



Essential.
Renewable.
Circular.

Brussels

05/11/2025

Position Paper on the new Circular Economy Act

The Food and Beverage Carton Alliance (FBCA) welcome the opportunity to contribute to the Circular Economy Act which will play a critical role in establishing a single market for materials in the EU, restoring industrial competitiveness, and improving the EU's resilience. More specifically, regulatory actions aimed at harmonizing, simplifying, and digitalizing Extended Producer Responsibility (EPR), as well as aligning End-of-Waste (EoW) criteria, will help foster a strong, competitive single market within the EU for secondary raw materials. In this context, to make this a successful transition, the following principles are essential to provide firm policy foundations for the Circular Economy Act which should:

- a. Help deliver a resilient and competitive Europe, with a focus on unlocking growth and avoiding further cost to consumers, governments, the public sector, and the industry.
- b. Redefine the term 'waste' as materials should be considered 'waste' only if they cannot be recovered, reused or recycled. This will further support innovation and material reuse.
- c. Keep the principle to reprocess waste materials so that they can be used for original or other purposes. All EU policies should promote smart and resource efficient loops. Avoid considering 'closed-loop recycling' systems as preferable to 'open-loop recycling' as materials should be able to move within the economy according to market needs. Besides that, to avoid costs and emissions from the transportation of materials through long distances, it is important to support the establishment of regional circular ecosystem solutions, which may utilise materials across sectors and applications.
- d. Promote the use of sustainably sourced renewable materials over fossil materials wherever possible.

To correct the current market failures and make secondary materials more attractive while ensuring business resilience and sustainable competitiveness, we propose the following set of key policy recommendations:



Packaging Extended Producer Responsibility (EPR)

- 1. Enforcement of Art. 8a of the Waste Framework Directive (WFD), digitalization and transparency on the use of EPR fees are prerequisites for all EPR schemes for a successful circularity transition.** Ensure that the current EPR schemes promote modulation of fees and motivate manufacturers' sustainable choices and that the fees paid by producers are linked to the effective design for recycling of products and their real environmental impact. **A harmonised and transparent eco-modulation methodology, including clear calculation methods to ensure harmonised implementation across Member States, is necessary to level the playing field. EPR fees should be based on net-cost principle, with no cross-subsidisation between materials and cover all packaging materials.** Additionally, EPR schemes should be industry-led with full accountability of EPR fee return to investments in collection and recycling infrastructure.

Well-functioning EPR systems are instrumental in achieving legal obligations for recycling and recycling at scale. **Fees should reflect the net cost of collecting, sorting, and recycling** to achieve packaging recycling targets. EPR fees should avoid cross-subsidisation between materials and **liquid packaging cartons (beverage cartons) should be in their own fee category** with their own specific structure to ensure that the EPR fee effectively contributes to collection, sorting and recycling of the liquid packaging cartons.

- 2. All packaging EPR schemes should be obliged to comply with the minimum requirements as laid out in Art 8a of the WFD, while any incompatibilities should be addressed in the implementation of those minimum requirements for the establishment of EPR schemes.** Certain Member States plan on establishing state-owned-and-run Producer Responsibility Organisations (PROs), which is incompatible with the concept of producer responsibility, as it is clearly defined in the WFD. This would result in PROs serving only as an entity to collect taxes for a State's Treasury, it will reverse progress made in the 2018 revisions of the WFD and the Packaging and Packaging Waste Regulation (PPWR) and undermine the EU's ability to provide leadership on EPR in a global context. By creating legal loopholes which Member States could use to avoid meeting legal obligations, could lead to lower packaging recycling rates, undermine producers' ability to fulfil their obligations and meet the recyclability requirements in the



PPWR for placing packaging on the market. Lower recycling rates would also undermine the transition to a low carbon circular economy.

3. **Reinforce the 'accountability and transparency' principle in fee allocation, harmonized reporting by obliged producers and services covered by PROs at the various EU Member States while ensuring that packaging producers and converters are effectively engaged in the PRO governance.** Targets, obligations, and responsibilities must be clearly defined at every step of the value chain including a sorting obligation for collected material, which is the critical link between what is collected and recycled.
4. **Digitalise reporting as data availability, particularly on 'free riding,' remains inconsistent across Member States.** Enhanced digitalisation and automated reporting will not only improve data quality and comparability across Member States but also help combat free riding. This is critical to securing fair financing of EPR systems and preventing compliant brand owners from subsidising those who do not contribute.

End-of-Waste (EoW) criteria

5. **Establish EU-wide, harmonised End-of-Waste (EoW) criteria to ensure a stable market for all types of plastics while safeguarding the environment and human health. The development of harmonised EoW criteria for all types of plastic waste, including polyAl is imperative and essential to create a level playing field, eliminate market barriers and foster trust in recycled materials.**

In the absence of EU harmonised EoW criteria for all types of plastics, Member States interpret their legal status – waste or product – differently. This legal uncertainty has a direct impact on the operations of European plastics recyclers and converters as it limits investment decisions on new recycling capacities and technologies, affecting the growth and the economic stability of the sector.

At the same time, innovative European PolyAl recyclers producing valuable secondary raw materials, essential for the circular economy – including on reuse, recyclability and use of recycled content, are today facing harsh economic challenges, stemming from higher costs than fossil materials, and therefore lower demand from end-markets, putting the whole PolyAl value chain at risk.



PolyAl is a durable, recyclable plastic-based material resulting from the recycling of liquid packaging cartons that can replace fossil materials, as recycled content, in a range of applications, including reusable transport pallets, indoors/outdoors furniture, construction materials or even cars. PolyAl should therefore be recognized as a plastic waste type to which EoW status can be granted particularly when a market for end products consisting of recycled PolyAl is currently established. Furthermore, establishing an enabling policy framework would support the uptake of PolyAl produced and recycled in Europe, and thus incentivize investments and strengthen European strategic autonomy.

Collection of Waste

- 6. Prioritise high-performing collection systems for all packaging solutions and materials placed on the EU market. Separate waste collection derogations should be removed or at least get minimised and be justified, subject to public scrutiny and in line with the WFD waste hierarchy.**

The EU should create a level playing field that will improve the collection rates of all packaging solutions on an equal footing thereby ensuring increased recycling rates of all materials. All materials that are collected and sent to material recovery facilities should also be effectively sorted.

Member States that set 'collection for recycling' targets have achieved some of the highest collection and recycling rates not only in Europe but globally. For example, Belgium has set mandatory collection targets and displays the highest effective recycling rate of liquid packaging cartons in Europe: 81% in 2024.

'Food security' Test

- 7. Given the fundamental importance of food security, we strongly recommend that the impact assessment accompanying the CEA is subject to a 'food security test' to identify any impact on food systems** so that policymakers can diagnose any unintended consequences on Europe's food systems.

We thank you for the opportunity to provide input at this early stage in the process and we would be happy to discuss any of our proposals in greater detail.



About FBCA

The Food and Beverage Carton Alliance (FBCA) is a global platform uniting food and beverage carton manufacturers and their paperboard suppliers. Formed from the merger of ACE and EXTR:ACT, FBCA advocates for food and beverage cartons as safe, circular, and sustainable packaging solutions that contribute to resilient food systems and low-carbon, circular economies.