

**Stockholm, 6<sup>th</sup> November 2025**

**Essity response to the European Commission's consultation on the Circular Economy Act (CEA) - Environmental and Socio-Economic Benefits through Targeted Policy**

Essity is a leading global hygiene and health company touching the lives of 1 billion people every day. Europe is one of our primary markets for developing, producing, and distributing our products such as tissue paper products, absorbent hygiene products e.g. incontinence products, menstrual products, baby diapers as well as wound care products and other medical solutions. We have more than 30 production sites in Europe and about 18 000 employees. Hence, we welcome the ambition of the EU legislators to embed the upcoming Circular Economy Act (CEA) in the EU's competitiveness and industrial agenda. Industry needs to play a key role in the circularity transition. This requires the timely and harmonised implementation of existing rules and coherence with existing EU priorities, particularly the Clean Industrial Deal, the Competitiveness Compass, the Bioeconomy Strategy, the Waste Framework Directive (WFD) and the Public Procurement Directive.

For the CEA to fully deliver on its ambitions, it should consider the following key aspects:

Policy initiatives under CEA must be product-specific

The CEA should recognize opportunities and challenges across different product categories to ensure the needed effective implementation. Product-specific rules need to apply. If approached in a too narrow way, mandatory measures e.g. on recycled content or reusability could undermine sustainability innovations and goals, health and safety requirements for sensitive applications in food or health care products, consumer trust, affordability as well as resilience.

Effective waste collection, handling, and management are crucial.

Focus should be on achievable objectives that are within grasp, if legal and regulatory barriers are removed, and not measures that risk being unimplementable. For example, the availability of recycled fibre decreases year after year, due to less newsprint paper and lack of new paper categories. However there is a potential in all paper products that can be recycled multiple times. Hence, they need to be collected, sorted and then recycled, and stronger policy incentives are needed to accelerate implementation of existing waste policy e.g. landfill should be banned by 2030.

Strengthening the Single Market and EU's global competitiveness

There is an opportunity to boost the EU's competitiveness and foster favourable market conditions. The CEA must therefore deliver harmonisation of policy application across Member States, investment incentives and practical tools for industry to scale circular solutions competitively against realistic time frames.

1. Policy initiatives under CEA must be product-specific

The CEA should recognize opportunities and challenges across different product categories to ensure effective implementation. Therefore product-specific rules need to be adopted while one-size-fits-all solutions need to be avoided. Social and economic sustainability aspects such as optimal product functionality for users and care givers as well as affordability must be an integral part.

Essity calls for:

- A revised WFD to mandate “the best overall environmental and socio-economic outcome” in all relevant articles- rather than current “the best overall environmental outcome”. This is particularly relevant for products obliged to meet strict requirements related to safety and hygiene, such as Absorbent Hygiene Products (AHP). <sup>1</sup>
- Policy that enables investments in smart and resource efficient material loops, for example collection of paper-based packaging or cups that can be recycled into tissue products or used paper as insulation in construction materials. Mandating closed-loop recycling will result in missing out on the most beneficial circularity solutions. All EU product and waste legislation should therefore be based on the basic principle and definition of recycling which mandates “waste materials to be reprocessed into materials or substances whether for the original or other purposes “ (e.g. Packaging Packaging Waste Regulation WR Art 3.39).
- Economic instruments such as Public Procurement requirements should be used to promote patient benefits, clinical performance, waste prevention and impact on total cost of care delivery - and move away from price per piece. Public procurement of healthcare products should be evaluated based on patient benefits, clinical performance, waste prevention and impact on total cost of care delivery (value-based procurement). Criteria should be set based on “performance in use” rather than per piece. The harmonised transposition and implementation of EU procurement rules is a precondition to ensure consistency across Member States.
- Circularity criteria which equally promote recycled and bio-based/renewable material and products as both reduce long-term costs while protecting health and wellbeing. Bio-based and recycled materials are circular materials which must be treated equally in EU product and waste legislation such as Public Procurement Directives, PPWR or ESPR. The massbalance approach should be recognized as an important lever to deliver on renewable resources in supply chains and accelerate the EU's defossilisation ambitions and the production of low-carbon products at scale.

*For tissue-based products:*

- The CEA to revise the EN643 standard to enable a second life for tissue products and increase the availability of valuable recycled paper on the market.
- Transregional Circularity Hubs (as proposed in the Clean Industrial Deal) for waste streams with lacking or insufficient waste management infrastructure, can be an impactful tool to create combined new material loops and create economies of scale in collection, sorting and recycling at a regional level.

*For Absorbent Hygiene Products:*

- The CEA should promote a holistic approach, including the best overall environmental and socio-economic outcome, to address the technological and systemic challenges associated with significantly reducing the environmental footprint of AHPs. This includes addressing their reliance on superabsorbent materials, which are difficult to substitute without compromising

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<sup>1</sup> Nature.com, Scientific Reports | (2024) 14:12824 ,[Analysis and removal of bisphenols in recycled plastics using polyethylene glycol](#)

product performance, and the limited options for reuse and end-of-life disposal.<sup>2</sup> Likewise, the JRC determined that AHP had low environmental improvement potential and should not be included in the first ESPR Workplan (and they were not). The report refers mainly to the nature of the product group, which is single-use and with high hygienic standards to allow for recycled content measures (at least in the short term).<sup>3</sup>

- Policy measure should enable the reduction of weight/volume of AHP products and/or push for a revision of the Rothwell ISO standard.
- The mass balance approach should be recognized as an important lever to deliver on renewable resources in supply chains and accelerate the EU's defossilisation ambitions and the production of low carbon products at scale.

## 2. Effective waste collection, handling, and management are crucial.

Prevention, material efficiency, consumption reduction, collection, sorting and recycling infrastructure are key. This includes all aspects that impact waste, from prevention and control of consumption during use, to smarter design, as well as collaboration on innovative waste management. Recycling targets or requirements should consider available recycling capabilities while incineration with energy recovery or composting should continue to be considered as adequate complementary options.

Essity calls for:

- The CEA to enable policy based on the full waste hierarchy while restricting landfill to an absolute minimum as mandated by the WFD. Incineration continues to play a role, preferably incineration with energy recovery, to ensure that no waste ends up in landfill. Prevention and minimisation of waste should have priority.
- Complementary waste management options, such as composting and incineration with energy recovery, should be used or even favoured where they deliver the best overall outcome (not only for packaging). Although incineration does imply a leak of resources, it is still much more beneficial for GHG emissions reduction than landfill.
- The EC to conduct an impact assessment before considering the extension of EPR to additional waste streams to determine: a) the presence of technically, economically and environmentally viable recycling technology enabling high-quality recycling of that waste stream; b) the existence of a market for secondary raw materials coming from the recycling of that waste stream; and c) no social and economic costs on consumers and other end users, in particular for essential products used by vulnerable groups, to avoid further

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<sup>2</sup> European Commission, Joint Research Centre Faraca, G., Perez Camacho, M.N., Lag Brotons, A., Perez Arribas, Z., Kowalska, M.A. and Wolf, O., Revision of EU Ecolabel criteria for Absorbent Hygiene Products and Reusable Menstrual Cups (previously Absorbent Hygiene Products), Publications Office of the European Union, Luxembourg, 2023, doi:10.2760/209936, JRC134197, chapter 2.

<sup>3</sup> European Commission, Joint Research Centre, Faraca, G., Ranea Palma, A., Spiliotopoulos, C., Rodríguez-Manotas, J., Sanyé Mengual, E., Amadei, A.M., Maury, T., Pasqualino, R., Wierzgala, P., Pérez-Camacho, M.N., Alfieri, F., Bernad Beltran, D., Lag Brotons, A., Delre, A., Perez Arribas, Z., Arcipowska, A., La Placa, M.G., Ardente, F., Mathieux, F. and Wolf, O., Ecodesign for Sustainable Products Regulation: Study on new product priorities, Publications Office of the European Union, Luxembourg, 2024, <https://data.europa.eu/doi/10.2760/7400680>, JRC138903., p. 64

- degrading the health and wellbeing and living conditions of EU citizens at a time when the cost of living is a key priority.
- EPR schemes should incentivise sustainable use of products such as consumption reduction, resource and waste minimisation (e.g. by supporting digital solutions such as smart incontinence care) and not become a barrier to such use. Eco-modulation of EPR fees can be an important mechanism to this end, as well as to reward verified recycled and bio-based materials based on the massbalance approach.
- Harmonised methods to calculate and modulate EPR fees e.g. via the revised WFD. However, different product specific features need to be considered to achieve the desired outcome: e.g. used paper hand towels can be collected and separated without compromising the demands and quality of the product. As the weight of used AHP products can be attributed to 2/3 to bodily fluids, EPR fees have to be based for those products on dry weight.

### 3. Strengthening the Single Market and EU's global competitiveness

The transition to a more circular economy must be fully aligned with the EU's overall objective to strengthen its competitiveness. Europeans need to be able to choose more sustainable and affordable essential products that also contribute to the EU economy and resilience rather than going for low-quality, unsustainable, and cheap products. Securing the EU's manufacturing capabilities is vital to the EU's green transition and climate objectives, but also to strengthen the EU's competitiveness. Competitive energy prices and availability of CO2 free fuels and electricity are essential for reaching net zero targets.

Essity calls for:

- a stable and simplified regulatory environment where legislations are shaped to fit all sizes of companies - not creating different rules depending on size,
- regulated cost such as taxes and fees on energy needs to be reduced to a minimum,
- reduced timeline for new permits for all sectors,
- strengthening the single market harmonization of waste regulations and rules,
- funding to support digitalisation, new clean technologies and scaling of innovative circular technologies, e.g. through Horizon Europe, Single Market Programme,
- boosting Member States possibilities to provide tax incentives to companies and consumers to stimulate the uptake of circular products,
- an enabling legal framework, for example ensuring that innovations for recycling/composting can be scaled up against realistic time frames and a fair share of financial burden.

To sum up, Essity calls for a pragmatic, evidence-based approach rooted in product-specific rules, effective waste management and a strong Single Market. Policy measures linked to products, such as recycled content targets, must be sector and use-specific, and should be assessed carefully. All levels of the waste hierarchy including recycling, composting and incineration with energy recovery must remain available to drive circularity with the best environmental and socio-economic outcome. Finally, CEA should avoid double-regulation and potentially contradictory product requirements.

We remain committed to drive the circularity agenda and remain available to share further information as input to the drafting process.

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