

Fibre Packaging Europe

European coalition for renewable, circular and sustainable paper and board packaging.

 1500 companies  2200 manufacturing plants  365.000 people across Europe  EUR 120 billion annual turnover

Upcoming Circular Economy Act

Fibre Packaging Europe – Summarised Policy Recommendations

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Introduction

The European Commission will present a **Circular Economy Act** by late 2026 to address key barriers in the EU's shift toward a more sustainable economy. As part of the broader Clean Industrial Deal, the legislation aims to **boost recycling capacity, promote the use of recycled and bio-based materials, and stimulate demand for circular products** through measures like public procurement and eco-design requirements.

Fibre Packaging Europe (FPE), a **coalition of seven member associations jointly representing 1,500 companies** bringing together Europe's forestry, pulp, paper, board, carton packaging production, and recycling industries, has established a **strong and well-functioning market for secondary raw materials through** the sector's commitment to place on the market sustainably sourced products.

Since before the release of the Clean Industrial Deal, **FPE has actively been supporting the European Commission with policy recommendations** to ensure that fibre material is considered and integrated in the scope of the Circular Economy Act, using this opportunity to close existing gaps and refine legislative aspects of the Packaging and Packaging Waste Regulation and the Waste Framework Directive. This becomes even more critical if the Act evolves into an omnibus regulation, aiming at harmonising existing legislation.

As a key stakeholder, FPE would **appreciate the opportunity to actively contribute to the Clean Industrial Dialogue on Circularity**, to ensure an effective circular transition.

FPE welcomes the initiative to develop a new Circular Economy Act (CEA) and would like to come forward with concrete summarised **policy recommendations, listed below:**

1. Extended Producer Responsibility (EPR)

- **Effective, transparent and better enforceable governance with centralised and industry-based Producer Responsibility Organisation (PRO):** collected fees to be reinvested in waste management operations for the respective waste streams.
- **Guaranteed service for all packaging materials** that pay their due contributions.
- **Keeping EPR schemes for municipal waste separate from EPR solutions for industrial and commercial waste.** Where EPR systems manage both (municipal and commercial & industrial), provide adequate accountability tools (i.e., fee modulation and reporting) to allow more transparency.
- **Application of net cost:** a net cost principle means that the EPR fees should cover the costs of recovery and reporting considering any revenues generated by the value of the secondary raw materials and should by no means exceed the costs

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of the recovery and reporting of the respective material. FPE mainly advocates for the application of the net cost principle to avoid cross-financing with other materials.

- **Paper and cardboard are much interlinked**, often collected, sorted, and recycled in the same system. The allocation of related **EPRs fees for the two categories should be looked at jointly**.
- **Eco-design**: EPR should serve to increase packaging's recyclability through balanced eco-modulation approaches. Eco-modulation criteria should be harmonised and based on objective criteria such as design for recyclability, recycled material content, renewable materials, compostability of packaging.
- PPWR defines mono-material packaging as packaging with less than 5% of a secondary material (excluding the labels, varnishes, paints, inks, adhesives and lacquers). Hence, according to the PPWR definition, **for mono-material packaging, the imposed fee should be based on the packaging's main material** and not on the presence of minimal quantities of other materials (less than 5%).
- **A one-stop-shop** for registration of producers across Europe should be established.
- **EPR fees that ensure high-quality recycling**: besides supporting efficient collection, sorting, and recycling, the aim of EPR should be to enable material recycling to the highest quality possible. This could mean, for instance, further sorting of collected paper packaging into higher quality materials.
- In line with the PPWR and the WFD, **EPR fees are paid by those who place the packaging on the market for the first time**.

2. Mandatory collection target

- **Separate collection**: the CEA should reduce the derogation possibilities for Member States to divert from the obligation to implement separate collection.
- Member States to **define waste management plans that require EPR schemes to**:
 - **Meet defined collection targets** that will ensure reaching the recycled at scale obligation of the Article 6 of the PPWR.
 - **Report transparently on the efficiency of collection**, then plan to improve the efficiency, education of consumers and the use of the collected fees.

3. End of Waste (EoW) criteria

To increase the quantity and/or quality of paper for recycling and achieve EU-wide recycling, the main objective should be to increase and improve the collection of paper for recycling instead of the development of end-of-waste criteria.

However, in case EU-wide EoW criteria for paper would be developed, Fibre Packaging Europe calls for:

- The final recycling of paper for recycling (PFR) **to continue to take place at the paper mill**, where the calculation methodology and calculation point for the recycling rate are set.
- The legal measure to **clarify that paper that has reached end of waste status, is paper that has been recovered from the waste stream**, and as such has obtained secondary raw materials status, but is yet to be recycled by the pulper of the paper mill.
- PFR to only **cease to be waste if it complies with the specifications set in the EN 643 standard and is sent directly to a paper mill for final recycling** (without further mixing). This needs to be declared by a statement of conformity, issued by the sorting plant.
- A **quality management system** audited by an external independent verifier **to be in place** to verify that PFR with EoW status complies with the EN 643, as well as with product-related legislation.
- **A separate EoW to be established for Special paper grades (EN 643 Group 5)** that need to be recycled in specialised recycling mills, considering their distinctive collection, sorting, and recycling paths.
- **EoW status to only be achieved for paper for recycling originating from separate collection**. Separate collection of paper and board should not only be from residual waste, but also from other recyclables such as plastic, metal or glass.

4. Industrial symbiosis: boost RDI for the forest-based bioeconomy

- **Removing barriers to industrial symbioses in the pulp and paper industry** by explicitly promoting the valorisation of by-products and side streams within the framework of the Pulp and Paper Best Available Techniques reference document (BREF) through acknowledgement as Best Available Techniques or Emerging Techniques with geographical limitations.

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- **Acknowledging bio-CCUS as a valuable means to de-fossilise** industrial sectors and society at large.
- **Thematically recognising the forest-based sector in the next framework programme for research and innovation (FP10)** and relevant European RDI-related initiatives, e.g., European Biotech Act.
- **Making the circular bioeconomy a prominent feature in EU programmes** including the European Competitiveness Fund, Important Projects of Common European Interest (IPCEIs), and Public-private partnerships (PPP), such as the Circular Bio-Based Europe (CBE).
- **Recognising sustainably sourced renewable content as circular input**, similarly with recycled content in line with ISO 59020 (2024).
- **Strengthening finance to support scaling and commercialisation** via allocating more funding to piloting, demonstrations, and first-of-a-kind production plants.

5. EU funding instruments for advancing the circular economy

Fibre Packaging Europe encourages leveraging existing EU funding instruments to support the paper packaging industry's role in the circular economy:

- **Cohesion policy funds (regional development): European Regional Development Fund (ERDF)**, which fosters the green transition in less-developed regions by financing innovation, digitalisation, and support for SMEs, & the **Just Transition Fund (JTF)**, which ensures that regions heavily dependent on carbon-intensive industries can shift towards more sustainable economic models.
- **Innovation & Research funding: Horizon Europe** which backs research and innovation projects, many of which tackle climate change and resource efficiency & **Invest EU**, which channels public and private investment into sustainable infrastructure, such as waste prevention, recycling, and reuse facilities.
- **Competitiveness Fund:** this fund will hopefully replace multiple existing EU financial instruments with similar objectives, thereby streamlining support for strategic technologies and innovation.
- The inclusion of a **dedicated funding chapter** in the Circular Economy Act, including a specific chapter on funding within the Act to streamline access to financial resources for companies aiming to innovate and transition towards circular practices.
- **Targeted financial mechanisms within existing and future EU instruments to prioritise collection and recycling initiatives** as key enablers of a circular economy.

6. Promotion of voluntary integration of industry within the energy system

Fibre Packaging Europe calls for **further promoting voluntary integration of industry with the energy system** to ensure systemic emission reductions and increase flexibility.

Representing 2200 industrial facilities on our continent in a sector which is leading in circularity investments, FPE remains committed to support policymakers in enabling truly circular business models creating growth and prosperity in a sustainable Europe.

About Fibre Packaging Europe

Fibre Packaging Europe is an informal packaging coalition of seven trade associations representing industries involved in forestry, pulp, paper, board and carton production and recycling from across Europe. Our joint mission is to provide renewable, circular and sustainable fibre-based packaging solutions to European citizens to achieve the European Green Deal objectives. For more information, please contact info.fpe@logos-pa.com



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