

## FEAD welcomes the European Green Deal

Facing an undoubtedly critical situation when more vigorous action must be taken against climate change, the biodiversity crisis and the damages caused by pollution, **FEAD is a key partner in the EU public debate.**

FEAD explains here why the contribution of **private waste management companies** is so crucial to the upcoming EU strategy and action plan.

**Private waste management companies** are pivotal in enabling the **circular economy** by giving a second life to waste in an environmentally sound manner:

- by having a **60% market share** for household waste and **75% for industrial and commercial waste**;
- by harnessing **efficient markets, fair competition, a stronger demand for recyclates**, and recognising the role that **exports** bear for sorted waste, both inside and outside the EU. Recycled waste needs to be reabsorbed back into local manufacturing, within the EU or outside the EU. For example, the annual production of recycled paper in the EU exceeds the actual amount needed by the EU paper industry by over 8 million tonnes.

The companies that FEAD represents **invest 5 billion Euros** per year across the EU in:

- **more than 3000 companies**, from world and EU industry champions, to a vast number of performant SMEs, that provide over 320,000 local jobs;
- **major actors for innovation**. Increased market visibility concedes greater investments in new techniques and technologies. Even though 100% recycling will remain unfeasible, the circular economy chain will need to continue with the energy from waste strategy as a key step in reducing landfills and promoting recycling;
- being prepared to **inject investments of up to 10 billion Euros** over the span of 10 years to expand separate collection, sorting, and recycling capacity for all plastics at EU level, *provided there is enough visibility and a strong demand for plastic recyclates.*

FEAD knows what works and **what needs to be improved** on the ground, namely in:

- using our **know-how to develop markets and to drastically improve the situation in Southern, Eastern and Central Europe**. Recycling does not automatically happen, instead strong national and EU policy tools are required to offset costs that are still higher than those of virgin materials;
- **reducing the generation of waste**, which is one of the ambitions of the European Green Deal. **Strong eco-design rules are required**, not only for more recycling but also for waste prevention;
- **reducing CO2 emissions**, as a result of more recycling, accompanied by energy recovery of residual waste that will avoid emitting 115 Mt CO2 by 2035.

**FEAD is a key actor for the attainment of the circular economy targets and for reducing GHG emissions.**

## Our expertise: from waste management to the circular economy, and climate protection through the circular economy

The EU could become climate neutral by 2050 by sticking to **robust facts and figures**, by setting up policy tools that make goals **achievable and affordable**, where implementation has **major effects on climate**, and which avoid adverse effects (e.g. substitutes are known to raise CO2 emissions in the EU and globally), by:

- **having a wider consideration in the reduction of CO2 in the entire economic chain**, and not segment emissions produced at each step in the waste management chain. For example, textile is the fourth largest CO2 emitting sector after energy, transport, and food. Emissions resulting from reusing, recycling, and recovering waste textiles are far below the emissions of manufactured textiles. The same applies for paper, namely that recycled pulp produces half of the emissions than those produced by virgin pulp;
- **a strong move towards not landfilling** recyclable or recoverable waste;
- **energy recovery from waste (R1)** as an ally to more recycling, an alternative to reducing the disposal of residual waste after reuse or recycling, in order to avoid CO2 emissions in energy production (115 Mt by 2035);
- **addressing the risks of relocation of activities outside the EU**, FEAD believes this would be against EU economic activities and global CO2 emission reduction.

### 1. From waste management to the circular economy

**Strong EU market signals: encouraging the private sector to invest, to increase the demand for recyclates, visibility, and fair competition.**

**Key elements include:**

- **mandatory recycled content:** packaging, automotive, construction;
- **key role for exports** of sorted waste or recyclates, within or outside the EU;
- **mandatory green public procurement;**
- **create a hierarchy for materials**, giving priority to recycled ones;
- **financial or fiscal tools (reduced VAT):** reduce the price of products incorporating recycled content;
- **facilitate consumers' choice:** eco-labelling to reflect the recyclability of products.

**To facilitate recycling and promoting waste prevention by:**

- **eco-design:** a true recyclability of products, reducing or phasing out chemical substances, and preventing waste;
- **producer responsibility:** household waste to remain accessible to private waste management, also industrial and commercial waste to stay within a fully open market.

**A balanced approach to waste with chemical substances by encouraging** clear rules that allow an appropriate balance between high recycling rates, and quality recycling.

### 2. Climate protection through the circular economy

**Incentivise cuts in CO2 emissions from the waste management chain, recognise the supportive role of energy recovery from waste in the recycling chain, by:**

- **incorporating environmental costs into the economy;**
- **setting up a calculator for avoided CO2 emissions.**