Inclusion of Waste Incinerators and Landfills in the EU ETS















































Dear Executive Vice-President Ribera, Dear Commissioner Hoekstra,

We, the undersigned coalition of trade associations, businesses, and NGOs from across Europe, are writing to express our strong support for the inclusion of **municipal waste incineration and landfilling** under the EU Emissions Trading System (EU ETS), as part of the upcoming review foreseen by July 2026.

The Role of the EU ETS in Enabling Climate Neutrality

The EU ETS is a cornerstone of Europe's climate policy. It aims to reduce greenhouse gas emissions cost-effectively, encourage innovation, and drive decarbonisation across sectors. However, the continued exclusion of **waste incinerators and landfills** undermines its potential and sends a distorted price signal that contradicts EU waste hierarchy principles.

Waste incineration emits over **95 million tonnes of CO₂-equivalent annually**, while landfills generate significant methane emissions, a greenhouse gas 80 times more potent than CO₂ over a 20-year timeframe. Although part of it stems from the necessary disposal of waste that could not be treated otherwise, a significant share comes from the destruction of recyclable and reusable materials. These processes directly hinder the EU's climate and circular economy objectives. We therefore welcome Article 30(7) of the <u>EU ETS Directive</u>, which mandates the Commission to assess, by July 2026, the feasibility of including municipal waste incineration, with a view to their inclusion in the EU ETS from 2028, while also addressing landfills to avoid the risk of waste being diverted from the former to the latter.

<u>Circularity and Resource Security: A Strategic Imperative</u>

The Clean Industrial Deal (CID) rightly recognises "Circularity and access to materials" as a core pillar of Europe's decarbonisation strategy, essential for reducing dependencies, enhancing resilience, and keeping valuable materials in the economy. The upcoming Circular Economy Act (2026) aims to raise material circularity to 24% by 2030. However, these goals are undermined by continued exemptions for waste incinerators and landfills, which destroy critical raw materials and emit significant greenhouse gases. Their inclusion in the EU ETS would provide a clear price signal discouraging material destruction, strengthen the economic case for investment in recycling and reuse, and align with Member States already applying carbon pricing to waste.

Our Request

We respectfully urge the Commission to fulfil its legislative mandate under Article 30(7) by presenting a proposal in 2026 to include municipal waste incineration installations, as well as landfills in the EU Emissions Trading System (EU ETS) from 2028. The inclusion of incinerators and landfills in the EU ETS is not only essential for upholding climate integrity, it is a strategic and economic necessity for securing Europe's industrial resilience, resource security, and circular transition.

Yours sincerely,

Business for a Better Tomorrow
Carbon Market Watch
Circular Economy for Flexible Packaging (CEFLEX)
Deutsche Umwelthilfe
Deutscher Naturschutzring (DNR)
<u>Ecopreneur.eu</u>
Ellen MacArthur Foundation
Environmental Coalition on Standards (ECOS)
European Environmental Bureau (EEB)
<u>Faerch</u>
Fair Resource Foundation
<u>Indorama Ventures</u>
Metal Packaging Europe (MPE)
<u>Néolithe</u>
New European Reuse Alliance (New Era)
Polyolefin Circular Economy Platform (PCEP)
Reloop
Resortecs
RE-ZIP
Styrenics Circular Solutions
Zero Waste Europe
Změna k lepšímu (Change for the Better)