



# POSITION PAPER

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## Orgalim recommendations on the New Circular Economy Action Plan

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# INTRODUCTION

Representing the technology sectors 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 adopted by the European Commission on 11 March 2020.

Commission President Ursula von der Leyen has made it a core mission of her team's mandate that "the EU must lead the transition to a healthy planet". The new Circular Economy Action Plan marks a major step towards that goal of addressing the challenge of the green transformation. The new Circular Economy Action Plan, which is 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 by driving an industrial renaissance for a clean planet for all (see Orgalim Green Deal position [here](#)).

[Optimising the circular and sustainable 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.

["The stronger the EU Single Market, the better for the circular economy"](#) should be a guiding principle for future action. To secure the functioning of the Single Market – one of the EU's success stories and major achievements that has improved prosperity and opportunities for European citizens and businesses – it is crucial to ensure a [harmonised approach](#) throughout the EU to the various circular economy measures.

It is important that such complex challenges are analysed and evaluated at an early stage through dialogue with all actors along the value chains, including industry. It is also important that concrete implementation remains open, market driven and globally connectable. Product requirements must always be considered product-specific and carefully checked.

The circular economy requires a [strong multidisciplinary approach as well as \(new\) inter-sectoral collaboration](#) – between different industries and companies, or between different policy areas, or both – so that new value creation networks can develop.

Policy objectives across all policy areas need to be both [clear and consistently implemented](#), including potentially inevitable trade-offs, to keep a level playing field on the internal market that enables the development of sustainable circular business models and opportunities from a life cycle perspective. Circular business models develop through a strong partnership between customers and producers and therefore public investments are a great source of support to drive the transition.

In this position paper, Orgalim is providing its 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.

# 1. Chapter 1. A Sustainable Product Policy Framework

Orgalim welcomes the Commission's sustainable product policy legislative initiative as a key measure to further optimise the way resources are used throughout the economy and society. This important European initiative is in line with the broader global UN Sustainable Development Goal 12 "Ensure sustainable consumption and production patterns".

Clear and consistent objectives, combined with financial incentives (such as for example the EU Horizon 2020 Research and Innovation program and the European Regional Development Fund) and initiatives like the European Raw Materials Alliance, should be at the core of the EU's sustainable product policy framework.

The European technology industries represented by Orgalim stand ready to continue providing innovative, cutting-edge technology solutions and sustainable products. Continuously improving the performance and overall sustainability of products, striving for excellence and ensuring that consumers and businesses enjoy the benefits of competing, innovative, cutting-edge technology solutions targeted to their needs are the core commitments and competences of the European technology industries.

It is crucial for our industries that the sustainable product policy legislative initiative will provide a stable framework, while upholding the basic principle of technology neutrality which is a key enabler of ensuring a variety of technology options applicable to sustainable design requirements and choices related to material efficiency.

## 1.1. Designing sustainable products

The product design which stands at the beginning of the product's lifecycle is essential for ensuring circularity.

Our industries see the sustainable product policy as an opportunity for a win-win situation for the environment and the economy provided that the key principles described below are respected when developing product and information requirements:

- First undertake an [impact assessment](#).
- Apply the "SMERC" principle:
  - [Specific](#) – requirements must be considered on a product group-specific basis. Even within the same product group and within individual categories of equipment in our sector, the products and their environmental impact differ significantly, especially depending on ambient and operating conditions.
  - [Measurability](#) – the parameters must be clearly determined and measurement methods must be accurately defined.
  - [Enforceability](#) – it must be possible to verify and enforce requirements through market surveillance.
  - [Relevance](#) – new parameters and corresponding requirements must be relevant for the environment, the users and applicable even within the specific life cycle phase(s). There must be evidence of clear and significant potential for improvement.
  - [Competitiveness](#) – there must be no significant negative impact on the industry's competitiveness and the competition must be fair.
- Ensure that the product sustainability requirements will be [harmonised at EU level](#).
- Product requirements (for example information requirements) should be [technology neutral](#) and not hinder the development of new innovations, business models and products.
- Policy makers should focus on products that taken together stand for a great environmental impact so that the effect of the measure is [proportionate](#) (Article 15 Ecodesign Directive).
- When designing products, many aspects are taken into consideration by manufacturers, such as [product safety and quality](#), material and energy efficiency, and above all the benefits for the customer. Due to the intended use and end user preferences, the product portfolio of the technology industry is very heterogeneous and consequently there are very different approaches to making products even more efficient in terms of environmental impact. The safety, quality and performance of products and proprietary product systems must always be guaranteed.
- [Effective market enforcement and surveillance](#) are needed to ensure a level playing field.
- Establishing requirements for products requires a high level of responsibility. Requirements need to be specific for corresponding defined product groups.

- The product requirements developed by the policy makers must be **based on science** and lead to clear goals and targets.
- We also wish to highlight the **responsibility of politicians towards companies**. Politicians decide on the political objectives, which need to be clear, and their decisions need to be transparent. However, decisions on the technology development, product design and technical requirements must be left to the manufacturers who are the technical experts. Therefore, the cooperation between policy makers and the industry is fundamental for the success of the measures.

Over a decade, the **ECODESIGN DIRECTIVE** 2009/125/EC has been the policy makers' preferred tool to define sustainability characteristics and requirements. The Ecodesign Directive is fit for purpose as the core policy tool for the technology industries' sector and has been proven successful.

**We strongly support the Ecodesign instrument** which has delivered for the consumer, the industry and the planet through its holistic approach of minimising life cycle impacts, based on scientific evidence, at the least life cycle cost – setting measurable, enforceable requirements case by case in big saving areas.

We support the Ecodesign Directive since it provides an EU harmonised framework in accordance with the New Legislative Framework for setting the Ecodesign requirements on energy related products, and as such ensures the functioning of the EU internal market for these products. Since the Directive entered into force in 2005, our sector has fully embraced the Ecodesign policy, by implementing concrete sustainable product measures and therefore contributing to EU's wider climate and resource policy agenda. The Ecodesign and Energy Labelling measures have been the tools to enhance energy and resource efficiency of products and to realize almost half of the EU's 2020 energy efficiency target according to the Commission.

**Should the scope of the existing Ecodesign Directive be extended to non-energy related products:**

- We recommend maintaining the existing framework of the Ecodesign Directive for energy related products to guarantee legal and investment certainty, confidence and trust in the market in the ongoing implementation.
- Adding new products within the scope of Ecodesign should be proportionate, and we defend the method of establishing implementing measures in the existing Ecodesign Directive as stipulated in its Article 15.

Regarding the **review of the Ecodesign Directive** which is proposed to build, where appropriate, on criteria and rules established under the EU Ecolabel Regulation, the Product Environmental Footprint approach and the EU Green Public Procurement criteria:

- We do not recommend building the review of the Ecodesign Directive on criteria and rules established under the EU Ecolabel Regulation. Specifically, the use and relevance of the Ecolabel for professional products is very limited because it applies only to a selected number of product groups.
- It is important that the Ecolabel remains a voluntary product specific tool and continues to apply as a complementary instrument to the activities under Ecodesign and Energy Labelling Directives.

**As for the links between the Ecodesign Directive and the criteria and rules established under the Product Environmental Footprint (PEF) approach:**

- Life cycle assessment (LCA) is an excellent tool for understanding what is environmentally large and small in a product life cycle, e.g. the use phase and the manufacturing phase. However, LCA should be used with caution to generally assess products from multiple producers, since the input data may vary between different producers. Hence LCA is a good tool for a company to assess its products, but the impact values should not be used to compare different producers or as a basis for legislative requirements.
- We recommend policy makers to rely on internationally recognised methodology since our industries are often global. Changes to the methodology should be made cautiously so as not to undermine current and past developments or Ecodesign investments.
- We support the use of LCA for companies to internally assess the environmental impact of their products and acknowledge that the use of the environmental footprint of products or components for the LCA of a larger system needs to provide transparent, objective and verified information.
- However, the PEF method is not suitable for all enterprises, especially not for SMEs, and many factors prevent a strict comparability between LCA results.
- We recommend the PEF to remain voluntary. PEF is a very complex tool and it should be used carefully.

- We recommend that the PEF should not be used for any labelling.

#### Related to the links between the Ecodesign Directive and the Green Public Procurement (GPP) criteria:

- We do not recommend building the review of the Ecodesign Directive on the EU Green Public Procurement criteria.
- We recommend to focus on product regulation and Green Public Procurement to be linked to internal market requirements and standards. See below our recommendations on sustainability criteria for public procurement.

**Differentiating consumer and industrial goods** in the context of material efficiency is crucial. Incentive structures, customer behaviour, customer relations, pricing, material composition and market dynamics distinguish both sectors. To carry forward the success of the Ecodesign Directive, case-by-case assessment remains of high importance.

The ongoing development of material efficiency standards by European **standardisation** organisations is also actively supported by our industries. Product-specific EU standards are highly relevant for a successful implementation.

As to the Commission proposal to consider establishing **SUSTAINABILITY PRINCIPLES**, we call on the Commission to:

- **First undertake an impact assessment.**
- **Apply the "SMERC" principle** in all considerations regarding the impact assessment and discussion about the possible extension of product-related sustainability requirements:
  - **Specific** – requirements must be considered on a product group-specific basis. Even within same product group, and within individual categories of equipment in our sector, the products and their environmental impact differ significantly, especially in relation to the ambient and operating conditions.
  - **Measurability** – the parameters must be clear to determine. High demands must be placed on the measuring methods. Parameters must be reliable and lead to reproducible, comparable results. They should reproduce actual user behavior as accurately as possible, but also be easy to apply in practice. Legislation may only be adopted if the necessary harmonised standards are available, at least in draft form (CDV).
  - **Enforceability** – it must be possible to verify and enforce requirements through market surveillance. The measuring methods must not entail a disproportionately high effort for subsequent verification. At present, market surveillance performs very few checks for cost reasons.
  - **Relevance** – new parameters and corresponding requirements must be relevant for the environment, the users and relevant even within the specific life cycle phase(s).  
There must be evidence of clear and significant potential for improvement.
  - **Competitiveness** – there must be no significant negative impact on the industry's competitiveness (see Directive 2009/125/EC, Art. 15(5)d) and the competition must be fair.
- Ensure that the product sustainability requirements will be **harmonised at EU level**.
- Product requirements (for example information requirements) should be **technology neutral** and not hinder the development of new innovations, business models and products.
- Policy makers should focus on products that taken together stand for a great environmental impact so that the effect of Regulation is **proportionate**.
- **Energy efficiency** remains a key sustainability principle for energy related products.
- **Resource efficiency** requirements under Ecodesign are ambitious but appropriate.

We have the following further **general comments and recommendations related to the proposed sustainability principles**:

- We would welcome more information about what the proposed sustainability principles could look like and how they would be applied in practice within the Ecodesign Directive.
- **A holistic view**: all proposed product sustainability requirements must be evaluated through the whole lifecycle to ensure they will lead to more sustainable products and should also be analysed in the product usage environment. This will enable the identification of the sustainable impact of the product, provided that the boundaries for the lifecycle assessment are similar for all products.
- The relevance and effectiveness of the various proposed circular economy and product sustainability requirements should be analysed in comparison to other policy tools and design parameters. For example: to what extent it is possible to repair a product, and how this reparability parameter will affect other design parameters that might result in increased environmental impact must be assessed.
- In addition, when developing product policy, it is important that the political ambition is transformed into measurable design requirements for a specific product.
- The role of public procurement is important. Public authorities need to act in a responsible way by, for example, replacing or upgrading the installed base of products using LCA as a guiding principle. Sustainability requirements

should be as important as price when choosing products in competition. Taking these elements into account in public procurement will support the European industry which is providing modern and efficient products. It is important for public authorities and industries to develop together such sustainability requirements and for the Commission to ensure that GPP criteria are effectively implemented in GPP.

We recommended the following sustainability criteria for public procurement:

- The starting point of the procurement will be sectorial standards and, when relevant, EU's green procurement criterion, established on the basis of reliable and verifiable methodologies, objective and measurable criteria relevant for the different product categories, based on the overall life cycle of products, and consistent with applicable regulations. For example, the requirements for quality labels such as the EU-Ecolabel could be used when relevant.
- The procurement will be based on total cost including product lifetime and operating cost.
- The procurement includes consideration of relevant concrete requirements for the product's post-consumption phase and the initial input of materials producing a new product. In addition, significant efforts should be demonstrated by the industry to include information as far as improvements on life cycle and to the post-consumption phase. These efforts should be supported, recognised and valued.
- The offers will be evaluated with priority given to quality parameters such as durability, sustainability or security of supply, and not only the lowest price.
- The contract includes a provision of innovation to encourage partnership on continuous improvements of the operation and the green profile of the procurement.

We call upon the Commission to take into account the following remarks when considering the establishment of the following proposed sustainability product aspects:

- ***"Improving product durability, reusability, upgradability and reparability, addressing the presence of hazardous chemicals in products, and increasing their energy and resource efficiency";***

When policy makers develop new product requirements it is essential that they follow the New Legislative Framework (NLF). Product requirements must be based on applicable internal market regulations, to ensure a level playing field and to adjust relevant provisions to specifically solve uncertainties related to definitions, requirements and responsibilities of the different actors.

Further points:

- The Ecodesign preparatory studies will have to identify which circular economy criteria are relevant for what product categories and identify the best tool to improve the environmental impact of the product in relation to the end users' expectations and behavior.
  - As mentioned earlier, energy efficiency remains a key sustainability principle for energy related products and resource efficiency requirements under Ecodesign are ambitious but appropriate.
  - Product requirements (e.g. "right to repair" or availability of spare parts) must always be considered product-specific and carefully checked based on life cycle analysis and market analysis.
  - The importance of developing material efficiency standards (Mandate 543). All the concepts of circular economy are defined and test methods are detailed (Mandate M543). These standards must be the basis for any further regulation and must be adapted and applied in practice to the different product categories when relevant.
  - For Europe and European technology industries, high quality products are a core competitive argument, which goes hand in hand with sustainability.
  - Durability includes robustness, reparability, and upgradability.
- **Addressing the presence of hazardous chemicals in products:** our industries are fully committed to reducing the content of hazardous substances in their products to support a more circular economy and achieve sustainability goals. A meaningful exchange of information between partners in the value chain, focusing on substances of very high concern, can improve the product life cycle footprint, from design to recycling and therefore contribute to a circular economy. When looking at legislation to achieve these goals, our industries believe that any proposal should be evaluated on the basis of its demonstrable and real improvements for the environment. However, we would like to highlight that (hazardous) substances in products often have an essential function (e.g. fire and corrosion prevention) which cannot always be fulfilled by an alternative substance.

REACH is the main instrument to evaluate and identify substances of very high concern (SVHC) with the goal of restricting or authorising them. Based upon the evaluation in REACH, the effects of SVHC can be regulated in for example the RoHS Directive to minimize the effects on the waste from Electrical and Electronic Equipment (EEE). REACH information also influences the choices companies make for the use of chemicals when they develop and manufacture their products (Ecodesign Directive).

We recommend that the different legal instruments (REACH, RoHS, Ecodesign, etc) are used only for their intended goals. For targeted, and thus mostly efficient, regulation, the differentiated but harmonised legal instruments are preferable. Consistent application can therefore also avoid contradictory double regulation.

➤ ***"Increasing recycled content in products, while ensuring their performance and safety";***

We support the efforts of the Commission to strengthen the role of plastics in the circular economy and are therefore working with other stakeholders within the [Circular Plastics Alliance](#) (CPA). The share of plastic in EEE amounts to 16% and these industries represent 6,2 %<sup>1</sup> of the total amount of plastics in Europe. The current problem is that today there is only a small amount of materials being recycled and reused in new products. For example, plastics need a value that makes them attractive to collect and recycle. As long as the quality, quantity and the price of primary plastics is significantly lower than that of secondary plastics, we oppose a mandatory use of recycled plastics in products. At present, however, there is still a lack of a sufficiently available supply of high-quality, certified recyclates that are capable of meeting the regulatory, technical and material requirements of the many different product applications over their service life. The development of product-specific standards for quality criteria of plastics recyclates as well as the promotion of (basic) research in the field of plastics recycling (independent of a specific recycling technology) are therefore important steps for a practice-oriented implementation of a circular economy for plastics. Only in this way can the performance and safety of products containing recycled plastics be ensured.

Furthermore, there is no economic incentive to use recyclates. It is very important that policy makers concentrate on the greater barriers – aiming at decreasing the price for secondary plastics. Since there is an issue with the quality and quantity of recyclates available on the market, the industry faces problems sourcing recycled material.

We want a circular economy for plastics:

- Where the potential of the material is recognised and where recyclates acquire a value that makes them an important resource for our economic and social activities;
- Where recyclates make an ecological contribution to the circular economy, and where they are economically viable and thus become a solution and a model for success;
- Where the right qualities and quantities are available and traded at competitive prices on the European internal market.
- Where it is prohibited that significant plastics quantities are landfilled or incinerated without recovery status.

We have the following other comments:

- There is no "one-size-fits-all" approach. We need differentiation at product level in order to apply individual solutions. Broad product range: the wide variety of products and materials in our industries has to be taken into account.
- We therefore suggest concentrating first on increasing the recycled content of plastics materials (non-food). To stimulate secondary raw material markets, quality criteria for plastics with clearly specified uses should be developed. A legal level playing field created under REACH for primary and secondary raw materials should be implemented more stringently.
- Differences between packaging and product: any regulations regarding packaging materials made of plastics should always be considered detached from guidelines for engineering plastics in products. The latter are certified plastics which – given their long operational lifespan (up to 50 years) and the required product safety – have to conform to the highest technical standards, in order to guarantee the product's safe use.
- Standards for recycled materials and research: developing product-specific standards for quality criteria for recycled plastics (secondary raw materials) as well as the promotion of (basic) research in the field of plastics recycling (independent of any specific recycling technology) are key elements in a practice-oriented implementation of the concept of a closed cycle for plastics. Research should focus on developing better and

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<sup>1</sup> Datas PlasticsEurope – Facts 2018

more efficient measuring techniques. Recycled plastics must meet the specifications and prerequisites of industries when developing their products as it is the case for new plastics.

- We stress the necessity to take into account the interface of chemical, product and waste legislation and the importance of coherent objectives. If this is not the case, we will not be able to increase the share of recycled plastics in our products.

➤ **"Enabling remanufacturing and high-quality recycling";**

The Ecodesign life cycle approach is supported by our industries because it is fundamental for defining the requirements and should be a guiding principle for authorities.

Existing as well as new business type models such as servitisation incentivise the extension of product lifecycles through durable design, repair, refurbishment and [remanufacturing](#). It is a desirable development that products, as long as they are economically and environmentally beneficial, and respect product safety requirements, are used for as long as possible through good maintenance, repair, service and also through upgrading. Some of these business models have already existed for a long time, others are ongoing through new business concepts within the industry.

It is important that legislation provides a stable and coherent framework for those existing and future business models – safeguarding end users, providing legal certainty to actors and ensuring that these actors (manufacturers, remanufacturers, repair industry, distributors, etc.) bear the corresponding responsibilities. In the construction of such a framework, it is important to identify and address any conflicting requirements between different policy objectives and the different obligations in the legislation. The internal market is also of great importance for the development of circular business models.

To turn these approaches into a functioning business model, it must be economically viable to extend the lifetime of products and to purchase remanufactured or/refurbished products.

We strongly support proposals enabling [high-quality recycling](#). Not only quantities of secondary raw materials matter for a circular economy to develop, but also their quality in order to meet the regulatory obligations and technical specifications of industrials. Operators should not be allowed to undertake 'lower quality recycling' activities depending on the Member State where they operate. Regarding the waste from electrical and electronic equipment (WEEE), all WEEE should be properly collected, transported and treated regardless of the Member State or operator (working on behalf of producers or not). Please see details in the [Orgalim Guide on WEEE](#). Furthermore, the incorporation of recycled content as well as the use of spare parts, in new or repair products, must benefit from exemptions when there is no risk to the environment or health.

Our recommendations for proper quality treatment of Waste Electronic and Electrical Equipment (WEEE) contributing to improved quality waste management and harmonisation of treatment practices throughout Europe are available [here](#).

➤ **"Reducing carbon and environmental footprints";**

With regard to [carbon footprint](#), we would like to draw the Commission's attention to the difficulty in obtaining comparable, verifiable and reliable data necessary for calculating carbon footprint. Material footprint calculation methods have to be used with caution to reduce actions, as there are flaws in various indicators. We have commented on this issue before in the Orgalim [Position Paper](#) on resource efficiency indicators and in the [Position Paper](#) on the monitoring framework for circular economy.

As for [environmental footprint](#), we support the use and development of reliable, coherent, understandable, and verifiable environmental information, as stated in our [Position Paper](#) Product and Organisational Environment Footprint methodologies. However, the existing situation, with more than 100 active environmental labels in Europe alone, seems far from ideal or efficient to advance common EU policy measures – which is why more development is needed in this area. Furthermore, the Commission's product environment footprint methodology, as now also confirmed by the completed pilots, does not represent a reliable tool for creating demand for 'better and greener products' in the EU. A label made from a PEF for complex products in a global supply chain will display historical data and therefore risks that consumers base their buying decisions on old and misleading information and that companies are exposed to unfair competition and market distortion.



- ***"Restricting single-use and countering premature obsolescence";***  
We support the principle of countering premature obsolescence on the condition that premature obsolescence is defined and that the EU standards and guidelines are applied. Planned ageing is not, and cannot be, a long-term sustainable business model. European technology companies, nurturing a long-term reputation and credibility, simply avoid designing products of short durability.
- ***"Introducing a ban on the destruction of unsold durable goods";***  
We support introducing a ban on the destruction of unsold durable goods as long as the conditions necessary to achieve the reuse or recycling of unsold durable products do meet the objective of sustainable development. For products whose reuse involve serious health or safety risks we recommend strongly applying existing product safety measures.
- ***"Incentivising product-as-a-service or other models where producers keep the ownership of the product or the responsibility for its performance throughout its lifecycle";***  
We would value a cooperation between policy makers and industry to create a sound framework, preferably a harmonised EU one. If not, barriers for more circularity beyond manufacturers' control will continue to exist and doubts will block further market introduction. Policy makers should not develop business models, but they need to promote the development of such models and adjust legislation if it hinders new business models that are decreasing the environmental footprint. In addition, in some areas, service companies for maintenance exist. New business models must take into account these sectors which may be relevant: for example, in complex system where the ownership of each component through the life cycle by the manufacturers may not be relevant when the components are interdependent and thus the system as a whole needs to be addressed to extend the life span. In such a case, the involvement of all actors, including the users, is needed, each bearing a specific responsibility.

#### Our recommendations:

- Policy makers should accommodate both existing and new business models in terms of placing products on the market and in terms of service activities.
- Product policy should be stable and support the product as a service business model.
- A level playing field must be secured. Manufacturers want to see that if they are following rules on circularity, there should be an incentive for people to choose these products. Otherwise, less reputable manufacturers may not follow the rules.
- ***"Mobilising the potential of digitalisation of product information, including solutions such as digital passports, tagging and watermarks";***  
Applying digital solutions for product information, such as [digital passports](#), could have benefits for some end users such as consumers provided that it is properly designed, has a clear purpose and an improvement potential from a sustainability perspective. In general, product passports would have less impact on B2B products, since environmental, and sustainability related information is already currently provided from producers to professional users. Policy makers, but also the value chain of the digital industry, should promote digital sobriety.

Industry needs to be an active part of the development of a [product passport](#), given its considerable knowledge about information in value chains, existing systems and what is required for a product passport to work in practice. A digital product passport can be beneficial as long as it does not become a bureaucratic burden for manufacturers and it should not duplicate already existing information requirements. The purpose and the recipient need to be clearly established and strictly respected (e.g. raising consumer awareness on a specific issue, comparing the products, providing detailed information on specific legal requirements which could not be given by another means, or providing data for professional users) and as long as the measure is proportionate to the expected benefits and that the data is based on scientific assessment methods recognised through international standards, and is reliable and verifiable. A product passport should not only provide information to the end-user but should be used in a truly circular way - meaning that information on changes to the product like upgrades, repairs or refurbishment should be included and help to make the life cycle of the product more transparent.

Other associated challenges include issues such as the protection of intellectual property. The number one concern of producers is that their confidential business know-how and trade secrets could be served on a plate to their competitors. The principle of 'freedom of contract' will remain relevant for organising the data exchange and flow of data between companies also when mobilising different digital solutions for circularity.

It is essential that the standardised knowledge and data models of the product and associated properties (data) reflect the mechanism defined by the experts (terminology, performance, physical interdependencies, ...).

#### We call on the Commission:

- To ensure that information on product characteristics is **meaningful, easy to understand, reliable and comparable** and that the burden put on companies is proportionate.
- To **apply the "SMERC" principle** (see details on page 3) in all considerations regarding the impact assessment and discussion about possible extension of product-related sustainability requirements.

#### Our recommendations on product passports:

- The purpose of a product passport needs to be defined by the policy makers together with the industry and justified by in-depth studies on expectations and issues to be addressed, but also through an impact analysis between costs and benefits.
  - The introduction of a product passport must take place at EU level.
  - Again there is no one-size-fits-all approach: product passports should be established on a sector basis.
  - A product passport needs to be based on harmonised regulations within the EU and should not duplicate other specifications already existing.
  - Standardisation bodies and global standards should be used in the design.
  - Business participation in the design of the product passport is essential as well as the design of the digital infrastructure
  - There must be clear responsibilities for accessing and sharing information for the product passport.
  - The recipient of the information, and how the information is used, must define the design and content of the passport.
  - The appropriate and reasonable level of detail of information needs to be determined.
  - The information in a product passport needs to be adapted to the product type and synchronised with existing systems.
  - Effective supervision, monitoring and control is justified by in-depth studies on expectations and issues to be addressed.
  - The EU should identify financial resources to help the European companies to put in place these new measures and also the EU Member States to control these measures.
- **"Rewarding products based on their different sustainability performance, including by linking high performance levels to incentives".**  
Important barriers for more circularity beyond manufacturers' control continue to exist and impact making further progress.

We recommend retail markets to **better promote circular products and solutions** and contribute when possible to facilitate circular activities (such as the existing take-back obligation). Retail markets have a key role to play in order to better inform consumers on the proper way to use their products.

Concerning the proposal from the Commission to establish a common **EUROPEAN DATA SPACE FOR SMART CIRCULAR APPLICATIONS** with data on value chains and product information to support the effective and efficient application of the new sustainable product framework:

- We very much support digitalisation as enabling technology for a circular economy and the transition to a data-driven economy will be crucial for our sector's sustainability, growth and competitiveness. We believe that the new EU data strategy should support the further strengthening of a Common European Data Space for smart manufacturing. See our detailed recommendations in our [Position Paper "Towards a Common European Data Space for Smart Manufacturing"](#).
- We value the principle of the proposed European data space for smart applications with data on value chains and product information which could boost circularity if well designed.

It is important to well define the framework of this proposed European data space for smart circular applications to understand its intended objectives, added value compared to already existing databases and reporting requirements, usefulness of information, proportionality of the efforts for companies, potential link with digital product passports and how data will be processed and used. The management of data, and in particular the protection of intellectual property rights, will be crucial as companies need legal certainty and a trusted market environment to share, transfer and access data to enable them to innovate in new data-driven business models.

To make sure the framework will be well defined and the approach will be balanced, we call on the Commission to conduct an impact assessment before the proposed European Data Space for Smart Circular Applications is considered to be rolled out and that it should be based on a bottom-up approach.

We very much support the proposal from the Commission to step up efforts, in cooperation with national authorities, on enforcement of applicable sustainability requirements for products placed on the EU market, in particular through concerted inspections and market surveillance actions. Ensuring effective enforcement and market surveillance will be of the utmost importance for the success of the application of the new sustainable product framework.

## 1.2. Empowering consumers and public buyers

As ensuring the demand for sustainable products will be a key determinant for the success of a new Sustainable Product Policy Framework, the Commission's initiatives to empower consumers and public buyers to support the uptake of green products on the market as well as to reinforce consumer protection are important. Reliable and comprehensible product information, encompassing relevant environmental impacts, can help consumers and public authorities to make well-informed and environmentally responsible purchasing decisions and exercise caution in the use of the product.

Regarding the Commission proposal for a [revision of EU consumer law](#) to ensure that consumers receive trustworthy and relevant information on products at the point of sale, including on their lifespan and on the availability of repair services, spare parts and repair manuals:

- We would welcome details concerning the considered scope of the revised EU consumer law.
- We support information on the availability of spare parts which are essential to ensure proper repair, re-use and upgrade of equipment, both in the B2C and the B2B areas. The availability of spare parts brings significant environmental benefits, as it guarantees longer product lifetimes and prevents waste generation earlier than necessary.
- The availability of spare parts must not be transposed into an obligation for storage of all spare parts for a defined period. It must be addressed in a more targeted way to avoid wastefulness
- The availability of repair manuals interferes with intellectual property rights. If both spare parts and repair manuals are made available, the manufacturer's warranty (guarantee) would be compromised if a third party carries out repairs, so that the manufacturer would no longer be responsible for safety/performance of the product. The intervention on a product may lead to responsibility issues.
- We would like to highlight the importance of testing after repair. For example, if a product is placed on the European market conforming with all of the relevant legislation. and that product is subsequently repaired by someone not authorised by the manufacturer, then the manufacturer can no longer take responsibility for the product. The more important aspect of this is the test after repair. The tests on complex products can require bespoke equipment. If a wireless device is repaired, it needs to be tested for efficient use of the spectrum, Electro Magnetic Compatibility (EMC) performance, Specific Absorption Rate and whether any safety aspects are compromised. If a simple electrical device under the Low Voltage Directive (LVD) has been repaired, has an insulation resistance test been carried out?
- We advocate for a product specific approach on reparability requirements which should take place under the Ecodesign directive.
- There cannot be a trade-off on the principle 'safety comes first' (spares/plastics content, etc) and this has to be considered on a product-by-product basis.
- There are no standards for determining the service life of products according to which statements can be tested. Even if these standards were available, it would be rather unlikely, due to the time and cost, that stringent market surveillance would be carried out.

We support the principle of strengthening consumer protection [against green washing and premature obsolescence](#) but would welcome more details and in particular definitions of "green washing" and "premature obsolescence". At this stage we would already like to stress that it is very important that existing EU standards and guidelines will be applied.

We support ongoing standardisation activities to develop an objective [determination method](#) for products.

In general [circularity requirements](#) must be clearly defined – including all elements such as lifetime and efforts included for recycling or reuse.

We support the principle of the proposal to set up minimum requirements for [sustainability labels/logos and for information tools](#) for consumers' products with the condition that these tools are harmonised at EU level and are the unique basis to be used by national labels/logos in order to prevent any hampering of the functioning of the EU internal market. As many consumers are overwhelmed by the variety of environmental and product labels, we believe that they must be [product-specific, simple and comprehensible](#).

[We call on the Commission to carry out an impact assessment](#) to ensure that these proposed new minimum criteria in the labels/logos will be useful, of added value and harmonised at EU level.

With regard to the Commission proposal to establish a new ["right to repair"](#), our sector is supportive of such a principle that would keep repairable products in the economy as long as possible, while making sure that, once repaired, these products are fit for future use in order to avoid undue extra costs and waste of resources. We would welcome details concerning the considered scope of this new right to repair measure. In continuous efforts to extend the lifetime of our products, a high level of service and maintenance is provided by the manufacturers or by independent service companies. As safety comes first, professionals are the ones who repair our products.

When it comes to the question of new purchases or repairs, consumers often decide against a repair for economic reasons, even though it would make sense from an environmental perspective. The decisive factor here is not so much the absolute cost of repair, but the relationship between the purchase price and the cost of repair. In addition, it is not uncommon for some consumer appliances to be replaced by new ones, even though they still function perfectly.

A potential example to assess life cycle analysis is the Product Environmental Footprint (PEF). We do recognise the PEF/OEF methods, yet the methodology remains complex and non-cost-efficient, leading to high administrative burdens, in particular for SMEs. See more details in our [Position Paper](#).

For a comprehensive assessment of the sustainability of products, [a consideration of the entire life cycle is important](#). This is the only way to identify the actual environmental impact of a product at the individual life cycle stages and to avoid possible rebound effects. [We strongly support the life cycle approach](#), because it enables buyers to better understand why investment in environmentally friendly technology pays off over the entire life cycle of the product.

It is very important that [requirements and results are comparable](#). Increased harmonisation of product requirements criteria is essential to be able to better compare different national, European and global systems and will also facilitate the functioning of the EU internal market.

Regarding the proposal that the Commission will test the [integration of the PEF/OEF methods in the EU Ecolabel](#) and include more systematically durability, recyclability and recycled content in the EU Ecolabel criteria, the EU Ecolabel remains a good voluntary tool for stimulating a reduction in the environmental impact in the product's life cycle. We advocate for maintaining EU Ecolabel as accessible tool for all companies, especially SMEs, and the prevention of the introduction of expensive preliminary studies like LCA in order to apply for the label.

As mentioned earlier, we are wary of the potential application of PEF/OEF due to its challenges, while being very much in support of the life cycle analysis and harmonised system boundaries.

Making public authorities lead by example would back up EU industry's existing efforts to become a circular economy leader. To realise the large circular economy potential, [Green Public Procurement](#) has to drive the circular economy and to enable economic potentials; it is imperative to base procurement on total cost of ownership, including product lifetime and operating costs and, if possible, considerations about the post-consumption phase. [Mandatory green public procurement](#) is certainly a powerful tool to boost the demand for sustainable products, provided that the requirements are feasible to implement, to measure and to control. In addition, public procurement should be based on life cycle costing to incentivise innovative technology uptake. To fully tap into the purchasing power of public authorities, we call upon the Member States to make more enforcement efforts at the end of the green public procurement process to secure a level playing field.

[We recommend the new Circular Economy Action Plan to also include an action for empowering the consumer and GPP at the end of life phase of the product](#). Improving separate collection of waste, banning landfill, etc. are crucial aspects.

## 2. Chapter 2. Key Product Value Chains

### 2.1. Circular Electronics initiative

The Commission's initiative aims to have longer product lifetimes, and to improve the collection and treatment of waste, because electrical and electronic equipment continues to be one of the fastest growing waste streams in the EU.

Our industries share this objective and our sector has been actively involved for a long time in the implementation and the development of the WEEE, RoHS and Ecodesign Directives, as well as in the different means to extend the lifetime of products and improve the collection and treatment of waste electrical and electronic equipment.

Any Circular Electronics initiative in our sector should take into account the following [principles](#):

- A [level playing field](#) in Europe: no special regulations at national level!
- The discussed [resource efficiency requirements](#) under Ecodesign are ambitious but appropriate.
- [Product requirements](#) (e.g. "right to repair" or availability of spare parts) must always be considered product-specific and carefully checked based on life cycle analysis and market analysis.
- All the concepts of a circular economy are defined and test methods are detailed (Mandate M543). These [standards](#) must be the basis for any further regulation and must be adapted and applied in practice to the different product categories when relevant.
- Regarding the collection and treatment of WEEE it is important that [all actors](#) are contributing to achieve legislative targets.
- EU [RoHS](#) is the global standard to evaluate and restrict the use of hazardous substances in electrical and electronic equipment. RoHSs should be kept as a separate law and apply a risk-based approach for regulating substances and product groups.

### 2.2. Batteries

The Commission's efforts in creating [sustainable requirements for batteries](#) in the context of a New Regulatory Framework for Batteries make sense given their potential to contribute to electro-mobility and the economy's further electrification and digitalization. Any regulation of this key technology needs to make sure that:

- Future batteries are sustainable and affordable in efforts to enable their projected increased deployment in different applications
- A variety of battery technologies is maintained. There is a multitude of cell technologies, all of which have specific applications and individual advantages
- High environmental and social standards are equally considered by manufacturers within Europe and by importers into the EU common market, in order to ensure a level-playing field in markets

View more details in Orgalim's [Position Paper](#) "Orgalim comments on the development of sustainability requirements for batteries under a New Regulatory Framework for Batteries".

### 2.3. Packaging

Due to different implementation by the Member States of the Packaging Directive and to secure the functioning of the Single Market – one of the EU's success stories and major achievements – [we call for an EU-wide harmonised implementation of the Packaging Directive](#) which could especially contribute to harmonise the Ecodesign requirements across Europe.

### 2.4. Plastics

As a signatory of the [Circular Plastics Alliance](#) (CPA) and as the chair of CPA EEE Working Group, Orgalim actively engages in the delivery of the CPA Declaration to make plastics more circular in support of the EU's 10 million target of recycled plastics in new products. Our industries support making further value chain progress on circular plastics and would like to highlight the following:

- When considering proposing mandatory requirements for recycled content for key products, we believe it is crucial that the Commission builds on the important work done in the context of CPA.
- We stress the importance for recycled plastic to meet the needs of industry in the development of its products as is the case for new plastics. Without a guaranteed quality, the manufacturer cannot use the material reliably. That is why reliable quality criteria for recycled plastic content with clearly specified uses should be developed. We need product-specific minimum quality criteria for secondary raw materials based on ISO/EN standards. This would lead to the creation of a sufficiently availability of high quality, certified plastic recyclates, which the market currently lacks.
- Research should focus on plastics recycling and developing better measuring techniques, as there are doubts that recycled content measures could be properly monitored by authorities.
- Depollution technologies need a clear push in order to develop. That is a prerequisite for a circular plastic economy to become evident.
- Given the fact that the demands of industry sectors are very specific and subject to requirements on performance or safety, we oppose mandatory quota for recycled content.
- Importance of the work done on the interface of chemical, product and waste legislation.

## 2.5. Construction and building

With regard to [construction](#), as most Europeans spend up to 90% of their time indoors and buildings are said to account for 40% of energy consumption, it is easy to see why the construction products industry plays such an important role in the implementation of the circular economy package and environmental sustainability. Concerning the Commission's proposal to address the sustainability performance of construction products through revising the Construction Product Regulation, Orgalim agrees that we need to find a solution to integrate environment and sustainability criteria in product descriptions. Unfortunately, currently, the energy necessary to produce a similar product differs from country to country while the energy output can change year-on-year for the same product. Therefore, we need to ensure that this is done in a practical and transparent way. Buildings need to be adaptable to the future to avoid the need for future retrofit, meaning they either integrate renewables or are 'renewable-ready'. Buildings should extend their longevity by allowing users to adapt their environment with energy and air quality controls. However, construction requirements are national, which distorts the market.

Regarding [buildings](#), modernising Europe's building stock will be essential for delivering on climate ambitions, considering that the building sector not only accounts for 40% of the EU's energy consumption as mentioned above but also for 36% of the EU's CO<sub>2</sub> emissions, while significant energy efficiency potential in this sector remain untapped. Two-thirds of our buildings were built before energy performance standards even existed and roughly 80% of today's existing building stock should still be there in 2050. And as the energy sector undergoes fundamental transformation, buildings are turning into virtual power houses that consume and produce electricity at the same time to the overall satisfaction of their occupants, while increasing the overall energy efficiency of the grid. Circular economy in the building sector also includes, beyond all the energy aspects, the treatment of construction and demolition waste. In particular, it includes raw material depletion, waste treatment/ recycling but also the reuse of products and/or material. Some projects should be encouraged in that field, such as for example the [Démoclès project](#).

### Our recommendations for buildings:

- A full and timely implementation of the Energy Performance of Buildings Directive (EPBD) 2018/844/EU (EPBD) is essential for delivering on Europe's climate goals.
- The ongoing implementation of Directive EPBD should:
  - Focus on tapping into the opportunities of technical buildings systems and further digitally enabled technologies, such as digital twinning or building information modelling (BIM) for promoting sustainable buildings from a life cycle perspective.
  - Implement on time the new requirements that non-residential buildings are equipped with building automation and control systems by 2025 according to articles 14.2 and 15.2.
  - Set in place timely and determined long term strategies that live up to the commitments made at EU and international level; particular emphasis should be laid on prioritising renovation of the existing buildings stock and the roll-out of technical buildings systems.
  - Properly link the long-term strategies to the new Governance Regulation.
  - Think 'actual performance' and 'part load' for renovations and for new-build, at least for larger buildings.

## 2.6. Water

Europe's technology industries also provide the technology for a sustainable use of water and to increase sustainability in the food sector.

Water is a precious resource that is circular in its nature. However, its value is often undermined, while water's circular potential is overlooked and insufficiently explored. This is despite the fact that a wide range of environmentally friendly and affordable water technologies exist to preserve water, sustainably deliver clean water, and treat and reuse wastewater. That is why Orgalim fully supports the Commission's efforts to encourage sustainable use and circular approaches to this limited, and valuable, resource. Therefore, we strongly advise the Commission to bring circularity into wastewater by elevating resource efficiency ambition. In light of the ongoing Urban Waste Water Treatment Directive review and its potential revision, the Commission should consider setting goals and action plans for the recovery of resources from wastewater streams and incentivising water reuse, in close connection with the WFD water resource management plans. Water technology solutions for the recovery of phosphorus and other nutrients exist, but the current legislative framework does not directly support their uptake, thus limiting the circularity potential of wastewater. To boost water reuse, we welcome the new Water Reuse Regulation and call for its effective implementation. However, this regulation is not the appropriate legislative instrument to facilitate water reuse in industrial processes. To keep legal certainty and clarity in legal requirements, the Commission should continue to uphold the current IED for regulating any internal industrial processes.

## 2.7. Energy

Europe's electricity networks are key enablers of the European Green Deal. Regarding energy related infrastructure such as smart grids, e-mobility, renewable energy, a circular economy goes hand in hand with the energy transition. The challenges, benefits and solutions for the industry and society depend on transport and infrastructure. The circular economy must be a supportive tool for reaching the climate goals. Increasing generation from renewable energy and faster implementation to smart grids and e-mobility are the supportive elements for the energy and mobility transition for the whole EU.

Europe is home to a world-leading grid technology sector, providing conventional, digital and innovative solutions for a future-proof electricity network that is more and more decentralised and more and more digital. The EU energy industry with its products, services and solutions is globally known for its reliability, innovation and sustainability. The typical long lifetime assets can be developed from today's high recycling to more circularity with data driven asset management and maintenance, smarter circular design and optimal operation. Technical standards are a key tool needed in procurement and operation.

# 3. Chapter 3. Less Waste And More Circular And Sustainable Materials

## 3.1. Enhanced waste and chemicals policies in support of waste prevention and circularity

Our industries welcome enhanced waste and chemicals policy measures on condition that these measures are harmonised at EU level and consistent with each other and with products policy. We support a [better implementation of EU waste laws](#) and a [level playing field](#) through harmonised legislation and effective surveillance of operators. We also support creating a well-functioning market for secondary raw materials.

Furthermore, addressing the [interface between chemical, product and waste](#) legislation is absolutely necessary to achieve the ambition of the Commission regarding waste prevention, sustainability of products and sustainable use of chemicals.

### Overall recommendations regarding EU waste policy (see detailed recommendations below):

- Secure the functioning of the Single Market, (one of the EU's success stories and major achievements) as it is crucial to ensure a harmonised approach to the various product-related, waste prevention and circularity measures throughout the EU.
- Complement producer responsibility with 'shared responsibility obligations' for all actors in every step of the waste management chain.
- Ensure the coherence of waste related obligations with chemical and product legislation in line with previous work within the Chemical Product Waste Interface consultation e.g. waste shipment rules should not hamper circular economy objectives.
- Secondary raw materials should fulfill the same performance criteria as virgin materials and investments should be made in research and technology to enhance the possibilities of secondary raw materials.
- Strictly enforce the already defined legal obligations to reach the objectives (landfill targets, (il-)legal shipment of waste, free-riders, ...).
- Promote harmonised EU and international waste treatment standards.
- Support innovation of new waste technologies and encourage the modernisation of waste management infrastructures.

We are concerned that under Article 9.1 of the Waste Framework Directive (WFD) (EU) 2018/851, Member States are obliged to take measures to prevent waste generation that interfere with requirements in scope and regulated under other EU product legislation, and the fully harmonised Ecodesign Directive, REACH Regulation and RoHS Directive in particular. Indeed according to the WFD Article 9.1, *"the Member States shall take measures to "promote, encourage" the design, manufacturing and use of products that are resource efficient, durable, repairable, reusable and upgradable, the re-use of products, the setting up of systems promoting repair and reuse activities, the availability of spare parts, instruction manuals, technical information, or other instruments, equipment or software enabling the repair and re-use of products"*. We repeat that it is crucial to ensure a [harmonised approach](#) to the various waste prevention and circularity measures throughout the EU in order to secure the functioning of the Single Market – one of the EU's success stories and major achievements.

On the Commission's intention to review EU rules on restrictions of hazardous substances in electrical and electronic equipment, we consider the RoHS Directive to be effective, efficient, relevant, and of added value as a sector specific tool addressing a number of important specificities of the EEE sector in support of a circular economy. The RoHS Directive is functioning well and has been successfully amended in 2017 to strengthen a circular economy which supports the 'repair as produced' principle of the Directive as well as Article 9 of the revised Waste Framework Directive (EU) 2018/851 on prevention of waste. Worth mentioning is that the RoHS directive also has become a global standard via the copying into other jurisdictions.

In our view, [rather than reviewing the recently amended RoHS Directive, more focus and resources should be dedicated to improving its implementation and further support companies](#), especially SMEs, in their committed work on ensuring full and timely compliance. Our detailed recommendations can be found in our [Position Paper](#) "Evaluation of Directive 2011/65/EU ("RoHS"): Improving implementation in a Circular Economy context".

We fully support the proposal to provide guidance and improve coherence between the product-specific RoHS Directive and horizontal REACH Regulation and Ecodesign Directive:

- [RoHS Directive and REACH Regulation EC 1907/2006](#): Article 6 RoHS has in our view not been properly implemented to date. For more details please see our [Position Paper](#) "Revising the RoHS substance methodology: establishing a common RoHS-REACH methodology for a mutually reinforcing, coherent and consistent implementation of REACH and RoHS".
- [RoHS Directive and Ecodesign Directive 2009/125/EU](#): legislative consistency with the Ecodesign Directive 2009/125/EU should also be improved. Considering the given interlinking of different environmental product requirements over the life cycle of a product, we advocate for taking into account the respective Ecodesign study findings in the further RoHS and REACH implementation process. For more details please see our [Position Paper](#) "Evaluation of Directive 2011/65/EU ("RoHS"): Improving implementation in a Circular Economy context".

As regards [Extended Producer Responsibility \(EPR\)](#):

- EPR related directives (such as the WEEE directive) whereby producers *"bear financial responsibility or financial and organisational responsibility for the management of the waste stage of a product's life cycle"* have certainly achieved positive results including increased collection volumes and improved recycling results.



- We recognize the role of producers in the proper collection and treatment of their end-of-life products. However, producers alone cannot achieve the entirety of the objectives and any extension of EPR's obligations should be carefully analysed from that perspective. Successful EPR solutions depend not only on producers but on the effective cooperation of several actors such as municipalities, retailers, consumers, waste companies and recyclers, and enforcement authorities. In our view, obligations, responsibilities and effective enforcement go hand in hand: which means that the responsibility of each actor has to be defined clearly and fairly. All actors must contribute to achieving the objectives and authorities should enforce the different obligations.
- We call for a [true 'shared responsibility' approach](#): all actors involved in the collection and treatment of different waste streams, not only producers, need to respect the same obligations to achieve the collection and recycling targets of EPR related directives.
- We therefore urge the authorities to:
  - Define obligations for all actors based on a good understanding of their respective roles;
  - Adopt Implementing Acts laying down minimum quality WEEE treatment standards for all actors in strict accordance with the European standards for WEEE. All WEEE has to be properly collected and treated whoever is in charge;
  - Implement effectively a reporting obligation for all actors to better monitor the flows;
  - Effectively enforce the different obligations.

On the [general concept of "eco-modulation" of producers' fees for WEEE](#), our sector acknowledges policy makers' good intention to reward producers for their efforts in ever more environmentally conscious product design contributing to the achievement of the targets of the circular economy.

[Joint APPLiA – DIGITALEUROPE – EUCOLIGHT – LIGHTINGEUROPE – ORGALIM -WEEE Forum industry recommendations for a workable and successful eco modulation of producers' fees for WEEE](#) are:

- Fees must cover real costs for end-of-life waste management and through modulation provide true incentives for producers.
- Criteria underpinning the modulation of fees must be harmonised at EU level and coherent with existing EU legislation and related European and international standards.
- As the implementation of modulated fees on all WEEE would be extremely challenging, the EU framework and eco-modulation schemes must start simply, i.e. cover only a few easy to understand criteria and only a few types of products or product categories.
- Modulated fee criteria should be simple, auditable and enforceable as well as enforced.
- Measures must be taken to counter misuse of modulated fees by (online) free-riders.
- Existing EPR schemes for WEEE in the Member States and obligations of producers must be preserved.
- The total sum of fees, i.e. the total set of regular fees as well as bonus and malus fees, must not exceed the necessary costs requirement of WFD Article 8(a).
- Modulated fees criteria must be defined in close consultation with the relevant stakeholders, and in particular with producers.
- Modulated fees criteria must be sufficiently flexible and updated periodically to reflect technological progress.
- There should be sufficient implementation time for producers to adapt their processes and particularly the design of the products.
- We strongly recommend the Commission to conduct a thorough impact assessment of the eco-modulation concept, criteria, environmental impacts, financial consequences, and existing modulated fees schemes in Europe.
- The 'real' end-of-life costs and the 'recyclability' of a specific product can only be determined years after the product has been placed on the market.

[Joint APPLiA – DIGITALEUROPE – EERA – ORGALIM - WEEE Forum industry recommendations regarding the proper quality treatment of Waste Electronic and Electrical Equipment \(WEEE\)](#) contributing to improved quality waste management and harmonisation of treatment practices throughout Europe:

- The European standards EN 50625 and EN 50614 for WEEE lay down specifications expressly designed to put WEEE legislation into practice and cover the process of collection, transport, re-use and treatment of WEEE.
- The standards and technical specifications constitute an integral and integrated set of normative requirements and specifications that are critical to achieving the overall objectives of WEEE legislation.

- Requirements on depollution, depollution monitoring, limit and target values, documentation, monitoring of downstream treatment put the legal provisions into practice.
- Putting the standards into practice is a viable proposition.
- To ensure uniform conditions for the implementation of Article 8.5 of the Directive 2012/19/EU on waste electrical and electronic equipment (WEEE), the Commission should adopt Implementing Acts laying down minimum quality WEEE treatment standards in strict accordance with the European standards for WEEE, the reference numbers of which have been published on the website of the Commission (see [here](#)).
- Such Implementing Acts laying down minimum quality WEEE treatment standards will contribute to improved quality waste management and harmonisation of treatment practices throughout Europe.

We welcome that the Commission will organise high-level exchanges on circular economy and waste and will step up cooperation with Member States, regions and cities in making the best use of EU funds.

### 3.2. Enhancing circularity in the sustainable use of chemicals

Striving for circularity in the sustainable use of chemicals is challenging for our industries that can not achieve this goal alone. The industry needs to cooperate with all actors in the value chain. This is the common goal for both the society and industry. The responsibility of all actors within the industry (from chemical industry, technology industries and waste management industry) to minimize the risks and negative impacts of chemical substances on the environment.

Our technology industries, major downstream users and article manufacturers, under the REACH Regulation 1907/2006/EC, are fully committed to reduce the content of hazardous substances in their products to support a more circular economy. Our industries face numerous challenges in order to know which Substances of Very High Concern (SVHC) that are present in their products, as required to fulfill the REACH regulation. They are also engaged in a process of continuously minimizing and substituting these substances in their products. A meaningful exchange of information between all actors in the value chain, for example electronic equipment focusing on substances of very high concern will contribute to a circular economy.

#### Key messages and recommendations regarding CHEMICALS policy:

- Striving for circularity in the sustainable use of chemicals is challenging for our industries that can not achieve this goal alone. The industry needs to cooperate with all actors in the value chain. This is the common goal for both the society and industry. The responsibility of all actors within the industry (from chemical industry, technology industries and waste management industry) is to minimise the risks and negative impacts of chemical substances on the environment.
- Industry needs to be able to continue to produce products using chemicals in a level playing field with non-EU countries. Therefore, a REACH Restriction rather than Authorisation is the preferred instrument to regulate chemicals. Restriction at least sets equal conditions for the chemicals content of EU-manufactured and imported products alike and therefore also supports higher quality of material streams.
- New legislation must always follow the EU Better Regulation principles and be based on an impact assessment to avoid situations like the recent ECHA SCIP database about substances of very high concern in products.
- Policy making and decisions regarding chemicals should be risk based not hazard based.
- Addressing the interface between chemical, products and waste legislation is a key action to enhance chemicals policy and increase remanufacturing, refurbishment and the incorporation of recycled materials in new products.
- Industry needs sufficient time to adapt their products and manufacturing processes especially when SVHC's are affected by REACH and waste management legislation.
- We need to make a distinction between legacy issues (e.g. DDT, PFAS, Cadmium in plastics, etc) and our present knowledge about chemicals. In many products there is no alternative chemical available today or such an alternative chemical may have other disadvantages or face the risk being nominated as an SVHC themselves.
- We support the "repair as produced" principle.
- The EU and national authorities need to financially support the industry in finding alternative chemicals that can substitute 'problematic' chemicals and be involved in the substitution process.

**Our recommendations on developing harmonised systems to track and manage information on substances** identified as being substances of very high concern:

- Before implementing new requirements on tracking of SVHC substances, make sure that the existing ones work, are fit-for-purpose, and answer the needs of the relevant stakeholders.

- We highly question the usefulness of the ECHA SCIP database in its current configuration and recommend the upcoming Waste Framework Directive ECHA SCIP database deadline of 5 January 2021 to be delayed to allow the Commission to do an impact assessment of the database to ensure the database will be workable, proportionate and will contribute to a circular economy. The Press Statement of 40 industry organisations – including Orgalim - calling for urgent action to postpone the legal obligations to the ECHA SCIP database is available [here](#). The Orgalim position paper about the ECHA SCIP database, which also includes examples of possible alternative proposals to meet the objectives of the WFD Article 9 to improve the provision of information related to Substances of Very High Concern and therefore the circular economy, is available [here](#).

Concerning the proposal to amend the annexes to the [Regulation on Persistent Organic Pollutants \(POPs\)](#), in line with the latest scientific and technical progress and the international obligations under the Stockholm Convention, we recommend the POPs Regulation to primarily stay focused on the implementation of the Stockholm Convention. Other substances should be regulated under REACH.

### 3.3. Further developing a well-functioning EU market for secondary raw materials

As a global industry with many technology champions, European technology industries fully support further developing a well-functioning EU market for secondary raw materials. The market for some secondary raw materials, for example plastics or complex products, does not fully function yet, but it is the basis of a circular economy. As long as primary raw materials are significantly cheaper than secondary raw materials, there is no market incentive for their use. The right quality and quantity at competitive prices make their use attractive for companies.

[Our industries require an EU raw material policy that:](#)

- Ensures easy and fair access to competitive, affordable and quality raw materials (primary and secondary) which satisfy technological needs and safety.
- Pursues a 'proactive international cooperation strategy' and smooth trade relationships between the EU and its global partners, considering Europe's trade intensity and that 70-85% of resource efficiency potentials lie outside the EU.
- Associates the definition of critical raw materials not only with high economic importance and high supply risk, but with resource efficiency efforts in the broadest sense: focusing on recycling alone is not enough. The EU should, for example, also support research and deployment of substitution or further energy and resource management solutions.
- Fully exploits the opportunities of digitalisation for resource efficiency: IoT, process monitoring, data capture and analytics and allied services, digital twinning, digital manufacturing, automatisisation and monitoring, robotisation or 3D printing which can all support Europe in 'doing more with less' and simultaneously increase sustainability and competitiveness.

[Our recommendations for developing a well-functioning EU market for secondary raw materials and for increasing the confidence in using secondary raw materials:](#)

- To ensure that secondary raw materials comply with the technical specifications of manufacturers, for example by setting minimum quality criteria for secondary raw materials based on international and EU standards to stimulate a long-term market for recycled materials. Not only sufficient quantities and delivery reliability matter, but intelligent collection and modern sorting equipment to maintain clean streams to the extent possible would make secondary raw materials more attractive for use.
- To provide incentives and promote research, development and innovation in the area of secondary raw materials and their applications and to support the substitution of primary raw materials where appropriate, through Horizon 2020 and increased SME participation.

We welcome the proposal to assess the scope to develop further EU-wide harmonised end-of-waste criteria for certain waste streams.

We support the proposal to enhance the role of standardisation based on the on-going assessment of existing standardisation work at national, European and international levels.

### 3.4. Addressing waste exports from the EU

As to the proposal for making 'recycled in the EU' a benchmark for qualitative secondary materials, our industries would like to stress the importance of the quality of the recycling and the respect of the obligations by all actors.

Illegal shipments of waste electrical and electronic equipment are indeed a source of concern and should be stopped. As long as illegal waste streams and waste streams outside WEEE are not addressed, the effort being made by companies in better design for recycling of their products is undermined by the fact that it is also easier for these illegal streams to identify and cherry pick valuable parts.

As it is important that the waste shipment rules live up to circular economy objectives, we very much welcome the ongoing review of EU rules on waste shipment. A revision should reduce the administrative and financial burdens of the current notification system, strengthening the incentive for companies to establish take-back schemes and use secondary resources in their production. Furthermore, a uniform implementation coupled with strengthened enforcement of the Waste Shipment Regulation will support Europe's competitiveness and the protection of human health and the environment. In addition, the review should ban the export of waste shipment in regions outside the EU with lower environmental regulations.

## 4. Chapter 4. Making Circularity Work For People, Regions And Cities

### 4.1. Pact for Skills

Thanks to the circular economy, a transformation towards new jobs will be introduced in innovative design and business models, research, recycling, re-manufacturing and product development. It is possible to become more resource efficient and increase employment at the same time.

Our recommendations on skills and jobs:

- Closed loops will provide more and local jobs, but will also strengthen digital technologies, repair and refurbishment activities.
- Our education systems should therefore embrace circular principles in many different education programmes in order to provide future generations with the necessary skills to support the transition towards a circular economy. For the current and future workforce we need to adopt a culture of life-long learning and retraining to help improving the agility and resilience of companies.
- To have a faster adoption of circular jobs and skills we need to have more insight into the crucial skills needed to deliver the circular economy and adapt training programmes accordingly and ensure that these jobs and skills are attractive to young people. Both public support and private uptake are essential to drive this change.

### 4.2. Cities

Our recommendations on cities:

- We call on European cities to develop new projects together with the European technology industries and suppliers of technology – for example in building technology, mobility, energy infrastructure etc., to deliver the UN's Agenda 2030 and its Sustainable Development Goals to improve citizens' wellbeing – in areas such as improving air quality and promoting healthier lifestyles.
- Cities should test and implement new models and technologies via innovation procurement.

- Cities have an important role to play in many sectors such as, for example, waste management. Cities have a role in the collection of waste and in the communication towards citizens. Therefore, they play a vital role in the circular economy.

## 5. Chapter 5. Crosscutting Actions

### 5.1. Circularity as a prerequisite for climate neutrality

In order to achieve climate neutrality, it is important to strengthen the synergies between circularity and the reduction of greenhouse gas emissions. A circular economy supports Europe's climate ambition, and resource efficiency is a driver of climate change mitigation and adaptation.

There are several ways to affect emissions to reach climate neutrality:

- Energy efficiency first is the principle that the Commission and Orgalim defend against climate change,
- Deal with emissions that have already been produced through strategies giving negative emissions. These include measures like carbon capture (CCS) and carbon capture and usage (CCU) and storage combined with bioenergy or direct air capture, and restoration of the natural environment.
- Decarbon the energy that we use. This can be done by using renewables for electricity generation, fuel switch in industry processes and choosing products for heating and transport that use this renewable power. While progress has been made, the retrofit of buildings remains a major challenge.
- Use new production processes with less process emissions. And here the circular economy approach is the tool, since it reduces the materials that we need without reducing the amount of services we receive. Studies show that the circular economy, for example, can be as much as half of the solution to achieve net-zero in some of the hardest to abate sectors in the economy (for example, Material Economics *the Circular Economy – A Powerful Force for Climate Action 2018*) estimates the reduction potential in EU emissions from heavy industry as 56%<sup>1</sup>).
- A further benefit of the circular economy is that it often solves several environmental challenges at the same time by reducing the total stress on the environment from resource use.

### 5.2. Getting the economics right

Regarding [EU taxonomy](#):

- Our industries consider the EU taxonomy as important to define a common language for sustainable investments and economic activities and to avoid greenwashing. All technologies that can contribute to reducing emissions must continue to have access to sustainable financing.
- Under the aspect of 'greening by', the capital goods industry makes a significant contribution to achieving climate and sustainability goals in many sectors of the economy. Therefore those technologies and processes into which they are integrated need to be included in the technical criteria on climate protection, but also for the upcoming criteria on the circular economy. However, providing a lifecycle carbon footprint assessment (e.g. PEF) validated by a third party is, for a SME based sector, not the right way forward.
- The EU taxonomy should therefore not lead to additional reporting obligations that would lead to disproportionate cost increases for the real economy. Where further information is indispensable, the Commission should support companies through freely available tools, databases and calculation systems

Regarding the revision of the [non-financial reporting Directive](#) and a possible requirement on reporting related to the taxonomy, it is important to address the difficulties for SMEs in complying with possible upcoming reporting requirements. The Directive should not be extended to SMEs.

### 5.3. Driving the transition through research, innovation and digitalisation

In terms of [research](#) we fully support the important Horizon Europe program. Our industries very much welcome EU funding programs supporting, for example, innovation targeting climate resilience, business model innovation, new digital solutions increasing societal efficiencies, substitution and elimination of hazardous substances, etc.

We very much support digitalisation as enabling technology for a circular economy and the transition to a data-driven economy will be crucial for our sector's sustainability, growth and competitiveness.

We recommend to fully exploit the opportunities of digitalisation for resource efficiency: IoT, process monitoring, data capture and analytics and allied services, digital twinning, digital manufacturing, automatised and monitoring, robotisation or 3D printing – all can support Europe in 'doing more with less' and simultaneously increase sustainability and competitiveness.

You will find on pages 9 and 10 our comments and recommendations on the potential of digitalisation of product information and on the European data space for smart circular applications.

## 6. Chapter 6. Leading efforts At Global Level

Europe can only succeed if its efforts and commitments also drive the global transition to a just, climate-neutral, resource-efficient and circular economy. With Europe alone, the global transition will not happen. Industry is part of global supply chains. For this reason, the requirements must be workable in a global supply chain.

The incentives for development towards sustainable resource flows at global level can be done within the framework of the work on the UN Sustainable Development Goals. It will create a consensus on actions in international agreements where the goal should be that the planetary boundaries set the framework for global resource consumption.

### Our recommendations:

- Europe must also be active in international cooperation to ensure that production of raw materials independent of country leads to minimal emissions.
- Regarding public procurement:
  - To have a global impact, we recommend the Member States when they develop their public procurement rules to establish clear requirements in public procurement aimed at reducing the climate impact and increased value preservation of materials and to use them in international OECD and WTO negotiations.
  - As domestic calls for tenders ensure a level playing field for products and services, the EU Member States should ensure that third country calls for tenders respect the same standards as in Europe, including environment and social standards.
  - To promote the principle of reciprocity and to give the EU leverage in negotiations with China on the opening-up of its procurement markets to EU companies, we support the aim of the 'International Procurement Instrument' (IPI).
- International standards should reflect European ambitions.

Building on the European Plastics Strategy, we welcome that the Commission will lead efforts at international level to reach a [global agreement on plastics](#) and promote the uptake of the EU's circular economy approach on plastics.

We also welcome that the Commission will propose a [Global Circular Economy Alliance](#).

Our industries support the fact that [Free Trade Agreements reflect the objectives of the circular economy](#). Free trade allows for the technology of our industry to support other countries in their contribution to the Paris Agreement and a sustainable economy. However, the main aim of free trade agreements is to open up trade opportunities for our companies.

- [Enabling international standards through trade:](#)  
We recommend that European institutions work to ensure that product requirements achieve better international effect by using international trade. When requirements for products are designed with reference to standards, the free trade system within the framework of GATT can refer to these standards.  
To achieve global benefits from standards, we recommend free trade agreements to refer to international standards (e.g. EN/ISO/EC). It is important that Europe has an active standardisation policy where environmental and sustainability requirements are included in harmonised standards.  
We recommend establishing clear requirements in product legislation as well as self-declaration procedures.
- [Enabling sustainable development through trade:](#) with the right framework in place to promote sustainability and

the UN Sustainable Development Goals, the EU is able to make sure that our industries continue to maintain a global edge, driving growth and prosperity; for example, our industry plays an important role in the development and delivery of clean technologies and systems.

#### Our recommendations:

- Increased focus on sustainable development in the trade partner countries can be established through better implementation of the existing Chapter on Trade and Sustainable Development in EU Free Trade Agreements.
- Regarding the special dispute resolution mechanism referred to in the Sustainable Development Chapter that is supposed to be activated if a trade partner fails to fulfill its obligations, we recommend to implement an independent expert committee for developing recommendations on actions.
- We recommend improving effectiveness in the enforcement of the Chapter of Trade and Sustainable Development. This could be done by streamlining procedures and including specific timelines for each of the actions. The newly established function of the Chief Trade Enforcement Officer is a possible approach. However, we believe that economic sanctions are not the most effective approach.
- We recommend more financing for specific capacity-building exercises and projects for technical assistance in developing countries to be set up. Businesses stand ready to explore possibilities on how companies can be involved.

#### ➤ Trade with products, recycled materials and raw materials:

#### Our recommendations:

- We ask the Commission to develop a proposal for strengthening a sustainable trade with recycled material.
- We recommend that industrial subsidies, which are one of the main factors leading to overcapacities of material production, are discussed and solved at WTO level. From this aspect, we welcome the ongoing discussions between the EU, US and Japan on industrial subsidies.

## 7. Chapter 7. Monitoring Progress

We welcome that the Commission will reinforce the [monitoring of national plans](#) and measures to accelerate the transition to a circular economy. The Commission and the Member States should play an active role.

We also welcome that the Commission will further update the [Monitoring Framework](#) for the circular economy as it is a crucial step to track the progress made.

[We recommend policy makers to develop a common terminology and clear goals](#) that can provide guidance to ensure that the EU is on the right track with respect to the deliveries of circular economy measures within the EU. [A few clear, transparent and measurable key figures](#) and sub-goals are needed in this work, provided by the Commission.

There are many terms that refer to sustainability and/or resource use. The term circular economy has around 100 different abbreviations. To make the work measurable it is important that definitions are developed. There are terms like resource efficiency, resource intensity, circular economy, bioeconomics, eco-efficient economy, but they are not good enough to keep track of the development. There are around ten databases with related data. Data availability is an issue and there is still a need for improvement to ensure reliable databases and standardisation processes on data measurement. European standardisation should be used to fill the gaps where it is possible.

Indicators need to be meaningful, measurable, capable of appropriately informing stakeholders of the trends and provide a comprehensive picture about resource use and resource efficiency in the European Union and in Member States. They should be determined in consultation with the stakeholders concerned. In addition, indicators need to be methodologically sound to ensure proper measurability and consequently comparability. View more details in Orgalim's [Position Paper](#) on resource efficiency indicators and in the [Position Paper](#) on the monitoring framework for a circular economy.

[We recommend to develop a determination method of circularity indicators](#) that can be used for validating circularity in Europe. It is important that policy tools determined for circularity are followed up by relevant and effective measuring and market surveillance.

When developing new indicators it is important to take into account different types of relations between resources – for example carbon dioxide, trade between countries in the form of input and output of goods, products and materials within the EU and from/to outside the EU.

More research and collaboration are needed to follow the developments of new promising business models. Promising measures include resource intensity, with the relation between input of resources and the economic profit being one possible way forward. Also, measures of circularity as the economic value of recirculated parts in relation to the economic value of all parts is an interesting area to focus on.

We very much look forward to working with the European institutions and all stakeholders on the next steps regarding the implementation of the various initiatives.

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of over €2,100 billion, manufacturing one-third of all European exports and providing 11.5 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

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