

The EU's existing and upcoming legal requirements on the use of recycled plastic are not matched by either the availability of recycled plastic in the EU or sufficient local industrial capacity. This is impacting the EU's competitiveness and has forced the European Commission to take further action to stimulate the plastics recycling sector in the EU. Thus, on 23 December 2025 and as an interim measure in advance of the adoption of the Circular Economy Act, the European Commission unveiled the Plastics Winter Package, a set of measures aimed at bolstering Europe's circular economy and its struggling plastics recycling sector.

Important targeted interventions are foreseen for recycled content, plastic recycling technologies, waste classification and market surveillance.

Whether these measures go far enough to provide the life support the European recycling and plastics industry needs remains to be seen.

SUPD Implementing Decision on Recycled Content

A core element of the Winter Package is an implementing decision under the Single-use Plastics Directive¹ (SUPD) updating the rules on calculation and verification of recycled content in PET single-use plastic beverage bottles. Although the official text has not yet been made publicly available, the Commission notes that the decision is being presented for vote by Member States. Based on the version we have seen, it introduces two key changes to the existing SUPD rules.

a. Maintenance of EU-origin Requirement for Post-consumer Recyclate (PCR) Until 2027

Under the current rules, only post-consumer plastic waste generated within the EU can count towards recycled content targets for PET beverage bottles under the SUPD. This position has been heavily debated over the past couple of years, with the legislative pendulum swinging in both directions. The new act proposes to maintain this restriction until 21 November 2027. After that date, recycled plastic from outside the EU may also qualify for recycled content purposes, but only if it comes from a country that is either subject to the OECD Decision on Transboundary Movements of Wastes² or has entered an agreement with the EU ensuring that its recycled plastic meets equivalent safety and environmental standards (i.e. a mirror clause).

This approach reflects an attempt to balance free trade considerations with the maintenance of environmental standards. Moreover, it can be seen as the commission's response to concerns raised by the EU's recycling sector, which faces competition from cheaper imports and has argued that restricting eligible PCR content to EU-sourced material is needed to promote investment in European-based recycling technologies and infrastructure.

b. Accounting for Chemically Recycled Content

Under the current framework, only mechanically recycled plastic can be counted as recycled content in PET beverage bottles. However, there has been, for a long time, intense debate over whether, and how, those rules should be updated to account for plastic resulting from chemical recycling, which currently counts as virgin plastic only.

The draft implementing decision seeks to address those issues by allowing chemically recycled content to be counted towards the applicable targets using a mass balance approach based on a "fuel-use excluded" allocation rule. The approach generally follows the [draft consulted on in summer 2025](#), with further refinements, and is intended to provide greater legal certainty and support investor confidence in chemical recycling.

Assuming this implementing decision is adopted, these legislative changes will have direct consequences for PET beverage containers. Their relevance, however, extends well beyond that segment of the market. They offer an early glimpse of the direction of travel for calculation rules under the Packaging and Packaging Waste Regulation³ (PPWR), which introduces minimum recycled-content targets for all plastic packaging from 2030.

¹ Directive (EU) 2019/904 on the reduction of the impact of certain plastic products on the environment

² OECD, Decision of the Council on the Control of Transboundary Movements of Wastes Destined for Recovery Operations

³ Regulation (EU) 2025/40 on packaging and packaging waste

The Creation of End-of-Waste Criteria for Plastics

Another flagship element of the Winter Package is the proposed introduction of harmonised end-of-waste (EOW) criteria for plastic waste.

By not treating recycled plastic as waste, the Commission aims to reduce costs and facilitate the circulation of recycled plastic, thereby increasing the availability of recyclate in the EU. These changes will supersede existing national criteria and thereby reduce administrative burdens.

The proposed criteria place a strong emphasis on the safety and the traceability of the plastic materials, with requirements limiting the use of hazardous materials as well as the presence of impurities in plastic output.

Most importantly, the use of the EOW criteria is limited to plastics recycled via either mechanical recycling or via solvent-based recycling. This means that chemically recycled plastic, i.e. whereby the input has been subject to depolymerisation, is entirely excluded from the scope of the harmonised criteria. The wording of the recitals however suggests that this limitation will be open for reconsideration in the future, in order to account for technological developments.

The criteria would apply as early as 1 July 2026, with a review clause set for 2029. There has already been a public consultation on the proposed criteria, which ended on 26 January 2026. The next step is for the commission to shortly finalise the EOW criteria.

Recycled Plastic Materials and Articles Intended To Come Into Contact With Foods

The above measures aimed at bolstering the recycled plastic market are also accompanied by stricter documentation requirements for recycled plastic used in food contact applications. The documentation requirements are being proposed as an amendment to Regulation (EU) 2022/1616 on recycled plastic materials,⁴ the adoption of which is foreseen for the Q2 2026.

This [proposal](#) is an ambitious one, as it expands from existing documentation requirements applicable to recycled plastics (i.e. output plastic). Under the proposed changes, partially preprocessed plastic and plastic input will also need to be accompanied by a declaration of compliance (DOC), specifying the origin of the material (i.e. EU or non-EU). A material would qualify as non-EU where it contains more than 10% plastic that was collected or preprocessed in third countries.

Batches of preprocessed materials would further need to be labelled and, where considered suitable for recycling, would need to specify suitable recycling technologies.

While the proposed amendments do not directly hinder the use of such third-country materials, this represents a substantial administrative burden for third-country exporters that are not yet familiar with the EU's food contact legislation. It will, on the other hand, facilitate enforcement by EU authorities, with the possibility to trace the materials from the waste until the recycling stage.

Further Market Surveillance Measures on Imports of Plastic Into the EU

The EU wishes to place further controls on the import of post-consumer plastics into the EU, and, in order to do so, it has announced that it will take a number of measures. These measures include plans to change customs codes for plastic, require more detailed import documentation for imported recycled plastic used for food contact, increase audits of non-EU facilities and tighten enforcement. There is no date for the adoption of these measures, but the Commission is tasked to consider these proposals during Q2 2026.

Currently, custom codes do not distinguish between recycled products and virgin plastic. New custom codes will allow for better control of imported recyclate, while also assisting in enforcing the new proposed plastic EOW provisions.

As seen above, more stringent administrative measures will apply to recycled plastics for food contact under Regulation (EU) 2022/1616, and to this we add the creation of a new EU electronic register of recyclers. The Commission has also announced that it will audit non-EU recycling facilities and will support greater innovation in technology to trace whether plastic is indeed provident from post-consumer waste. These measures aim to improve compliance with EU regulation, protect the environment and create a level playing field across the recycling industry.

Conclusion

The EU requires more home-generated recycled plastic to meet its own targets and remain competitive.

Investment in recycling, recovery and reuse industrial facilities will be needed. The Commission is trying to accelerate investment, under separate proposals, by speeding up environmental permitting procedures for projects that deal with the prerecycling stages – such as the separate collection, reuse and preparing of material for recycling – and for recycling facilities.

Another key factor in facilitating plastic not becoming waste and diverting it from incineration would be to include waste incineration in the EU Emissions Trading System (ETS). We are still awaiting a final decision on this measure, but it could certainly make chemical recycling more affordable and thus attractive.

4 Regulation (EU) 2022/1616 of 15 September 2022 on recycled plastic materials and articles intended to come into contact with foods

The Commission will need to provide more detail on all of the above proposals and meet some tight deadlines. The imminent review of the SUPD and whether it is meeting its goals and targets will also be crucial to this process.

The message from industry is clear – the EU must ensure that it is providing legal certainty and enough investment and support to packaging producers and recyclers in the EU. The Plastics Winter Package does anticipate some of the required measures, but it also represents something of a “regulatory band-aid” for industry ahead of more comprehensive reform. The decisive test will come with the Commission’s proposed Circular Economy Act due in Q3 2026, which will be critical in determining whether the EU can deliver a durable and competitive framework for plastics recycling.

Contacts



Gerard McElwee

Partner, Brussels
T +32 2 627 76 28
E gerard.mcelwee@squirepb.com



Begonia Filgueira

Director, London
T +44 20 7655 1296
E begonia.filgueira@squirepb.com



Aodhan Mc Gourty

Senior Associate, Brussels
T +322 627 11 39
E aodhan.mcgourty@squirepb.com



Marie Escorneboueu

Associate, Brussels
T +32 2 627 76 22
E marie.escorneboueu@squirepb.com