

The Finnish Food and Drink Industries' Federation (ETL), representing food industry in Finland, welcomes the opportunity to respond to the European Commission's consultation on the upcoming Circular Economy Act.

We welcome the Circular Economy Act (CEA) initiative as a crucial step strengthening Europe's resilience, competitiveness, and sustainable transition. Our views focus on packaging and opportunities for promoting circular use of bio-based materials.

Key messages from the Finnish Food and Drink Industries' Federation:

- **Harmonization and simplification should remain overarching principles also in Circular Economy Act:** Packaging plays a critical role in food safety and waste prevention. Yet overlapping legislation, e.g. PPWR, REACH, Food Contact Material, creates uncertainty and unnecessary administrative burden. To support circularity effectively, The Circular Economy Act should prioritize the effective implementation of existing legislation and address regulatory overlaps.
- **Focus on cost-effective implementation of already approved legislation:** Member States differ significantly, and the solutions proposed in the EU legislation do not always support circular economy goals equally across Europe. For instance, regarding reuse targets for beverage packaging in PPWR, we ask the Commission to simplify the requirements and exclude single-use packaging from reuse targets if it already achieves a very high recycling rate, for example recycling rate above 90 percent. This would help preserve systems that are examples of exceptionally well-functioning circular economy models.
- **Safeguard the supply of high-quality recycled plastic for food contact material packaging:** The Circular Economy Act should build a priority access mechanism for operators who can retain the high quality of materials through recycling. This could improve the availability of recycled plastic also in food contact packaging materials.
- **Renewable bio-based materials must also be seen as an essential part of circularity:** Sustainable food industry is based on the optimal utilization of resources in accordance with circular economy principles. Raw materials that are unsuitable for human food or as animal feed can be utilized as energy and fertilizers. The circular economy in the agri-food sector presents a significant opportunity to improve Europe's nutrient self-sufficiency. For example, promoting biogas production using side streams of the whole food value chain will enable efficient nutrient recycling and strengthen the EU's nutrient and energy self-sufficiency.
- **The food waste reduction targets should not compromise growth and competitiveness of the European food sector:** The Waste Framework Directive risks limiting growth in European food production. If the current food waste reduction target is not adjusted to account for production volumes. We ask the Commission to fix this by introducing guidelines to calculate food waste reductions in relation to food produced. We also highlight the need to ensure harmonized, reliable, and comparable food waste measurement methods across all Member States.
- **Establish targeted financial instruments to enable circular economy:** By offering targeted incentives the Circular Economy Act has possibility to drive meaningful changes across Europe. This could mean for example granting fiscal incentives for investments that promote the target of strengthening resilience.