

EU COMMISSION CALL FOR EVIDENCE FOR AN IMPACT ASSESSMENT ON THE CIRCULAR ECONOMY ACT

A.I.S.E. position paper

20 October 2025

Introduction

[A.I.S.E.](#), the voice of the the voice of the detergents and maintenance products industry in Europe welcomes the European Commission’s initiative to launch the **Circular Economy Act** as a cornerstone of the **Clean Industrial Deal**.

We appreciate the opportunity to contribute to the Call for evidence for an impact assessment on “*Circular Economy Act*”.

This position paper outlines A.I.S.E.’s perspective on key measures that should be considered within the scope of the Circular Economy Act. It highlights the opportunities for enhancing circularity across product lifecycles and identifies persistent barriers that hinder the full potential of existing legislation—such as the Waste Framework Directive (WFD), the Ecodesign for Sustainable Products Regulation (ESPR), and the Packaging and Packaging Waste Regulation (PPWR).

A.I.S.E. asks the EU Commission to consider targeted reforms to:

- Strengthen the single market for waste and secondary raw materials;
- Boost both the supply and demand for high-quality secondary materials;
- Ensure that the economics of circularity are viable and scalable.

In particular, we stress the importance of revising end-of-waste criteria, harmonising eco-modulation principles, and enhancing Extended Producer Responsibility (EPR) schemes to ensure they are transparent, equitable, and effectively managed by producers.

Through this contribution, A.I.S.E. aims to support a balanced, effective, and forward-looking implementation of environmental legislation across the EU—one that fosters innovation, competitiveness, and sustainability in equal measure.



Extended Producer Responsibility

The current landscape of Extended Producer Responsibility spanning across different legislations — such as WFD, PPWR, Batteries Regulation, and directives on single-use plastics and electronic waste—remains fragmented and inconsistent across Member States and product categories. This fragmentation imposes significant administrative burdens and results in complex, duplicative compliance processes for companies operating across the EU. Moreover, the minimum requirements for EPR schemes, as set out in Article 8a of the WFD, have not been consistently respected across Member States. This undermines the effectiveness of EPR and creates disparities that hinder the functioning of the Single Market.

In line with the recommendations of the [Draghi](#) and [Letta](#) Reports, which emphasize the need to deepen the EU Single Market, A.I.S.E. strongly supports the harmonisation of EPR provisions. The Circular Economy Act presents a timely opportunity to address structural shortcomings and enhance the transparency, cost-efficiency, and effectiveness of EPR schemes.

In this regard, we recommend the EU Commission to:

- **Promote Harmonisation and Strengthen Enforcement of EPR Principles**

To ensure the effective implementation of EPR for across the EU, it is essential to harmonise the underlying governing principles and reduce fragmentation across Member States. By this mean, A.I.S.E. calls for the robust enforcement of Article 8a of the Waste Framework Directive, which sets out minimum requirements for EPR schemes. A promising avenue for reform would be the development of a horizontal, directly applicable EU EPR Regulation to reconcile the diverse requirements currently found across various pieces of EU legislation in a legislative instrument establishing underlying harmonised governing principles applicable to all waste streams¹.

- **Banning State-run PROs and removing all references to State-run systems from EU legislation**

Since a basic principle of EPR is that the payment of a fee is linked to the delivery of a service, shifting responsibility for waste management away from the public sector to the producers. It is therefore pivotal to ensure that EPR schemes are managed by producers and not by governments in order to achieve recycling goals. Evidence shows that EPR schemes run by producers have the highest recycling targets, while state-run EPR schemes are the more expensive and have the lowest recycling rates².

¹ [Joint Industry Statement in view of the upcoming New Circular Economy Act](#)

² Some EU Member States, such as Croatia and Hungary, have established State-run PROs to manage their EPR systems with negative repercussions on their recycling performance and with high level of taxation for producers. As example according to Eurostat [data](#) Hungary's packaging recycling rate was 42.2% in 2022, well below the EU average of 65.4%.

- **Harmonise Eco-Modulation Criteria at EU Level**

Eco-modulation of EPR fees should be standardised across the EU in terms of price signal direction and magnitude. Fees must be objectively linked to the actual cost of waste collection and recycling, offset by the value of recovered materials. Arbitrary fee structures risk distorting market incentives and undermining innovation. Instead, harmonised criteria across the EU with parallel incentives to manufacture products — those potentially linked to EU Eco-design or packaging recyclability requirements—would enhance optimization of EPR fees by encourage producers to design more circular products and invest in sustainable solutions. EPR schemes for packaging should maintain a clear focus on achieving recycling targets in the most appropriate and effective manner. This approach would ensure that fee structures incentivise design choices, thereby supporting the EU’s broader circular economy objectives.

- **Support the digitalisation of existing and future EPR registries**

to address the growing complexity of EPR compliance across the EU, A.I.S.E. strongly supports the digitalisation of both existing and future EPR registries. We would recommend the EU Commission to establish a legal basis to ensure that future registries are developed with harmonised minimum digital requirements, enabling interoperability and reducing administrative burdens for producers. In line with the [Single Market Strategy](#)³ and the EU’s broader simplification and Competitiveness Agenda, A.I.S.E. invites the Commission to create a legal framework for a digital one-stop shop (OSS) for EPR compliance, serving as a single point of entry for producers, authorised representatives, and Producer Responsibility Organisations (PROs), facilitating centralised registration, reporting, and fee management across all mandated EPR schemes in the EU and its Member States. Such a digital interface would unlock significant simplification by allowing Member States to maintain their existing frameworks while streamlining access and operations for producers.

- **Ensure transparency in pricing**

Details of fees should be openly available on the website of EPR schemes in order to guarantee transparency on payments.

- **Fees based on material and mass**

Fees should be established principally on the material choice and the mass of a product as placed on the market as these are the key variable driving recycling costs.

³ The **European Commission’s 2025 Single Market Strategy**, titled “*The Single Market: our European home market in an uncertain world – A Strategy for making the Single Market simple, seamless and strong*” (COM/2025/500 final), includes a reference to the development of a **digital one-stop shop (OSS)** for EPR compliance

- **Mandating non-Retroactivity Principle**

EPR should not reimburse costs incurred by Member States prior to its establishment, focusing instead on current and future environmental challenges.

- **Providing PRO (Producer Responsibility Organizations) with ownership of resource management**, allowing them to select the most efficient partners through competitive processes.

- **Ensuring level playing Field and free-Riding prevention**

Governments should establish independent monitoring to prevent free-riding, ensuring fair competition among responsible organizations.

- **Maintain the net cost principle**, according to which the proceedings from the sale of secondary raw materials need to be deducted from the EPR fees. This is key to providing PROs with economic incentives to turn waste into recycled materials with high value to reduce EPR fees.

Measures on Targets

The current EU sustainability legislative landscape presents a sheer number of product design requirements on circular and low carbon materials.

Notably, existing EU sectorial legislation – the revised Detergents Regulation⁴ - and product-legislation – PPWR⁵ and ESPR⁶ - either require or empower the EU Commission to set new targets or amend existing targets on both bio-based and recycled content feedstocks.

This has also been recognized by the EU Commission Executive Vice-President for Prosperity and Industrial Strategy, Stéphane Séjourné, stating that *“(the Commission) has worked a lot on our capacity to increase circularity in finished products. For this term of office, I am proposing you to work on another component of circularity that is supply, which will allow to have a real market for waste (...)”*⁷

We recommend addressing these issues through our sector-specific legislation, which allows for tailored and effective implementation.

⁴ Article 31(1)(g) by 7 years the entry into force the European Commission shall submit a report accompanied by a legislative proposal mandating renewable raw materials and recycled content targets specifically for detergents

⁵ PPWR sets a 35% recycled content target on plastic packaging by 2030 raising to 65% by 2040; and sets an obligation on the Commission to review the state of technological development of bio-based plastic packaging by February 2028, with the possibility to accompany such review with a proposal for bio-based plastic packaging targets.

⁶ ESPR empowers the EU Commission to set targets on recycled content and/or use of renewable materials on virtually all products placed on the EU market. The first Ecodesign Work Plan (2025-30) already identifies a series of products (apparel, tyres, furnitures, mattresses, electrical appliances) where the Commission will have the possibility to set targets. Additional products can be further covered through the following Work Plans, with a review of the 1st Work Plan already envisaged by 2028.

⁷ EU Commission Executive Vice-President for Prosperity and Industrial Strategy, Stéphane Séjourné, *Confirmation Hearing (12 November 2024)*, original speech in French : “ (...) on a beaucoup travaillé sur notre capacité à pouvoir mettre de la circularité dans les produits finis. Pour ce mandat, je vous propose de travailler sur l'autre volet de la circularité qui est l'offre, qui permettra d'avoir un vrai marché des déchets (...)”. Verbatim available [here](#) (p. 18)

Our position is credibly substantiated by:

- Article 31 (1)(g) of the revised Detergents Regulation, which empowers the European Commission to set a possible legislative proposal mandating new targets for renewable raw materials and recycled content in detergents and surfactants.
- **Double-regulation and potential contradictory requirements**
The proliferation of targets under multiple regulations covering different phases of the lifecycle (product design and waste) will lead to a patchwork of regulations creating unclarity for economic operators and legal uncertainty on which regulation applies to a specific product. This would be in total contradiction with the EU Commission’s commitment to *“simplify, consolidate and codify legislation to eliminate any overlaps and contradictions while maintaining high standards”*⁵
- **Inadequate requirements not tailored to each specific product group**
To properly consider product groups’ different uses and composition, recycled content targets should be set through product-specific legislation considering the unique characteristics of each product. In fact, the same target cannot be applicable to all products or packaging, given the specific needs of each product in terms of quality of secondary raw materials or safety. Depending on the specific quality and safety requirements for each product group, the available supply of bio-based or recycled materials will differ, making it impossible to set targets across product groups. Hence, given its horizontal nature the Circular Economy Act is not the right tool to set recycled content targets for different product groups.

Supply of Secondary Raw Materials

One of the most critical barriers to achieving a truly circular economy—clearly identified by the European Commission—is the persistent imbalance between the supply and demand of secondary raw materials. Target-driven demand, particularly in sectors governed by recycled content mandates such as the PPWR, often outpaces available supply. This mismatch not only jeopardizes the attainment of recycling targets but also inflates the cost of secondary raw materials, widening the price gap with virgin alternative. Therefore, to ensure that recycled content targets can be met without compromising product availability or increasing costs for consumers, the Circular Economy Act must include robust measures to boost the supply of secondary raw materials. A.I.S.E. recommends the following actions:

- **Harmonise End-of-Waste Criteria Across the EU**
The current fragmentation and incompatibility of end-of-waste criteria across Member States and sub-national jurisdictions significantly hinder the cross-border movement of secondary raw materials. This regulatory inconsistency restricts market access, limits supply and increases compliance costs for economic operators. To address these barriers, A.I.S.E. strongly recommends the establishment of harmonised EU-



wide end-of-waste criteria. Such harmonisation is essential to foster a level playing field, ensure legal certainty, and unlock the full potential of the Single Market. It would:

1. Facilitate the transition from waste to feedstock by providing clear and consistent rules
2. Improve access to high-quality recycled materials across borders
3. Enable the creation of regional hubs for the storage, processing, and distribution of secondary raw materials (including local biomass)

- **Definition of mass balance methodology to determine the content of recycled content**

With the right policy support, the mass balance approach should be formally recognized within the EU policy framework as a key enabling methodology for the gradual substitution of fossil-based feedstocks with renewable and circular alternatives. By leveraging existing infrastructure and supply chains, mass balance allows manufacturers to integrate renewable carbon sources at scale—while ensuring traceability and accountability. Recognizing and incentivizing this methodology would accelerate the shift toward a circular and climate-neutral carbon economy, particularly in the chemicals value chain where full physical segregation is not yet technically or economically feasible.

A common, technology-neutral mass balance methodology—open to all advanced recycling technologies—is essential to provide legal certainty for investments and to support the supply of high-quality secondary raw materials. For example, in the case of polyolefins (PE and PP), where mechanically recycled materials often contain contaminants that limit their use in contact-sensitive applications, advanced recycling is currently the only viable solution to meet performance and safety standards.

- **Consider chemical recycling as a source of recycled waste feedstock**

We welcome the European Commission’s objective to promote the use of chemical recycling as alternative resource of recycled waste feedstock.

As stated in the **European Chemicals Industry Action Plan**⁸: *“Chemical recycling can play an important role in reducing the EU’s dependence on virgin, fossil-based resources for plastic production and valorise end-of-life products.*

The proposal for a Circular Economy Act will address both the supply and demand side by creating a single market for waste and boosting the use of recycled and secondary materials. This presents a significant opportunity for the chemicals industry, which plays a central role in enabling circular solutions across value chains”

We strongly believe that chemical recycling should be formally recognised within the scope of the Circular Economy Act as a **complementary and essential pathway to mechanical recycling**, especially for waste streams that are unsuitable for mechanical processing due to contamination or complexity. When conducted under verified, ethical, and environmentally sound conditions, chemical recycling enables

⁸ https://single-market-economy.ec.europa.eu/publications/european-chemicals-industry-action-plan_en



the recovery of high-quality feedstocks while maintaining traceability and accountability. This includes transparent life cycle assessments (LCAs) that account for energy consumption, emissions, and overall environmental impact. Recognising chemical recycling in this legislative framework would contribute meaningfully to the EU's targets for recycling plastic waste and increasing recycled content in plastics, while also supporting the creation of a single market for waste and boosting the use of recycled and secondary materials.

About A.I.S.E. - A.I.S.E. represents the detergents and maintenance products industry in Europe. Based in Brussels, A.I.S.E. has been the voice of the industry to EU regulators since 1952. Membership consists of 30 national associations across Europe, 19 corporate members and 23 value chain partners. Through this extensive network, A.I.S.E. represents over 900 companies supplying household and professional cleaning products and services across Europe. Committed to promoting sustainable practices and innovation, A.I.S.E. collaborates closely with European institutions, industry stakeholders, and the public to enhance the sector's environmental protection, consumer safety, and regulatory compliance efforts.

Contact: Alessandro D'Augusta Perna, Sustainability Manager alessandro.daugustaperna@aise.eu

