

Nordic Industry Joint Position on the EU Circular Economy Act

Joint input from Danish Industry (DI), Technology Industries of Finland (Teknologiateollisuus), Technology Industries of Sweden (Teknikföretagen), and the Federation of Norwegian Industries (Norsk Industri).

The transition to a circular economy has become a strategic priority. It is central to achieving climate objectives, improving resource efficiency, strengthening industrial competitiveness, and enhancing long-term economic security. The EU has developed an extensive policy framework for circularity, with ambitious targets and new regulatory instruments. Despite this progress, the circular transition has proven difficult to deliver at scale. Progress has been constrained by weaknesses in how existing rules are enforced, aligned and designed to support investment and growth. The Circular Economy Act (CEA) represents an opportunity to shift the focus from adding new ambitions to creating a framework that sparks a shift towards a more circular economy in practice. This joint position reflects input to the upcoming CEA from the Nordic technology industries.

Harmonised and Market-Driven Regulation

The CEA must prioritise harmonisation of definitions, standards, reporting requirements, and extended producer responsibility (EPR) schemes. Divergent national interpretations and requirements are a significant barrier for cross-border activities and investments. For instance, different interpretations of the definitions of by-products and end-of-waste in the Waste Framework Directive are still common, as well as the level of contaminants allowed for in types of so-called "green-listed waste". Different practices between Member States stand in the way of well-functioning European markets for secondary materials. We believe that free and fair competition, open markets and reduced administrative burdens for responsible waste shipments will strengthen the basis for circular economy investments.

We recommend:

- **Grounding the CEA in an internal market legal basis** under Article 114 TFEU.

- **Avoiding legislative overlaps and double reporting** with existing frameworks.
- **Simplifying EPR schemes and harmonising reporting requirements** so companies can comply efficiently with their obligations across Member States.
- **Simplifying key concepts**, such as end-of-waste and by-products, reuse vs. preparation for reuse, and **streamlining practices across Member States**.
- **Ensuring a level playing field on the global market** by strengthening enforcement and oversight to ensure that all products on the EU market, regardless of origin, comply with EU product and safety requirements.
- **Reducing administrative requirements for cross-border shipments of non-hazardous waste**, including introducing mandatory pre-approval systems across all Member States.

Circular Business Models and Innovation as Core Drivers

Transitioning to a circular economy goes beyond recycling. It requires enabling and incentivising circular business models, such as product-as-a-service, repair, reuse, remanufacturing, and long-life products. These models must be actively supported through flexible regulation, demand-side measures, standardization, and the removal of market barriers. Methods and documentation must be built on common industrial practice and experiences. It is also important to distinguish between consumer and industrial circularity, as their structures, material flows and policy instruments differ significantly. Industrial circularity relies on investment, technological solutions and long-term value chains which require approaches that are distinct from consumer-focused measures.

We recommend:

- Ensuring that **circular business models** have functioning markets, skilled labour, access to infrastructure and stable regulatory environments.
- **Aligning economic incentives with the business logic of companies** to support innovation and market transformation.
- **Recognising the enabling role played by technology companies and digital tools**, including support for digital product passports and robust, trusted data exchange systems.
- **Ensuring that ecodesign requirements reflect actual circularity outcomes** and reward companies enabling repair, reuse, and longer lifespans.

Proportionality, Technology Neutrality, and Competitiveness

Policy measures must be proportionate, technology-neutral, and mindful of companies' different realities, particularly for SMEs and industrial sectors with long supply chains or capital-intensive operations. New requirements must be preceded by thorough impact assessments to ensure cost-effectiveness and avoid stifling innovation or competitiveness. For instance, there is no evidence that the recent multiplication of EPR schemes creates a more circular economy in Europe. In line with the principles of proportionality and subsidiarity, a socio-economic assessment of EPR as a policy tool compared to alternative measures should be conducted before setting up new schemes.

We recommend:

- **Simplifying documentation and reporting obligations**, especially for SMEs and exporters.
- **Assessing any expansion of current EPR schemes** or introduction of EPR for new product categories for proportionality and environmental benefits, while simplifying existing EPR before new schemes are considered.
- **Strengthening market oversight and enforcement**, especially against non-compliant product imports or free-riding in EPR schemes.

Investments and Skills Across the Value Chain

Investment in circular infrastructure, skills and innovation is a fundamental prerequisite for scaling the circular economy from pilots to mass implementation. Success also depends on fostering competence, policy incentives to change consumer behaviour, deployment of enabling digital technologies, and strengthening industrial symbiosis. Industrial parks and clusters throughout Europe are important partners to accelerate projects for industrial symbiosis. Furthermore, public procurement is an effective measure to increase the demand for environmentally friendly products, materials, and services. Public authorities must lead by example and ensure that their procurements are green. However, there is a need for better legislation and guidance, for instance in methods for awarding circular products and solutions in public tenders.

We recommend:

- **Supporting not only research and pilots**, but also commercial scaling and infrastructure that enhance the circular economy through EU funding and risk-sharing mechanisms.

- **Taking active measures to develop skills and digital infrastructure**, with particular focus on shared platforms that can serve SMEs and new entrants.
- **Enhancing public procurement criteria** to create predictable demand for circular products and services.

Circularity Can Make Europe More Competitive, Resilient and Green

The Circular Economy Act is an opportunity to make Europe's industry more competitive, resilient, and green. To deliver, it must put harmonisation, simplification, innovation, and market opportunities first and create reliable, proportionate, and enabling conditions for both businesses and society. The Nordic industries stand ready to drive this transition.