



Green Deal Newsletter

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European Green Deal: A closer look at the new EU Circular Economy Action Plan

On 11 March 2020, the European Commission published a new [Circular Economy Action Plan](#) - one of the main pillars of the European Green Deal - with measures to make sustainable products the norm in the EU over the next decade. The Commission introduces measures across the entire life cycle of products, from design and manufacturing to consumption, repair, re-use and recycling.

Deloitte Legal has identified the following key points as particularly relevant for companies that manufacture or sell products.

Sustainable product design

At present, many products are only made for single use and cannot be easily re-used, repaired or recycled. EU initiatives and legislation already address, to a certain extent, sustainability aspects of products. However, there is no comprehensive set of requirements to ensure that all products placed on the EU market become more sustainable and circular.

By next year, the European Commission will therefore propose legislation for a sustainable product policy initiative. The core of this legislative initiative will be to widen the scope of the existing Ecodesign Directive (2009/125) beyond energy-related products.

In addition, through complementary legislative proposals, the Commission will restrict single-use, improve product durability, address the presence of hazardous chemicals in products, and increase recycled content in products. The Commission will also introduce a ban on the destruction of unsold durable goods.

Priority will be given to addressing the electronics, ICT and textile sectors, as well as furniture and high impact intermediary products such as steel, cement and chemicals.

Empowering consumers and public buyers

To enhance the participation of consumers in the circular economy, the Commission will propose a revision of EU consumer law so that consumers have access to trustworthy, reliable and relevant information on products at the point of sale, including on their reparability and durability, as well as their environmental performance. This will require companies to provide more information to consumers, including on lifespan, availability of repair services, spare parts and repair manuals.

In addition, the European Commission will establish a new “right to repair” and new horizontal material rights for consumers; for example, regarding the availability of spare parts or access to repair and, for ICT and electronics, to upgrading services.

Furthermore, the European Commission wants to increase the uptake of green public procurement (GPP), and will propose minimum mandatory GPP criteria and targets for public procurement.

Circularity in production processes

In line with the objectives laid out in the new EU Industrial Strategy, the Commission will enable greater circularity in industry.

To that end, the Commission will review the Industrial Emissions Directive, to assess options for further promoting circularity in industrial processes. In addition, the Commission will develop an industry-led reporting and certification system to facilitate industrial symbiosis. Finally, the Commission will promote the use of digital technologies for tracking, tracing and mapping of resources.

Industry focus

The European Commission will launch concrete, comprehensive and coordinated actions for key value chains where the most resources are used and where there is a high potential for circularity, namely electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings and food.

Electronics and ICT - The Commission will propose regulatory measures under the Ecodesign Directive so that

manufacturers will have to design devices such as mobile phones, tablets and laptops, for energy efficiency and durability, reparability, upgradability, maintenance, re-use and recycling. The Commission will also introduce a common charger for mobile phones and similar devices to prevent premature obsolescence. The Commission will also explore the options for an EU-wide take back scheme to return or sell back old mobile phones, tablets and chargers. Finally, guidance will be provided to improve coherence with relevant legislation, including REACH and Ecodesign.

Batteries - A new legislative framework will be introduced this year. It will contain measures to improve the collection and recycling rates of batteries and to progressively phase-out non-rechargeable batteries.

Packaging – The Commission will review the Packaging and Packaging Waste Directive to reinforce essential requirements for packaging. This will focus on reducing over-packaging and packaging waste, driving design for re-use and recyclability of packaging and reducing the complexity of packaging materials.

Plastics - To increase uptake of recycled plastics and contribute to a more sustainable use of plastics, mandatory requirements for recycled content and waste reduction measures will be adopted. The Commission will also address the presence of microplastics in the environment, inter alia by restricting internationally added microplastics and developing labelling, standardisation, certification and regulatory measures on unintentional release of microplastics.

Textiles – An EU Strategy for Textiles will be introduced in 2021, aiming to incentivise business and private consumers to choose sustainable textiles, enhance the re-use and recycling of textiles and achieve high levels of collection of textile waste.

Construction – In 2021, the Commission will launch a comprehensive Strategy for a Sustainable Built Environment, aiming at promoting circularity principles throughout the lifecycle of buildings. Companies may also be faced with recycled content requirements for certain construction products.

To develop these actions, The European Commission will cooperate closely with the stakeholders involved to point out barriers to the expansion of markets for circular products and solutions to tackle those barriers.

Ensure less waste

One of the main pillars of the Circular Economy Action Plan is the reduction of waste. The focus of the European Commission will be on preventing waste altogether in the first place, and transforming it into high-quality secondary resources once waste has been created.

The European Commission will propose a revision and modernisation of EU waste laws, such as the EU legislation on batteries, packaging, end-of-life vehicles, and hazardous substances in electronic equipment.

In addition, the European Commission will establish waste reduction targets for specific waste streams and will enhance the implementation of the requirements for extended producer responsibility schemes.

A Chemicals Strategy for Sustainability will also be developed to address the interface between chemicals, products and waste legislation and enhance synergies with the circular economy.

A series of actions to minimise EU exports of waste to third countries and tackle illegal shipments are also contained in the Circular Economy Action Plan, such as a review of EU rules on waste shipments.

Circularity and climate neutrality

To support the circular economy, the European Commission will take a series of initiatives to step up synergies between circularity and reduction of greenhouse gas emissions, and to steer financing towards more sustainable production and consumption patterns.

Many EU funds will be mobilised to drive the transition to a circular economy, such as the European Regional Development funds, the LIFE and Horizon Europe programs, the Just Transition Mechanism and InvestEU.

How can Deloitte Legal help?

The new Circular Economy Action Plan will have an impact on many companies manufacturing or selling products in the EU. Deloitte Legal's EU regulatory specialists will help you design, implement and undertake your business strategy in line with the future evolution of the regulatory framework and market trends.

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