JOINT POSITION

Revision of the Emission Trading System (ETS): Safeguarding the effectiveness of ETS and EPR systems and the fair allocation of responsibilities across the value chain

November 2026

Our associations represent manufacturers of consumer and industrial products, and Producer Responsibility Organisations (PROs). Our members are investing in more sustainable products, most notably by improving their ecodesign, recyclability and circularity, in line with the ambitious requirements set by recent EU legislation, such as the Packaging and Packaging Waste Regulation and the Ecodesign for Sustainable Products Regulation. Our members also contribute financially and operationally to waste management through Extended Producer Responsibility (EPR) schemes, supporting the collection, sorting and recycling of waste.

While we support the objective of reducing greenhouse gas emissions and accelerating the transition towards a circular economy, **we are seriously concerned about the negative implications of amendments**[1] tabled in the European Parliament **on the revision of the EU Emission Trading System (ETS)**, which would **transfer the costs associated with greenhouse gas emissions from waste incinerators to producers, potentially through EPR schemes.**

The **transition to a circular and net-zero economy requires a fair and clear allocation of responsibilities and costs across the value chain,** with each economic operator accountable for its own impact. Producers have an important responsibility to improve the circularity and recyclability of their products, while operators covered by the ETS should retain responsibility and incentives for reducing emissions generated by their installations.

We believe the approach underlying those amendments should be rejected as it risks undermining the effectiveness of the ETS and EPR systems, poses practical implementation challenges, and will create additional costs and administrative burdens on manufacturers, without ensuring corresponding environmental benefits:

- **Maintaining an effective carbon-price signal:** The ETS is designed to hold installations accountable for their emissions and incentivise their decarbonisation. Shifting the costs from incineration installations, where greenhouse gas emissions occur, to producers risks weakening that direct carbon-price signal and the incentive for incinerators to reduce their emissions. Responsibility for ETS compliance costs should therefore remain aligned with the operators that generate, monitor and can directly reduce those emissions.
- **Practical implementation challenges and legal uncertainty:** Producers cannot trace the end-of-life treatment of individual products, which varies significantly across Member States depending on waste management infrastructure and recycling capabilities. Moreover, the absence of a harmonised methodology for calculating a product's carbon footprint and the incineration emissions for individual products will create further legal uncertainty and Single Market fragmentation, making the application of this provision considerably challenging - if not impossible.
- **Additional costs and unnecessary regulatory duplication:** Such an approach would introduce significant administrative and financial burdens for manufacturers, including SMEs, potentially increasing consumer prices. It would also create unnecessary duplication with existing legislation, such as the Packaging and Packaging Waste Regulation (PPWR), the Ecodesign for Sustainable Products Regulation

[1] In ITRE Committee: AM 219, 234, 268, 269,1039 and 1089. In ENVI Committee: AM 523, 589, 590, 591, 2809,2815 and 2911.

(ESPR), as well as future initiatives, such as the Circular Economy Act (CEA), which will reform EPR systems. These frameworks already introduce increasingly stringent requirements to improve packaging and products' recyclability and circularity.

- **Undermining the effectiveness of EPR systems, with risk of double charging for manufacturers:** Under EPR systems, producers already finance the collection and treatment of post-consumer waste. Additional ETS-related costs passed on to producers could create overlapping financial responsibilities and a risk of double charging for activities already financed through EPR contributions. Moreover, imposing additional financial burdens on producers could divert resources away from the core mission of EPR systems: improving the collection and sorting of waste, recycling performance and supporting investments in waste management infrastructure. This could ultimately undermine the effectiveness of EPR schemes and their contribution to circular economy objectives.

We thus urge the European Parliament to oppose amendments that would transfer to producers the ETS costs related to incineration emissions. Instead, the revised ETS should maintain an effective carbon-price signal, incentivising investment in emissions reduction, while circular economy initiatives targeted at product manufacturers and other value chain actors should continue to drive better product design, collection, sorting, recycling and material recovery.

Signatory associations (alphabetical order):