Technology Industries of Finland

EU Circular Economy Act: Key Messages

The Technology Industries of Finland (TIF) support the EU's ambition to become the world leader in the circular economy by 2030. The forthcoming Circular Economy Act, due in 2026, can lay the foundation for a unified and investment-friendly framework that strengthens the internal market, improves competitiveness, and enables more efficient material circulation. The Act must deliver on five key areas:

- Creating a single market for secondary raw materials
- Promoting ecodesign principles and digital product passports (DPPs)
- Enabling circular public procurement
- Harmonising extended producer responsibility (EPR) schemes
- Boosting investment, innovation, and skills

TIF represents Finnish technology companies that play a key role in Europe's industrial value chains. Our member companies develop solutions that advance circularity and resource efficiency. Our industry is actively contributing to the shift towards a low-carbon and material-efficient economy through design, manufacturing, maintenance, reuse, and digitalisation.

General

The Circular Economy Act (CEA) offers an opportunity to establish a coherent and predictable regulatory framework that consolidates existing legislation. The overarching aim should be to promote circularity in a way that is **economically and environmentally sustainable**. The Act should complement existing frameworks, such as the **Ecodesign for Sustainable Products Regulation (ESPR)** and the **Critical Raw Materials Act (CRMA),** avoiding overlaps or conflicting obligations.

The initiative should strengthen industrial competitiveness, support investment, and level the playing field across the single market. It is pivotal that it distinguishes between **industrial** and **consumer** circularity, as the structures, material flows, and policy instruments for the two differ significantly. Industrial circularity relies on investment, technological solutions, and long-term value chains which **require policy instruments that are fit for purpose and distinct** from consumer-focused measures.

It is crucial that the new circular economy framework does not weaken the competitiveness of European companies *vis-à-vis* non-EU operators. Measures should be aligned with international trade rules and climate policy to strengthen Europe's industrial position.

Circularity must extend throughout the entire value chain. The framework should be **technology-neutral**, allowing sectors to adopt solutions suited to their activities, and recognise **service-based and data-driven business models**, which are key enablers of resource efficiency.

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The Act should avoid creating parallel reporting or compliance layers and focus on removing barriers to circular business models across the internal market.

Secondary Raw Materials

As a central objective, the Act should create a genuinely competitive **single market for secondary raw materials**. Definitions, end-of-waste criteria, and cross-border procedures should be harmonised at EU level, building on existing **European and international standards** to provide a common framework.

Industrial material loops, pre-treatment processes, and side streams should be recognised as part of circularity, not waste management. This is fundamental for investment predictability and industrial operating conditions.

The **free movement of secondary raw materials** should be as frictionless as that of goods within the internal market. Targets for recycled materials should be product- and sector-specific, and environmentally and economically justified, with mechanisms to **improve the quality of recycled materials and maintain their price competitiveness**. EU financial and support instruments can strengthen quality assurance and recycling infrastructure, especially for **critical raw materials and rare earths**.

An EU-wide **quality classification system**, interoperable certification mechanisms, and a **single-window system** for permits and notifications should be implemented to facilitate cross-border use of materials. Remaining national barriers – particularly in **construction legislation and standards** – should be addressed to bolster the circular economy.

Product Design and Data Management

Circular objectives are best achieved through **product design and information management**. The CEA should build on the ESPR framework and DPPs and avoid creating parallel requirements.

DPP-related requirements should be **proportionate**, based on the "once-only" principle and limited to relevant data. The Act should also ensure consistency with other reporting frameworks (e.g. CSRD, ESPR and EPR) to avoid double reporting and protect competitively-sensitive information.

Public Procurement

Circular markets can be strengthened via the **demand side**. The Commission should support circular public procurement through guidance and practical tools, aligned with EU public procurement rules, **prioritising lifecycle costs** and **circularity performance,** and avoiding disproportionate administrative burden, especially for SMEs.

Extended Producer Responsibility

A **common EU framework for EPR harmonisation** should be implemented, though Member States must retain flexibility in implementation and enforcement. Common

definitions, data models, and minimum requirements will improve the functioning of the internal market and reduce fragmentation in reporting, while allowing national systems to remain adapted to local conditions.

EPR schemes and eco-modulation fees must steer towards **sustainable production, repair and reuse**, alongside high-quality recycling. EPR responsibilities must remain **proportionate**, clearly allocated to actors with a meaningful capacity over a product's lifecycle. Producers should not face open-ended liability for end-user behaviour or collection logistics, and the framework should recognise the role of other actors across the value chain.

Fee structures should reflect the **actual lifecycle impacts** and **material-saving potential** of products to incentivise innovation and modular design. Revisions of the **Waste Electrical and Electronic Equipment (WEEE) regulations** must retain realistic collection and recycling targets for long-life industrial products and equipment.

Investment, Innovation, and Skills

Circularity becomes reality through **investment, experimentation, and competence**. The framework should encourage private and public investment in recycling and reuse capacity, material separation technologies, and digital solutions, including pilot projects and SME scaling. EU funding instruments and programmes must also support **industrial-scale investments** and the deployment of new recycling processes – not only research or pilot activities.

Energy-intensive circular processes should be recognised as an integral part of EU **energy and tax policy**. Tax measures should promote the **profitability of repair and maintenance**, extending product lifetimes and making repairs economically attractive. The **tax classification of recycling processes** should not be heavier than that of primary raw material production.

The Act should also strengthen **skills development and labour availability**, as circular models require technical and digital expertise. The EU should support **shared digital platforms and ecosystem infrastructures**, as individual companies often lack the resources to build them alone.

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