

NG Nordic response on EU Circular Economy Act

NG Nordic key messages:

- NG Nordic urges the European Commission to ensure that the Circular Economy Act combines ambition with harmonization and practicality. The Act must create a predictable, efficient, and competitive framework that enables the recycling industry to deliver on Europe's circular goals.
- NG Nordic supports the introduction of mandatory recycled content requirements for a wide range of products, as well as EU-wide standards for quality, traceability, and certification. We support measures that strengthen EU recycling capacity and keep valuable materials within Europe's circular economy.
- NG Nordic supports the full inclusion of municipal waste incineration installations in the EU ETS. Such inclusion would both incentivize decarbonization of the Waste-to-Energy (WtE) sector and boost recycling.

Introduction

NG Nordic welcomes the European Commission's initiative to develop a Circular Economy Act under the Clean Industrial Deal. We fully support the EU's ambition to accelerate the circular transition and strengthen Europe's resilience through higher recycling rates, efficient resource use, and a well-functioning internal market for secondary raw materials.

We see the Act as key for delivering the objectives of the Clean Industrial Deal, including the goal to double the EU's Circular Material Use Rate. Achieving this will require coherent and ambitious policies that drive investment, innovation, and collaboration across value chains.

Our contribution reflects the practical experience of NG Nordic as a leading recycling and environmental services company operating across the Nordics.

A harmonized EU Framework to drive circularity

A harmonized EU approach is essential for achieving the goals of a circular and competitive European economy. NG Nordic strongly supports ambitious EU-level recycling targets and measures that accelerate circularity across sectors. Fragmented national regulations lead to market fragmentation. The Act should therefore ensure consistent rules and reporting frameworks across Member States, providing predictability and a level of playing field for all operators. The Circular Economy Act should ensure a coherent policy framework that promotes efficient, sustainable, and fair waste management.

Inclusion of Waste-to-Energy to the EU ETS would support recycling and decarbonization

NG Nordic strongly supports the full inclusion of municipal waste incineration installations (Waste-to-Energy, WtE) in EU Emissions Trading System (EU ETS) to ensure fair and uniform carbon pricing, which different national CO₂ and waste incineration tax schemes cannot accomplish. Including municipal waste incineration within the scope of EU ETS Directive (2003/87/EC) is an important step toward consistent carbon pricing. After the inclusion, any national waste incineration and CO₂ taxes should be avoided to prevent overlapping instruments and to secure harmonized internal markets.

The EU-wide inclusion of WtE in the EU ETS would create a financial incentive to decarbonize residual waste treatment, and as WtE operational costs increase, recycling becomes more economically competitive. This shift supports recyclers, often direct competitors of WtE facilities in the waste market, and aligns with the EU waste hierarchy, which prioritizes recycling over energy recovery. Only truly non-recyclable waste should end up in energy recovery.

When including WtE in the EU ETS, the broader waste management system must be considered, especially methane emissions from municipal landfills. If only incineration is priced, there is a risk that waste will be diverted to landfills instead. Methane reduction from landfilling is a relatively easy win, as demonstrated by Nordic experience. Therefore, the inclusion of landfilling in the EU ETS should be pursued in parallel, or alternative policy measures must be considered to prevent backsliding.

Boosting demand and supply for secondary raw materials

A successful circular economy depends on strong and integrated markets for secondary raw materials. NG Nordic supports the introduction of mandatory recycled content requirements for a wide range of products and EU-wide standards for quality, traceability, and certification. Public procurement rules should actively promote the use of secondary materials, helping to create stable demand and predictable market conditions.

We recommend measures that strengthen EU recycling capacity and keep valuable materials, such as copper and other critical raw materials within Europe's circular economy. We support the idea of intervening with waste exports outside the European Union and European Economic Area (EEA) via restrictions or fees, but such actions need to be targeted, not generic. In addition, it is essential to make sure that such measures do not hinder the waste market within the EU and EEA.

Harmonized and transparent EPR systems are key to fair competition

Extended Producer Responsibility (EPR) can be an important market-based instrument for driving circularity when it creates real incentives for recycling, reuse, and better product design. NG Nordic supports harmonized, transparent, and efficient EPR systems regulated at EU level to ensure fair competition and consistent rules for registration, financing, and reporting.

Key measures that strengthen circular outcomes include mandatory recycled content targets, circularity criteria in public procurement, and eco-modulated EPR fees that reward design for recyclability and reuse. Such instruments should be designed and coordinated at EU level to avoid double regulation or overlapping national taxation, ensuring that incentives promote innovation and investment in circular solutions.

However, EPR schemes across Europe have sometimes raised concerns about market distortion, lack of transparency, and reduced competition. The decision to establish an EPR scheme must be grounded in a clear assessment of market failure, with a focus on outcomes, feasibility, and the role of existing actors. EPR schemes should aim for high recycling rates and cost efficiency, with full transparency in how recycling services are procured.

NG Nordic advocates for outcome-oriented, competition-neutral market instruments that genuinely stimulate circular business models and efficient recycling. For waste electrical and electronic equipment (WEEE) in particular, it is essential that EPR financing, registration, and reporting requirements are harmonized across the EU to secure a level playing field and support the development of robust and cost-effective circular value chains. To increase collection and recycling of WEEE, NG Nordic supports higher collection targets, stricter enforcement, and measures that make it easier for consumers to return products.

Simplified and harmonized End-of-Waste Rules

NG Nordic strongly supports the establishment of EU-wide end-of-waste (EoW) criteria. Once EoW status has been achieved, materials should be recognized as such across all Member States to ensure a functioning internal market. Lack of mutual recognition between national end-of-waste criteria is currently a major obstacle for a well-functioning market for secondary raw materials.

Today's fragmented and inconsistent national rules create legal uncertainty, and barriers to innovation. A harmonized framework will increase efficiency and enable investments in advanced recycling technologies.

Simplification and legal clarity needed in cross-border waste shipments

Rules and enforcement of cross-border waste shipments within the EU need simplification. Slow and diverting application of the EU Waste Shipment Regulation (WSR) by the competent authorities in different Member States poses a hindrance to reaching the full potential of single market for waste. The EU should aim to improve the uniform application of its waste shipment rules, especially now, when the new EU Waste Shipment Regulation (EU) 2024/1157 will soon be applied.

Another major issue with the new WSR is lack of legal certainty with the shipments for disposal. In the Waste Shipment Regulation, shipments of waste for disposal within the EU are prohibited, except when the waste cannot be disposed of in a *technically feasible and economically viable* manner in the country where it was generated. This prohibition applies to transboundary movements of all waste to disposal operations, however, the disposal techniques referred to are not equivalent.

By 21 May 2027, the Commission shall adopt an Implementing Act establishing detailed criteria for the uniform application of the conditions, to specify how the technical feasibility and economic viability are to be demonstrated by notifiers and assessed by competent authorities. We emphasize the importance of the swift adoption of the Act to avoid fragmented national application of the EU rules.

We also urge the Commission to ensure that the implementing act enables shipments of hazardous waste for disposal in high performing environmentally sound treatment installations. In many cases disposal is the only viable method to treat such waste, which is the case for example in high-temperature incineration of hazardous waste. Cross-border waste shipments are needed, as not all Member States have sufficient treatment capacity.

Additional considerations

NG Nordic also recommends that the Circular Economy Act should:

- Address decontamination of hazardous substances, including PFAS and water-related pollutants. It needs to be recognized that not all waste can be recycled or recovered. For these streams, high temperature incineration remains the only viable and environmentally sound treatment option. It provides the safe and complete destruction of hazardous substances for which no other treatment or recovery option exists. Many such waste, including POP- or PFAS-containing waste, cannot be landfilled or recovered.
- Address competition neutrality between public and private actors in the waste management sector, to maintain a fair and open market structure.
- Look into linkages of climate and waste policies, especially considering the possible inclusion of municipal waste incineration to the EU ETS. To support carbon capture investments in the WtE sector, CO₂-based production (e.g. plastics made from waste-derived CO₂) should be recognized as "recycling" under the EU Waste Framework Directive (2008/98/EC).

Conclusion

NG Nordic urges the European Commission to ensure that the Circular Economy Act combines ambition with harmonization and practicality. The Act must create a predictable, efficient and competitive framework that enables the recycling industry to deliver on Europe's circular goals. To build a truly circular and competitive European economy, the Act should establish EU-level harmonization as a foundation and implement market-based mechanisms that reward circularity. By providing regulatory clarity and market stability, the Circular Economy Act can enable the potential of Europe's recycling industry, driving resource efficiency, innovation, and sustainable growth.

Contact:

Janne Koivisto, Group Director,
Public Affairs
janne.koivisto@ngnordic.com
+35 8503213639

About NG Nordic:

NG Nordic is a leading provider of circular solutions and environmental services, tackling the urgent challenges of climate change and resource scarcity. Through reuse, collection, recycling, and depollution NG Nordic transforms waste into valuable resources and removes hazardous substances from circulation – scaling access to circular raw materials, decarbonize society and help protect natural ecosystems. With strong presence across the Nordics, and in Poland and the UK, NG Nordic is a vital part of the Nordic industrial infrastructure handling 4.4 million of waste annually through 90 facilities and sites.