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FEICA position on the Circular Economy Act

Introduction

The Circular Economy Act (CEA) aims to accelerate Europe's transition to a resource-efficient economy by establishing a harmonised framework that supports reuse, repair, recycling and the effective functioning of the Single Market. A thriving adhesives and sealants industry is essential to achieving these objectives, as our products enable circularity across value chains by supporting durable product design, repair, reuse and high-quality material recovery.

The CEA represents a **key opportunity to streamline overlapping requirements** and create clear, predictable and investment-enabling rules allowing industry to invest and deliver circular solutions at scale.

FEICA Recommendation

FEICA calls for a Circular Economy Act that prioritises legal certainty, scalability and investment-readiness. This requires:

- A single internal market legal basis to ensure EU-wide harmonisation and avoid fragmentation;
- Recognition of mass balance accounting to enable circular and defossilised materials in complex chemical value chains;
- Technology neutral or even feedstock-neutral targets, allowing the most effective pathways to reduce carbon intensity;
- A harmonised regulatory framework across EPR schemes, ecodesign rules and Digital Product Passports, recognising adhesives and sealants as essential enablers of circularity.

Background

1. Circular Economy Act: Get the Legal Basis Right

The legal basis of the CEA is decisive for its effectiveness. Basing the Act on **Article 114 (Internal Market)** ensures **EU-wide harmonisation**, legal certainty and predictable implementation across Member States. A single internal market legal basis avoids regulatory fragmentation, reduces administrative burden and facilitates adoption and enforcement. By contrast, a dual legal basis risks slower legislative progress and inconsistent national implementation, undermining the Single Market.

2. Mass Balance Accounting (MBA) Enables Circular Materials

Mass balance accounting is a **prerequisite for credible recycled and bio-based content targets** in complex chemical value chains. MBA reflects the reality of integrated production systems and supports investment in circular feedstocks at scale. Without recognition of MBA, many circular

material pathways remain technically or economically unviable, limiting the effectiveness of circular economy policies and slowing the transition to defossilised value chains.

3. Technology-Neutral Targets Are Essential

Targets under the Circular Economy Act should be based on **full life-cycle performance** rather than prescribing specific material inputs such as recycled or bio-based content. **Technology neutral or even feedstock-neutral targets** allow industry to deploy the most effective pathways to reduce carbon intensity across complex value chains. Material-specific quotas risk constraining innovation, distorting investment decisions and limiting feasible decarbonisation options. Focusing on **fossil-free or lower-carbon outcomes**, rather than material origin, is essential to ensure scalability and avoid artificial constraints.

4. Harmonisation Over Fragmentation

The CEA should **align requirements across Extended Producer Responsibility schemes, ecodesign rules and Digital Product Passports**. A coherent and harmonised framework reduces compliance complexity, avoids duplication and frees resources for investment in circular innovation rather than administrative processes and compliance duplication. **Predictable and consistent rules** across the EU strengthen competitiveness, support cross-border value chains and reinforce the Single Market.

Conclusion

To unlock the full potential of the Circular Economy Act, the framework must be designed to create legal certainty, scalability and investment-readiness. FEICA calls for:

- A single internal market legal basis (Article 114)
- Recognition of mass balance accounting for circular materials
- Technology neutral or even feedstock-neutral targets based on life-cycle performance
- Harmonised rules across Extended Producer Responsibility Schemes, Ecodesign and Digital Product Passports

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About FEICA

FEICA is the Association of the European Adhesive & Sealant Industry. Adhesives and sealants (A&S) play a crucial role in many of the EU's strategic sectors and are essential enablers of countless everyday products. A&S enhance products' performance, durability and circularity. With the support of its members and national associations, FEICA voices the interests of the industry in Europe, where 85% of adhesive and sealant companies are SMEs. The association provides regulatory guidance, helps members navigate compliance requirements, and promotes sustainable practices. FEICA fosters collaboration with industry stakeholders to address shared challenges and to create a mutually beneficial economic and legislative environment.

FEICA is registered in the **EU Transparency Register** with ID no. **51642763262-89**

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