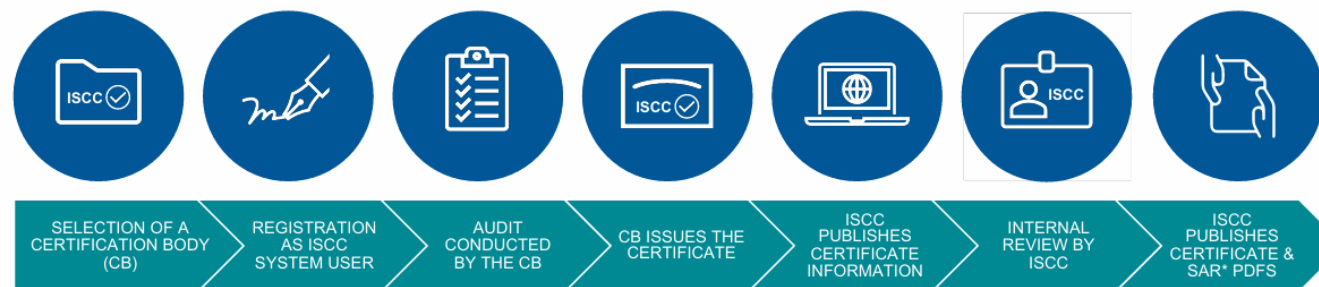
- Applicable for sustainable fuels used for transport, electricity, heating and cooling in the European Union
- To demonstrate compliance with the EU's sustainability criteria for biofuels, bioliquids and biomass fuels set out in the RED II

ISCC PLUS

- Applicable for food, feed, chemicals, plastics, packaging, textiles and renewable feedstock derived from using renewable energy sources.
- Energy and biofuels outside the EU
- Industrial applications (e.g. Chemical)

ISCC CORSIA

- Applicable for sustainable aviation fuels under ICAO CORSIA
- To demonstrate compliance with the sustainability and GHG criteria for CORSIA eligible fuels



Certificates

- Are issued by the CB and are valid for one year
- Are specific per legal entity and site → one legal entity can have several registrations for different sites
- Can be updated for material/scope extensions by the CB

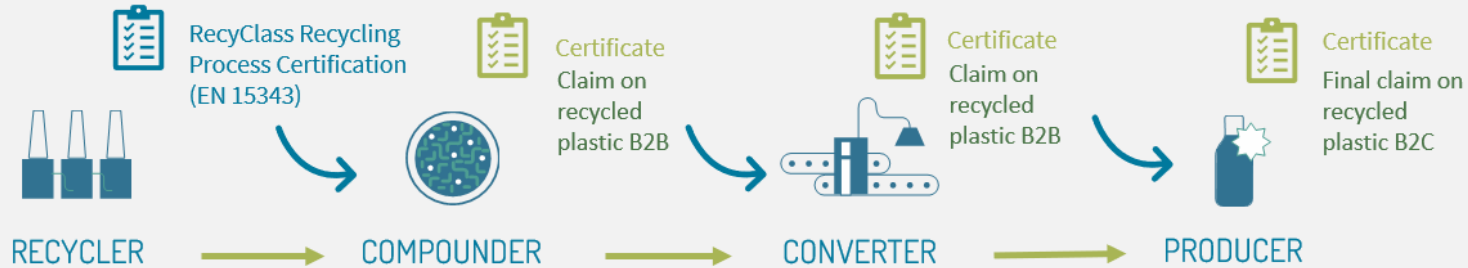
RecyClass | RECYCLED PLASTICS TRACEABILITY CERTIFICATION



Focus on physical traceability. No free allocation of recycled content in products.



Focus on avoiding self-declaration of origin of waste.



RecyClass

HOW TO GET A RECYCLASS CERTIFICATION

1 APPLICATION FORM SUBMISSION

2 APPLICATION ASSESSMENT

3 COMMUNICATION WITH RECYCLASS

4 DOCUMENTATION EXCHANGE AND ASSESSMENT

5 ONSITE AUDIT

6 AUDIT REPORT PREPARATION, REVIEW AND DECISION

7 QUALITY CONTROL

8 CERTIFICATE RELEASE (COMPANY LISTED ON RECYCLASS WEBSITE)

CONTACT A RECOGNIZED CERTIFICATION BODY



CONSIDERATIONS AND RECOMMENDATIONS FOR A MORE EFFECTIVE PLASTIC PACKAGING TAX

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RECOUP is therefore putting forward strategic considerations to HMRC to maximise the overall environmental impact of the tax and avoid unintended and negative environmental outcomes.

The strategic considerations are in five areas, with one recommendation and an absolute focus on enforcement and verification of the tax to act as a foundation to all other areas.

**Introduce a robust
enforcement framework**

**Gradual increase of the price
point**

**Modulated approach to
increasing recycled content**

**Reinvestment of revenues to
support the objectives of the
tax**

Delivering effective policy

Mass Balance – Plastic Packaging Tax: Technical Working Group (TWG)

- Autumn Budget 2024 – allow Mass Balance Allowance for chemically recycled plastic for the purposes of the tax.
- To “give clarity and certainty” government intends to:
 - ✓ Commence the legislative process in Finance Bill 2025/2026.
 - ✓ Implement this change from April 2027 – **NOT 2029!**
 - ✓ Pre-consumer waste will also no longer be accepted as a source of recycled plastic for the tax from the same date.
- Policy development – requests for specialist information and set up sub-groups where needed.
- Areas that are likely to seek expert input:
 - ✓ Control of input materials for chemical recycling
 - ✓ Procedure when non-compliance with scheme requirements identified
 - ✓ Environmental impacts
 - ✓ Emerging technologies
 - ✓ Allocation methods and transfer of credits
 - ✓ Record keeping for MBA and certification schemes
 - ✓ Impact of withdrawal of pre-consumer on film manufacturing
- Implementation and business readiness.



HM Revenue
& Customs

New RECOUP Research

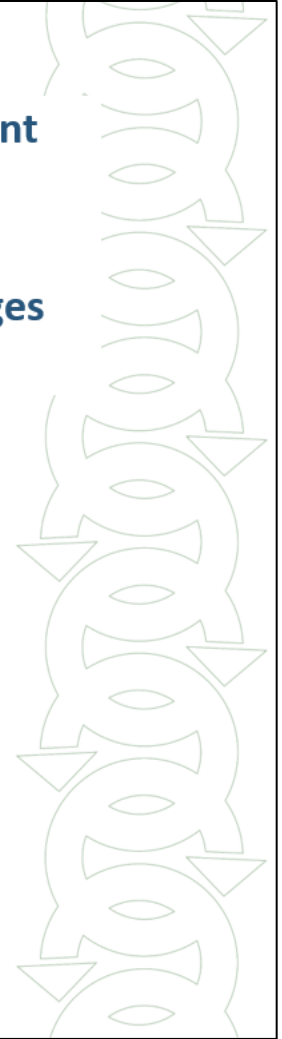
- *“Stretch film also being imported, claiming recycled content, that looks like virgin material and is claiming attributes that are impossible for recycled plastic.”*
- *“We were having to procure sheet claimed at up to 50% recycled content as we couldn't guarantee 30% had at least that amount – claims of 'up to' a certain recycled content percentage isn't helpful.”*
- *“There was a black hole before the PPT, but the introduction of the PPT made importing cheaper (and possibly fraudulent) material more lucrative. Before its introduction, the process of importing would have been more of a burden; now, there is added incentive to navigate that challenge.”*
- *“If the rate of PPT is increased without having one, officially recognised U.K. certification scheme in place – UK recycling industry will just disappear. It will move overseas”.*
- *“Only way to solve this is accreditation for importers.”*
- *“Don't abolish the PPT – that would be unacceptable. Make it work better with proper certification and verification.”*

Incorrect & Fraudulent Claims of Recycled Content in Plastic Packaging – Challenges and Solutions

May 2025

RECOUP

Leading a more circular
plastics value chain



Incorrect & Fraudulent Claims of Recycled Content in Plastic Packaging – Challenges and Solutions

- ✓ **Scope, plan and implement clear and effective material verification requirements for packaging meeting the 30% recycled content threshold for the Plastic Packaging Tax.**
- ✓ **Co-develop and align as much as practical alongside Mass Balance Allowance activities to allow chemically recycled material to be counted as recycled content for the purposes of the Plastic Packaging Tax.**
- ✓ **HMRC to initiate and complete a study of recycled content claims for the Plastic Packaging Tax from UK & EU recycled material and non-UK & EU recycled material.**

Final thoughts ...

- Accepting uncontrolled use of imported material is failing UK circularity.
- UK demand for material can be seen as positive from a global perspective, but stimulates recycling in Asia, Middle East, etc.
- There are claims of recycled content in plastic packaging entering UK which do not stand up to scrutiny and verification system are needed.
- It creates an unlevel and unviable commercial playing field for UK recyclers and deprives HMRC of tax revenue.
- **Engagement is ongoing with members and government – action is needed.**

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