



European Industrial Strategy in Focus

A Circular Economy Supporting Europe's Green Deal Climate Ambition

15 October 2020

***Moderated by Elinor Kruse, Director Environmental Policy
at Teknikföretagen and Chair of Orgalim Environmental
Sustainability Working Group***



Teknikföretagen

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TECHNOLOGY
INDUSTRIES

Our speakers



Malte Lohan

Director General,
Orgalim, Europe's
Technology Industries



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Head of the Unit on
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Naemi Denz

Director Strategic
Projects, Member of the
Extended Management
Board, STEINERT GmbH





Opening remarks

Malte Lohan, Director General, Orgalim, Europe's Technology Industries

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Orgalim at a glance


Annual turnover

 **2,173**
billion EUR

Direct employment

 **11.5**
million people

Annual exports

 **567**
billion EUR

Our industries comprise of

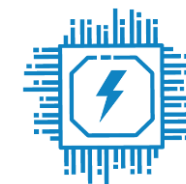
 **770,000**
companies
the vast majority of which are
SMEs and microbusinesses



Mechanical
Engineering



Metal
Technology



Electrical Engineering,
Electronics, ICT



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European Industrial Strategy in Focus

A series of interactive expert debates to discuss vital aspects of Europe's industrial strategy

Past events (Recordings available)



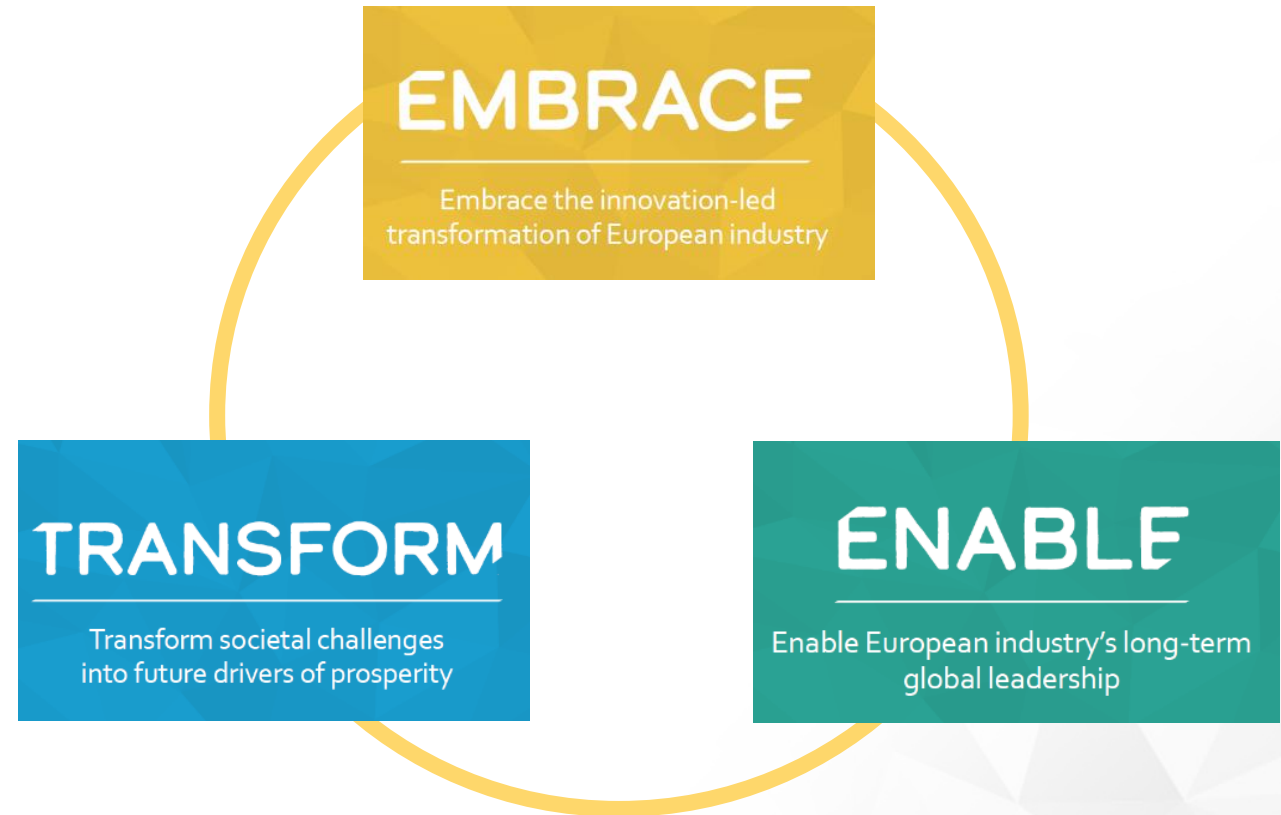
Upcoming events (Registrations open)



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A circular economy at the heart of the EU's industrial strategy

Industry powering a Europe that is carbon-lean, circular and internationally competitive



A circular economy makes environmental and economic sense

- Optimising the circular use of resources throughout the economy is a key vector for minimising the environmental impacts of the EU economy
- The co-benefits of achieving carbon neutrality in a wider resource efficiency agenda will contribute to meeting this goal in a faster and more cost-efficient manner
- By enabling the optimisation of energy and resource use throughout the life cycle, a circular economy also makes economic sense
- Coupled with the possibilities of digitalisation and data analysis, a circular economy creates space for new business models and contributes to renewing EU global industrial leadership



Orgalim recommendations on the new Circular Economy Action Plan

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EUROPE'S TECHNOLOGY INDUSTRIES

POSITION PAPER

Brussels, 15 October 2020

Orgalim recommendations on the New Circular Economy Action Plan

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stay tuned!

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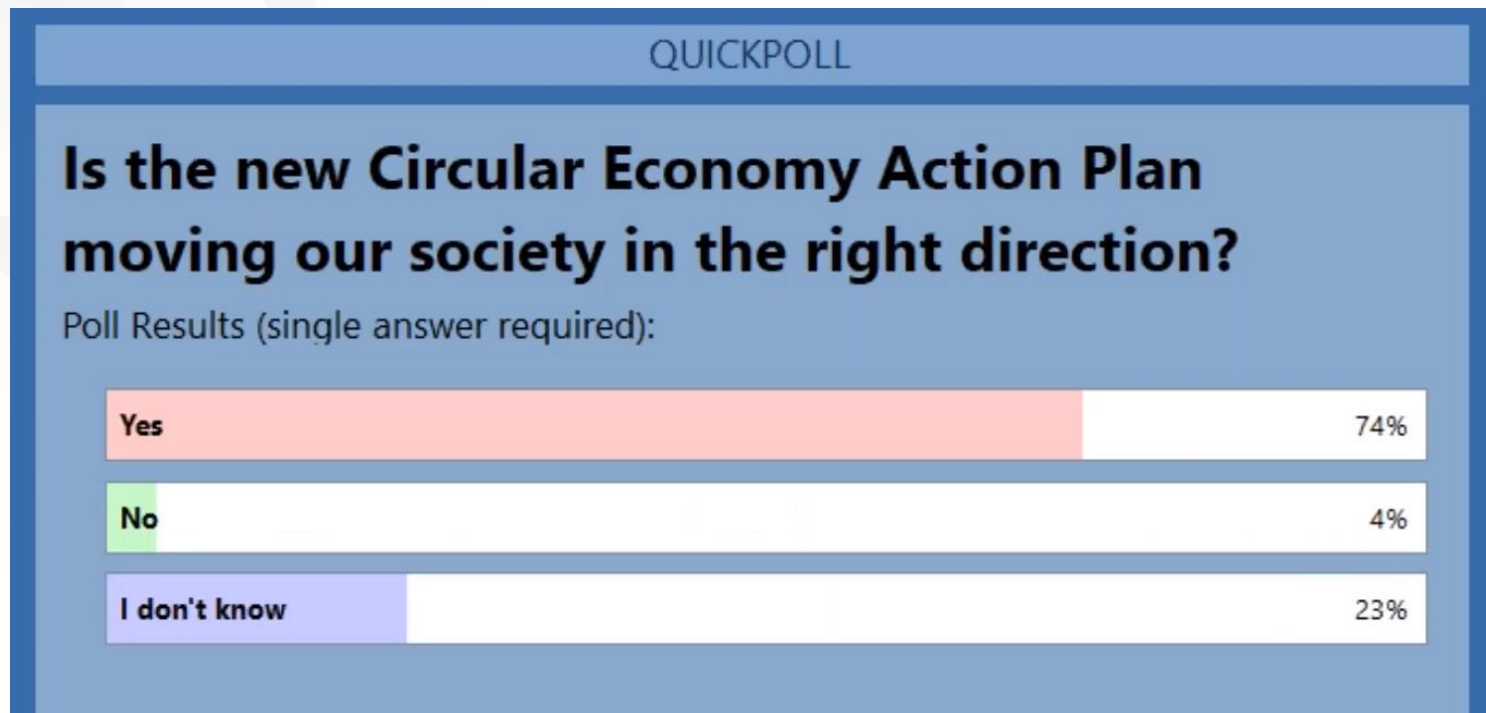
The New Circular Economy Action Plan - paving the way to a more Sustainable Europe

European Commission President Ursula von der Leyen has made it a core mission of her mandate for the "EU to lead the transition to a healthy planet". The new [Circular Economy Action Plan](#), adopted by the Commission on 11 March 2020, marks a major step towards that goal. Indeed, the new Circular Economy Action Plan - one of the main blocks of the European Green Deal - will play a crucial role in achieving the Green Deal's overarching aim of making Europe climate-neutral by 2050 and can help to drive an industrial renaissance for a clean planet for all (see Orgalim's Green Deal position [here](#)).

Representing Europe's technology industries, providing innovative solutions which can unlock a greener, healthier and more prosperous future for the EU and its citizens, Orgalim welcomes the new Circular Economy Action Plan for a cleaner and more competitive Europe. Optimising the circular use of resources throughout the economy is a key vector for minimising the environmental impacts of the EU economy. It makes environmental and economic sense and contributes to climate mitigation and renewing EU industrial global leadership. The co-benefits of achieving carbon neutrality in a wider resource efficiency agenda should contribute to meeting this goal in a faster and cost-efficient manner. Coupled with the possibilities of digitalisation and data analysis, a circular economy creates space for new business models and enables the optimisation of energy and resource use throughout the life cycle.

In this strategic paper Orgalim provides a summary of the key areas for consideration for Europe's technology industries and Orgalim's main recommendations on the new Circular Economy Action Plan. Further information can be found in Orgalim's detailed [Position Paper](#) which provides our detailed views and recommendations on the various initiatives announced in the new Circular Economy Action Plan along the entire life cycle of products, targeting, for example, their design, promoting circular economy processes, fostering sustainable consumption, and aiming to ensure that the resources used are kept in the EU economy for as long as possible.

Time for a poll!





CIRCULAR ECONOMY – designing products for circularity

Fulvia Raffaelli, European Commission, DG GROW

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Transforming our Industry



GREEN TRANSITION

The European Green Deal is Europe's new growth strategy.

At the heart of it is the goal of becoming the world's **first climate-neutral continent** by 2050.



GLOBAL COMPETITIVENESS

The right conditions are needed for entrepreneurs to turn their ideas into products and services and for companies of all sizes to thrive and grow.

The EU must leverage the impact, the size and the integration of its single market to make its voice count in the world and **set global standards**.



DIGITAL TRANSITION

Digital technologies are changing the face of industry and the way we do business.

They allow **economic players** to be more proactive, provide workers with new skills and support the decarbonisation of our economy.



Where are we coming from?



First Circular Economy Action Plan

"An economy where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimized"

Eco-Design Working Plan & Sustainable Products in a Circular Economy
Product Environmental Footprint and Consumers REFIT
Revised Waste Legislation
Interface WPC and Fertilising Products Regulation



Material-specific and systemic approach
along entire value chains
Single Use Plastic Items Directive &
Circular Plastics Alliance

**European
Circular Economy
Stakeholder Platform**

Strong Stakeholder Engagement
EU Circular Economy Stakeholder Platform
EU Platform on Food Losses and Food Waste
Circular Economy Finance Support Platform



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A new Circular Economy Action Plan

35 actions



Make sustainable products the norm in the EU
Empower consumers and public buyers
Sustainable production processes

Electronics and ICT
Batteries and vehicles
Packaging
Plastics
Textiles
Construction and buildings
Food, water and nutrients

Reduce Waste
Reduce Waste Exports
Boost market for high quality and safe secondary raw materials

Making circular economy work for people, regions and cities

Circular economy as a requisite for climate neutrality

Getting the Economics Right

Financial Markets

Investments and R&I


Global Level Playing Field

Monitoring

Designing Sustainable Products



Up to
80%
of products' environmental
impacts are determined at
the design phase



Sustainable Products Initiative aimed at:

- **Extending product lifetime** (*durability, reparability, upgradability, counter premature obsolescence*)
- **Improving overall 'circularity'** (*remanufacturing, recyclability, recycled content, restrict single use*)
- **Reducing emissions, pollution and waste** (*e.g. chemicals, carbon/env footprint, efficiency*)
- **More circular 'handling'** (*destruction unsold goods, product-as-a-service, reward sust. performance*)

Digitalisation is a key enabler: *digital product passport, supported by European Dataspace*

« Sustainable products should be the norm, not the exception »



Scope: priority products and key product value chains



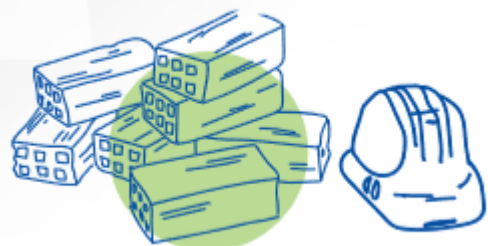
Food, water & nutrients



Electronics and ICT



Batteries & vehicles



Construction & buildings



Textiles

Circular Economy Action Plan

For a cleaner and
more competitive
Europe



Plastics



Packaging



Sustainable Products Initiative – core element



Revision of the Ecodesign directive to cover widest possible range of products

- Sustainability principles
- Measures addressing specific product categories
- Methodology to assess environmental performance (PEF?)
- Information requirements to feed into product passport
- Strengthen market surveillance and enforcement



Sustainable Products Initiative – other elements



Other elements:

- Product passport (digital architecture in *European Dataspace*)
- Support to circular business models
- Support to reuse, repair and remanufacturing services
- Ban on destruction of unsold goods

We are looking for Feedback

Inception Impact assessment published on 14 September,
Consultation open until 2 November



(the current) Ecodesign Directive & Circular Economy – state of play

Ongoing activities within the framework of the Ecodesign Directive



- The CEAP 2020 attributed a pivotal role to the Ecodesign Directive to foster resource efficiency, in particular by promoting durability, repairability and recyclability of products
- The supporting methodology, the 'MEErP', is being revised (update of environmental impacts + improved modelling of CE & economic aspects)
- The next Ecodesign Working Plan is under preparation (new products groups, but also horizontal aspects such as lightweight design, recycled content or ecological profile are being analyzed).
- Ecodesign preparatory study on mobile phones and tablets ongoing (relevance of material efficiency aspects, such as durability, repairability, upgradability and recyclability).
- Dialogue with industry on the Voluntary Agreement on Imaging Equipment continues (potential approaches on cartridges are being discussed).





Adopting the Circular Economy Action Plan from an NGO's point of view

*Pernille Haagen, Advisor, Circular Economy and
Materials, WWF Denmark*

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Introduction



Pernille Haagen, Circular Economy and Materials Advisor at WWF Denmark.

Environmental Consultant at The Danish Plastic Federation and The Danish Association of Cosmetics and Detergents.

Work areas: plastic, packaging, circular economy, sustainable packaging design, plastic pollution, textiles, reuse and recycling etc.



WWF (World Wide Fund for Nature), is the world's largest independent conservation organization working in more than 100 countries and supporting around 1,300 conservation projects worldwide. WWF's Mission is "to stop the degradation of the planet's natural environment and to build a future in which people live in harmony with nature".

WWF works (among others) in partnership with business to change behavior and develop conservation projects that would not be possible otherwise.



Adopting CEAP from an NGO's point of view



Where do we start to make the biggest impact?

➤ Designing sustainable products

We need an integrated approach in designing sustainable products.

➤ Less waste, more value

Minimization of waste is part of efficient resource use and should be used in concert with waste management infrastructure.

➤ Alignment and cooperation of all stakeholders, at all levels

A systems approach with all stakeholders is key to a long-term success, as all the components must be in place for recovery systems to function effectively.





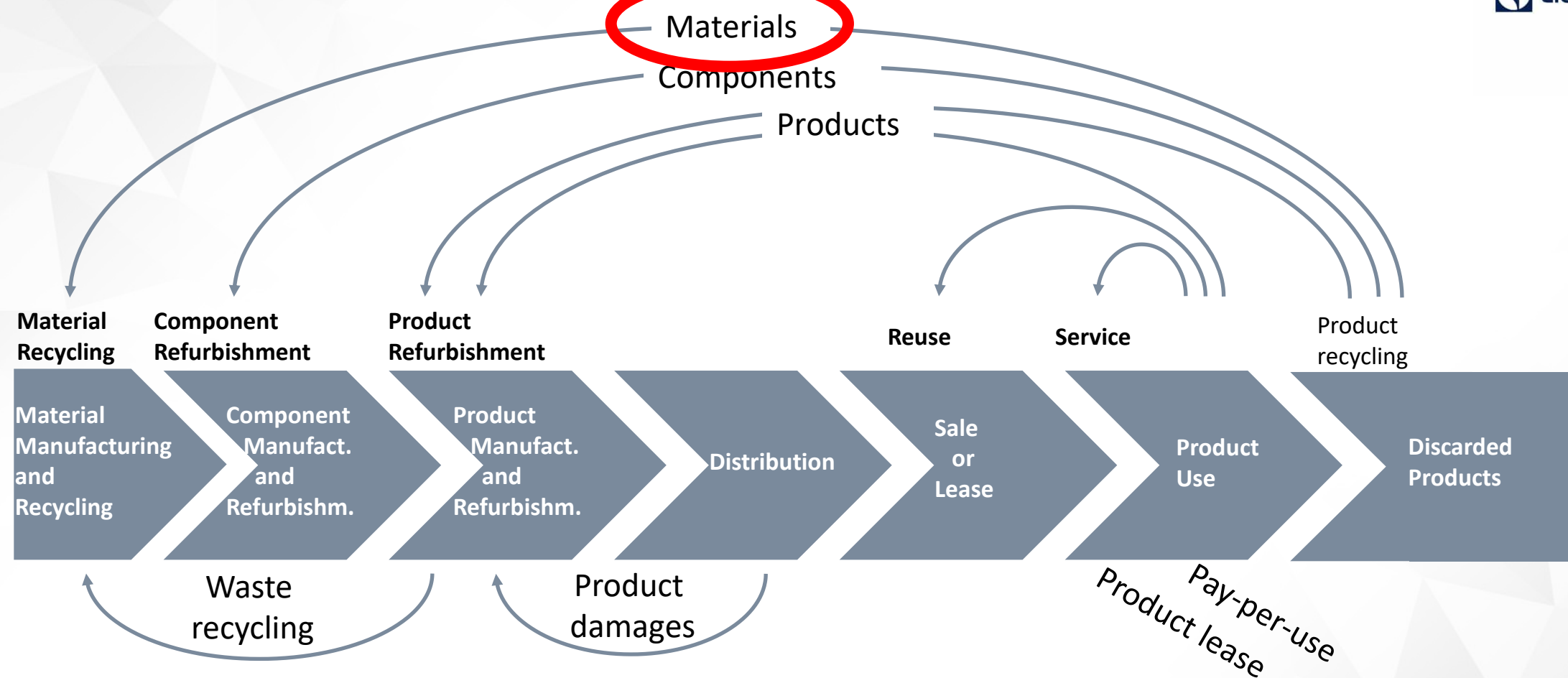
Drivers for uptake of recycled plastic

Karl Edsjö, Director of Resource Efficiency Policy and Recycling, Electrolux Group

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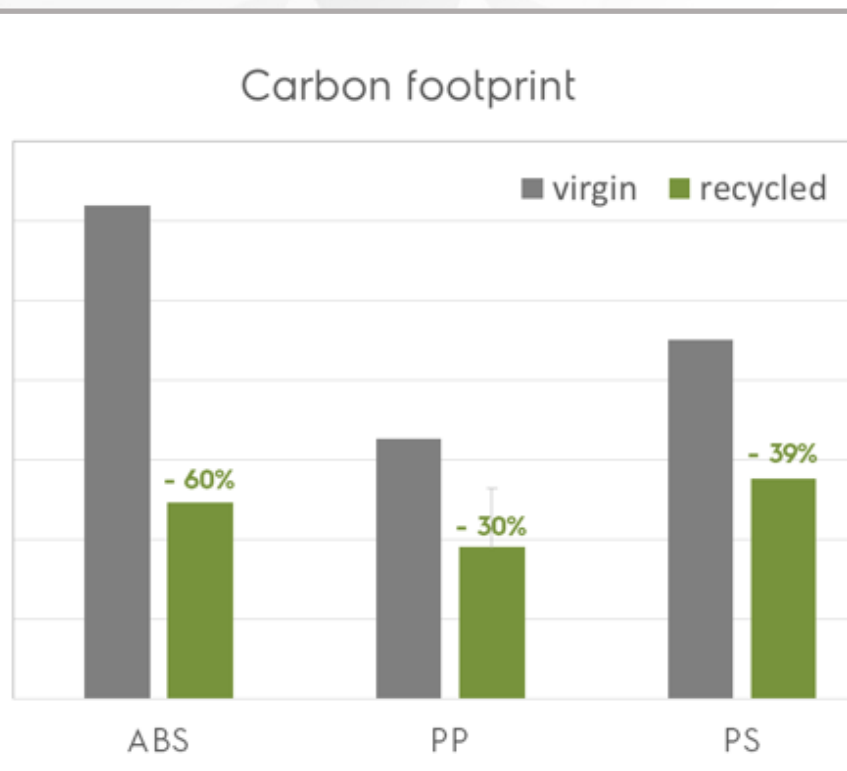
Defining circular business solutions for Electrolux



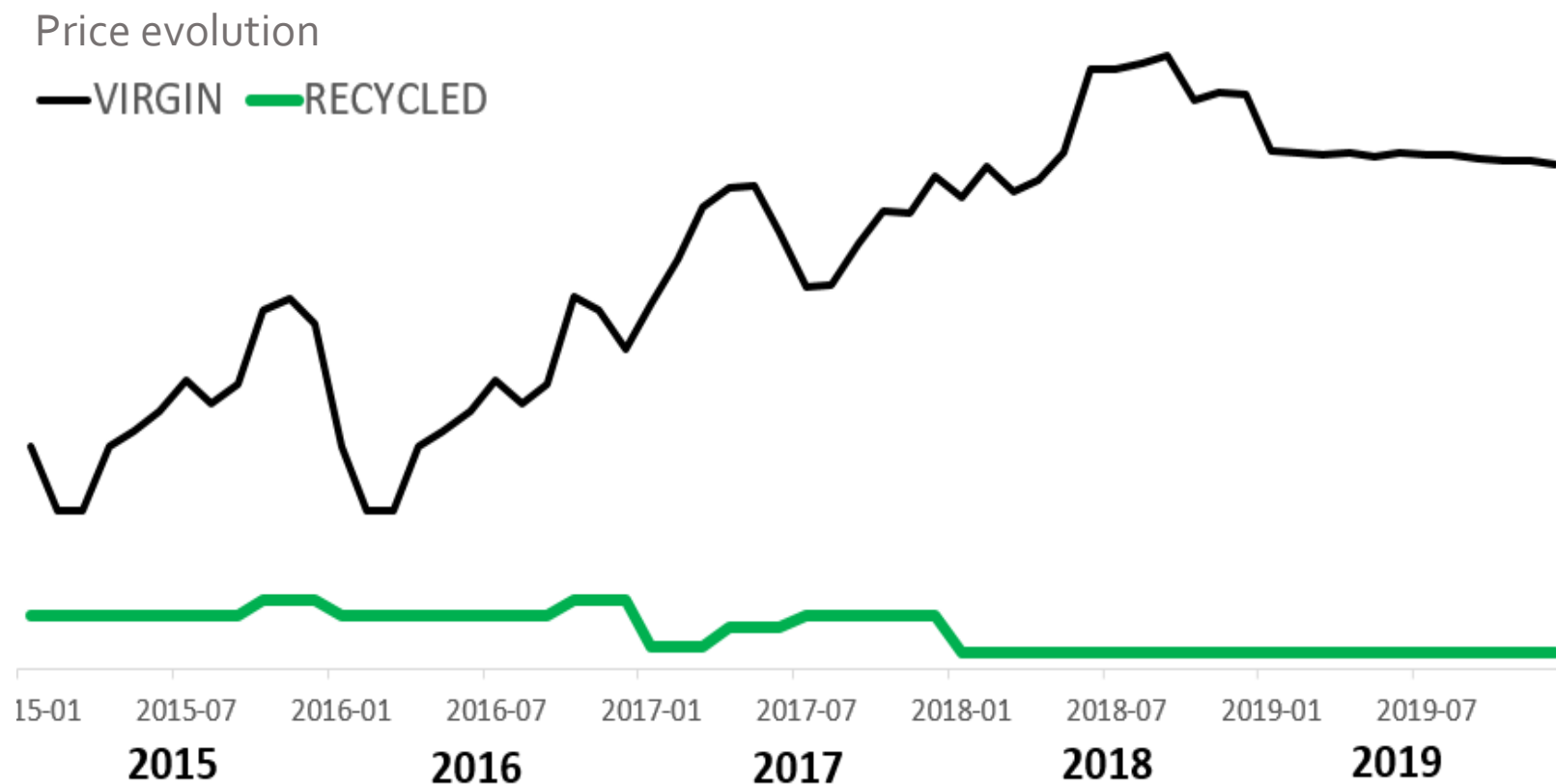
“Circular” includes the entire value chain of a company. It is not the final state of a process, but rather the direction of a change.



The environmental and economic drivers for using recycled plastic



SOURCE
Virgin: <https://www.plasticseurope.org/en/resources/eco-profiles>
Recycled: data from suppliers



SOURCE: Electrolux



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Key requirements and policy to enable more recycled

Key producer requirements

- Chemical Compliance
- Performance
- Consistent supply
- Competitive business case

Supportive trends

1. Increased attention overall to environmental benefits
2. Improved quality of recycled
3. Supply base extending
4. Price below virgin and less volatile

Key policy enablers

1. Separate collection / producer responsibility
2. Recycling targets for collected material, pushing materials to the market

Going forward – policy supporting the market:

- Strengthen the business case for doing right – make recycled cost efficient
- For any policy measure, watch out for unintended consequences. Keep environmental benefit in focus
- Support producers R&D needs in shift from virgin to recycled
- Standards for treatment and quality of secondary raw materials





Circular Economy in the Electronic & Electrical Equipment sector

Xavier Houot, Senior Vice President, Group Chief Environment Officer, Schneider Electric

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Schneider Electric: seizing the 'Circular Business Models' opportunity

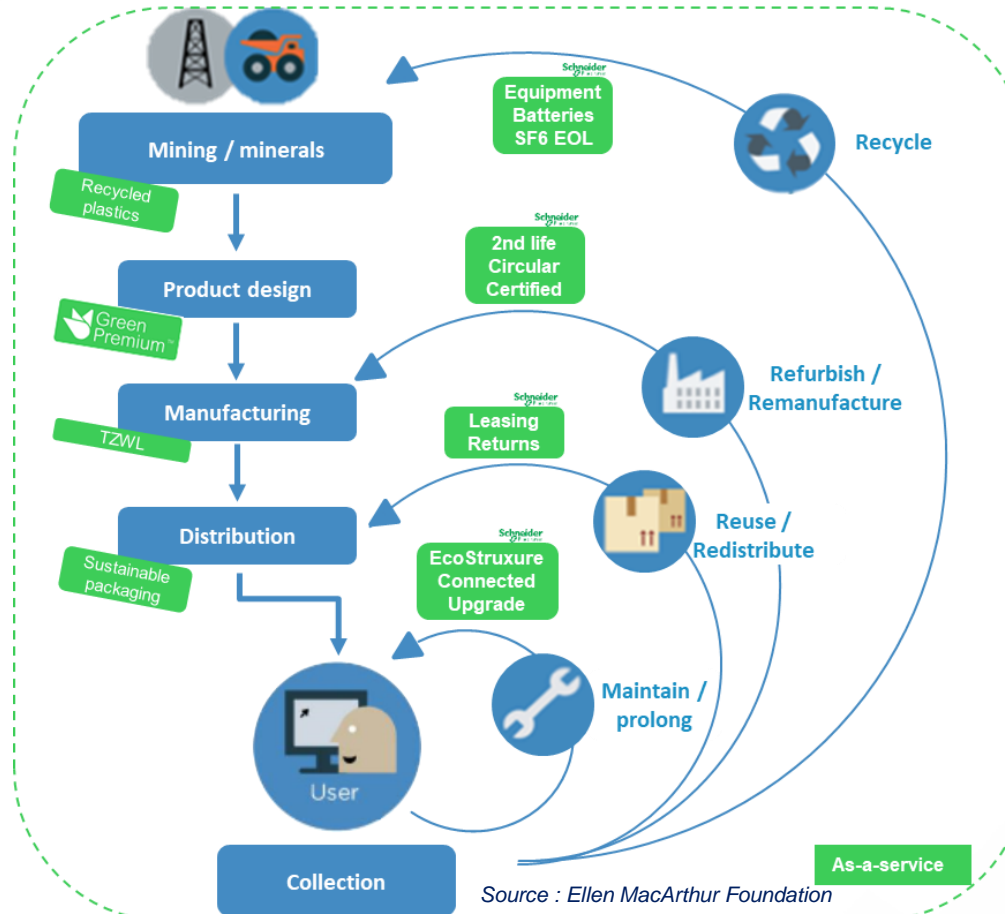
End-to-end circularity in our value chain

THE CIRCULARS 2019



Upstream initiatives & targets

- ✓ Double recycled plastics in products by 2025
- ✓ 100% new offers eco-designed
- ✓ 200 sites 'towards zero waste to landfill'
- ✓ 100% packaging from sustainable sources



Downstream initiatives & targets

- ✓ 120K metric tons of primary resources avoided
- ✓ +45% YoY Assets under Management (3.5M in total)
- ✓ 'Circular services' resilient in times of Covid-19
- ✓ Lifecycle offers: lifespan extension, 2nd & 3rd life, responsible end-of-life

Circularity is a win-win-win-win

For all stakeholders



Customer

Lower total cost of ownership (TCO)



Planet

Helping to 'move-the-date'



Government

Creation of local jobs



Company

'Relationships-for-life' with customers



Challenges & needs for achieving more circularity

No one-size fits all

- Need for **sector-specific** norms and standards (durability/reparability vs. waste recycling only)

Ensuring Safety of People & Assets

- **All resources are not equal** in terms of thermal, mechanical, or electrical profile
- **Digital access to Product Environmental Data (PEP, PEF, End of Life)**, REACH, RoHS, etc
- Safety: critical 'circular' services only through **certified and qualified experts**

Market Surveillance

- Need for effective **market surveillance** to ensure transparency & compliance
- Protection of **Intellectual Property Rights**

Financial Incentives

- **Favorable tax schemes** to give a 'nudge' and accelerate 'circular' offers & services
- **Incentives towards costs of labor** for certain 'circular jobs', to boost circular economy





Circular Economy in the Mechanical Engineering sector

Naemi Denz, Director Strategic Projects, Member of the extended management board, STEINERT GmbH

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The Resource Search Engine



Challenges and opportunities

- The Circular Economy has become a **megatrend** that has a lasting influence on all parts of the industry and **offers great opportunities**
- Changing **product and production requirements require technological solutions**, often supplied by the **mechanical engineering companies**
- Circular Economy **creates space for new business models and services**
- **Digitalisation** is a strong **enabler for Circular Economy**
- **Under the right political framework, Circular Economy is an ecological and economical success model**



Mechanical engineering sector and Circular Economy

- **Enables recycling:** by means of modern recycling technology
- **Enables production:** by providing state-of-the-art machinery for complex production systems and for the resource- and energy efficient production of goods
- **Develops and produces:** machines and components that are used over a long period of time and are finally returned to the cycle either as a product or as material
- **Is a consumer:** decision about use of material in machine production and reducing it through material savings and
- **Is a user:** of Circular Economy activities such as repairing and remanufacturing of own machines or reusing components



Shutterstock

Circular Economy Action Plan – Business perspective

- **Regulation should not create additional hurdles** (bureaucracy), but should help to overcome market challenges, e.g. transparency and traceability requirements for products
- **Policy should support especially SME** in conversion towards a circular economy (e.g. information data)
- **Bottom-up instead of top-down approach**: industry and standardisation organisations need to be involved in the development of future instruments, e.g. electronic product passport, Circular Dataspace
- **Industry and sector driven approaches** are very welcome
- With the help of **digitalisation**, existing information gaps in the Circular Economy can be overcome, allowing more informed decisions to be made, and new markets to emerge with concrete use cases

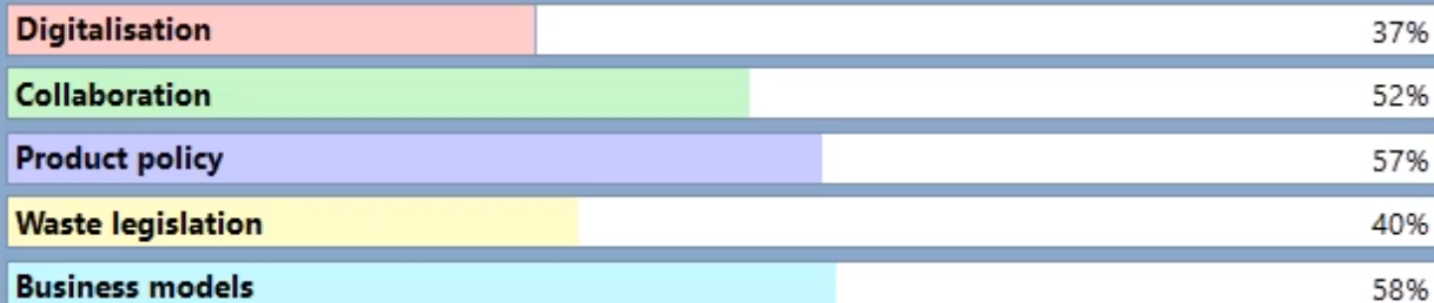


Time for a poll!

QUICKPOLL

Which actions are the most important for creating a circular economy?

Poll Results (multiple answers allowed):



Q&A



Fulvia Raffaelli

Head of the Unit on
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European Commission



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Orgalim's views on the new Circular Economy Action Plan

Elinor Kruse, Director Environmental Policy at Teknikföretagen and Chair of Orgalim Environmental Sustainability Working Group

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Orgalim's main recommendations on the new Circular Economy Action Plan

Extracts of Orgalim Executive Summary of our Position Paper on the new Circular Economy Action Plan with our detailed views and recommendations which will be published this afternoon on Orgalim website...stay tuned!

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“The stronger the EU Single Market, the better for the circular economy”

- We need a **harmonised approach** throughout the EU to the various circular economy measures.
- We call on the Commission to follow the **better regulation** principles and to conduct **impact assessments** for all new announced initiatives to make sure that the proposed measures are proportionate to the intended objectives.
- Any new circular economy measure, especially in the area of product policy, must be accompanied by **robust market surveillance and effective enforcement**.



Cooperation with all actors including industry is crucial

- It is important that the complex circular economy challenges are analysed and evaluated at an early stage in **dialogue and cooperation with all actors along the value chains including industry.**
- **Standards are essential** complementing tools to EU legislation for a circular economy and enhancing the sustainability of products and materials.
- Europe can only succeed if its efforts and commitments also drive the **global transition** to a just, climate-neutral, resource-efficient and circular economy.



Clear and consistent policy objectives

- The **life cycle approach in Ecodesign Directive** is supported by our industries because it is fundamental to define the requirements and should be a guiding principle for authorities.
- The circular economy requires a **strong multidisciplinary approach** as well as (new) inter-sectoral collaboration
- Policy objectives, policy choices and incentives across all policy areas need to be both **clear and consistently implemented**. Addressing the **interface between chemicals, products and waste** regulations is absolutely necessary



Orgalim's views & recommendations on the new Circular Economy Action Plan

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Thank you for joining!

Follow these links:

- [Position Paper on the new Circular Economy Action Plan \(CEAP\)](#)
- [Executive summary with main messages on the new CEAP](#)
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