October 29, 2026

Veolia Jenets K.K.
Sumitomo Chemical Co., Ltd.

Veolia and Sumitomo Chemical Selected to Participate in the Ministry of the Environment of Japan's FY2026 Model Project for Plastic Resource Circulation

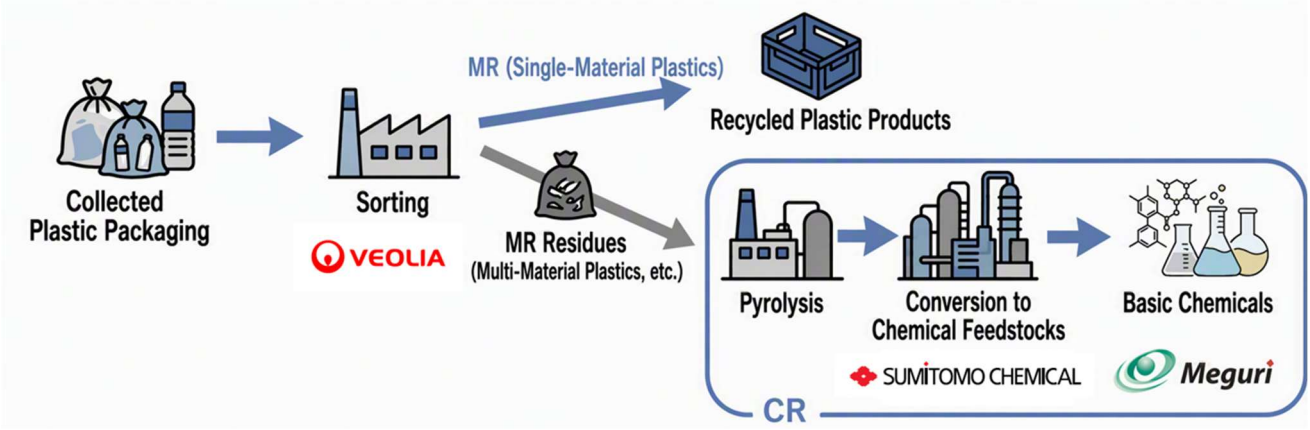
Veolia Jenets K.K. ("Veolia") and Sumitomo Chemical Co., Ltd. ("Sumitomo Chemical") have been selected to participate in the Ministry of the Environment of Japan's FY2026 Model Project for Plastic Resource Circulation (the "Model Project"). By combining Mechanical Recycling ("MR") and chemical recycling ("CR"), the two companies aim to advance resource utilization rates and conversion rates into chemicals in the recycling of plastic containers and packaging.

Up until now, plastic containers and packaging separately collected under Japan's Containers and Packaging Recycling Act ("collected plastic containers and packaging") have been handled by recycling operators and then recycled using either MR or CR as the sole recycling method. Beginning in FY2027, the System will enable MR operators and CR operators to form joint groups and combine different recycling methods to further advance in quality and yield of the recycling of collected plastic packaging. The Model Project is intended to promote the use of the System.

Some collected plastic containers and packaging are difficult to make efficient use of due to differences in material composition, contamination, or the use of composite materials. As a result, conventional MR has achieved a recycling rate of only approximately 50% for collected plastic containers and packaging.* Through participation in the Model Project, waste plastics derived from residues generated during the MR process will be recycled through CR. This combined approach is expected to increase the resource utilization rate of collected plastic containers and packaging to approximately 80%. In addition, CR will enable waste plastics from residues generated in the MR process, which have previously been used mainly for energy recovery, to be recycled into chemicals of equivalent quality to fossil-derived virgin products, expanding their use to include chemical feedstocks.

Under the Model Project, drawing on its expertise in waste management, sorting, and resource recovery, Veolia will promote the efficient use of materials suitable for MR while developing a sorting and supply scheme to channel plastics difficult to process through MR to CR. Through these efforts, Veolia aims to improve the resource utilization rate and add greater value to recycled resources. Sumitomo Chemical will seek to apply its CR technology to efficiently convert pyrolysis oil derived from plastics sorted and supplied by Veolia for CR into basic chemicals, such as ethylene and propylene, using a proprietary catalyst currently under development.

Veolia and Sumitomo Chemical will leverage the results of the studies and verification conducted under the Model Project and strengthen their collaboration with a wide range of stakeholders—including municipalities, recycling operators, product manufacturers, and customers. Through these efforts, the two companies will seek to achieve the practical implementation of a resource-circulation scheme and CR technology and contribute to the realization of a circular society.



About Veolia Jenets

Veolia Jenets K.K. is a group company of Veolia, a global leader in environmental services. Established in 1997, it operates an integrated portfolio of water, waste, and energy businesses in Japan. Leveraging expertise developed both globally and domestically, it provides locally rooted services throughout Japan.

In the waste sector, Veolia collects, sorts, and recycles plastics, including plastic containers and packaging, thereby supporting the transition to a circular economy.

About Sumitomo Chemical

Sumitomo Chemical is a diversified chemical company that supports a broad range of industries, and the everyday lives of people, through its Essential & Green Materials, Agro & Life Solutions, ICT & Mobility Solutions, and Advanced Medical Solutions businesses. The Company regards resource circulation and the reduction of GHG emissions as key priorities, and promotes the development and practical implementation of technologies, products, and businesses, including chemical recycling.

*Source: *Research Report: Estimated Effective Utilization Rates by Plastic Type* (FY2024), The Japan Containers and Packaging Recycling Association.