EMPPA
EUROPEAN MOULDED PULP PRODUCERS ASSOCIATION

This position paper is drafted as a response to a public consultation performed by the European Commission about a Circular Economy Act to be presented in Q3 2026.

The Circular Economy Act must be a segway for Europe's circular bioeconomy

The European Moulded Pulp Producers Association – EMPPA – represents the interests of businesses from the entire moulded fibre value chain. Our mission is to create a level-playing field for circular packaging products made of moulded pulp that is sourced from renewable resources like recycled paper and cardboard and agricultural by-products.

- In our view, the Circular Economy Act (CEA) should be fully aligned with the EU Bioeconomy Strategy to become a key driver for the EU's transition to a circular bioeconomy, accelerating the development of competitive fibre moulding technologies across different applications and industries as well as local economies and supply chains.
- To create a level playing field for frontrunners from the circular bioeconomy, we call for targeted policy incentives for the processing and use of fibre-based secondary materials, based on scientific proof of environmental lifecycle performance.
- More specifically, we call for harmonized EPR schemes with eco-modulation of fees, the extension of the EU-Ecolabel for paper containing natural fibres from annual plants, a minimum quota for recycled content as a legal requirement in public procurement tenders, mandatory separate collection, sorting and recycling of paper and cardboard from municipal waste, along with minimum collection targets, as well as the recognition of natural fibres like hemp and moulded pulp coated with natural biopolymers for conventional paper recycling streams.

Introduction

EMPPA welcomes the European Commission's initiative to create a well-functioning single market for secondary materials. It comes at a time when a growing demand for high-quality recycled fibres produced in Europe is paramount to safeguard value creation, innovation and further investment in the EU. Our associated business members have been investing billions of € in developing modern manufacturing technologies, new bio-based materials, and production capacity.

We believe that processing secondary materials from agricultural by-products, recycled paper and cardboard into moulded pulp instead of using primary feedstock can play a major part in the European circular economy, helping reduce waste and pollution from single-use plastic and microplastic as well as CO2 emissions. If fully aligned with the EU Bioeconomy Strategy, the CEA can accelerate the development of highly competitive fibre casting technologies across different applications and industries, seizing the potential of local economies and supply chains.

As to moulded fibre generated from agricultural feedstock, there is sufficient supply of biomass available in Europe that can be upcycled to sustainable packaging without compromising food security. By creating a new revenue stream from agricultural by-products, farmers could gain a higher level of autonomy and bargaining power towards processors and large retailers in the food value chain.

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However, the moulded pulp industry currently faces major challenges that keep it from unfolding its full potential: In addition to high energy costs, they suffer from high price volatility for recycled paper and cardboard, partly due to competition from cheap plastic and virgin pulp, changing demand, and growing reliance on imports from outside the EU.[1] On top of that, the lack of harmonized EPR systems within the single market causes significant administration and compliance costs that thwart our members' competitiveness. Moulded pulp is also experiencing a decline in sales because manufacturers and customers are increasingly hesitant about planned purchases and investments respectively, due to the softening of EU green legislation.

Policy Recommendations

To tackle these challenges, the CEA should provide a competitive framework that provides Member States with legal certainty to implement the following key policy instruments:

1. Introduce effective market incentives for packaging products made of recycled paper and pulp, agricultural secondary feedstock, and natural biomaterials that substitute fossil-based products:
    - Implementation of EU-wide, harmonised EPR schemes with eco-modulated fees that reward a product's environmental performance throughout its entire lifecycle. EPR schemes should be transparent, efficient, market-based, reflect national needs, and reinvest fees into waste management.
    - Expand the EU-Ecolabel for graphic paper, tissue paper and fluff pulps to products that contain natural fibres from annual plants like hemp, in addition to fibres from sustainably managed forests or recycled materials, certifying their environmental performance using lifecycle assessment via the Product Environment Footprint (PEF) method.
    - Review the Public Procurement Framework to let Member States apply mandatory green public procurement criteria in public tenders and minimum recycled content targets for low-carbon moulded pulp packaging.
2. Extend existing EU regulations to moulded pulp products made of fibre-based secondary materials:
    - Set minimum collection targets for paper and cardboard from municipal waste in Member States to increase the quantity of high-quality recyclate, unless Member States can prove that separate collection is technically not feasible.
    - Recognize natural fibres from annual plants like hemp as circular input material for paper waste streams, according to ISO 59020 (2024), as they augment the quality and value of recycled paper in a regenerative way.
    - Acknowledge moulded pulp products coated with natural biopolymers as mono material that qualifies for conventional paper recycling streams and processes.
    - Review the Food Contact Materials (FCM) Regulation regarding moulded fibre with barrier coatings made of natural polymers, setting clear rules for declarations of compliance and data transfer within the supply chain, to ensure they are as safe as virgin materials.

[1] In the first half of 2024, imports of recovered paper into the EU rose by 11%, reaching nearly 970,000 tonnes, while exports fell by 21%, https://www.euwid-recycling.com/news/markets/eus-recovered-paper-exports-to-non-eu-states-down-by-21-per-cent-in-h1-2024-130924

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Conclusion

The CEA offers a unique opportunity to accelerate the shift from the fossil-based, linear economy towards a competitive, future-proof circular economy. To be effective, it must be well aligned with the EU Bioeconomy Strategy and provide policy incentives that drive the demand for low-carbon materials like moulded pulp made from secondary feedstock such as recycled paper, cardboard and agricultural by-products. Incentives must recognize the sustainability performance of a product or material, based on scientific evidence over its entire lifecycle.

By adopting the measures outlined above, the EU can reduce its reliance on fossil resources, boost innovation and investment in key industries like the bioeconomy and advance toward climate neutrality by 2050. We invite the European Commission to seize this opportunity to realize this vision.

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