

On 11 March 2020, the European Commission (EC) [published](#) its long-awaited new Circular Economy Action Plan 2.0 (Action Plan), which constitutes one of the main building blocks of the [European Green Deal](#) – Europe’s new overarching sustainability policy agenda.

## Context

The EC heralded the new Action Plan as a key component of the new European Green Deal. The **Action Plan aims to scale-up circular economy approaches for them to become mainstream amongst Europe’s economic operators**. The EC argues that in order to achieve climate neutrality by 2050 across the EU-27, economic growth needs to be decoupled from resource use while ensuring the long-term competitiveness of the EU – a noble but challenging feat.

The Action Plan lists initiatives to establish a new product policy framework that will make **sustainable products, services and business models the new norm**. This product policy framework will be progressively rolled out, while **key product value chains (e.g. electronics, textiles, plastics, packaging)** will be addressed as a matter of priority.

Further measures will be put in place to reduce waste and ensure that the EU develops a well-functioning internal market for high-quality secondary raw materials. Recognising that action at the EU level will not be enough in light of global environmental challenges, **Europe will push its new green policy agenda at the global level** and via future trade and foreign policy activities.

The new Action Plan is built on **three broad pillars**:

- A **broad new sustainable product policy framework**, including the empowerment of consumers and public buyers
- **New sustainability requirements for key products and value chains** (e.g. electronics, plastics, textiles)
- **Policies to reduce waste**



## 1. Designing Sustainable Products

The EC understands that up to 80% of a product’s environmental impact is determined in the design phase.

Therefore, it wants to create incentives for producers to make their products more circular. Planned measures include:

- A new **sustainable product policy legislative initiative** (foreseen in 2021) will **widen the Ecodesign Directive** beyond energy-related products to the broadest possible range of products, and consider establishing sustainability principles (to guide broader policy), including via increasing **recycled content** in products or digital passports
- Work on specific product groups will build, where appropriate, on criteria established under the EU Ecolabel Regulation, the Product Environmental Footprint (PEF) and new **minimum mandatory green public procurement (GPP) criteria**
- Analytical work to determine the scope of a legislative initiative to substitute single-use products in food services (2021)

In order to **empower consumers and public buyers**, the EC plans to:

- **Revise EU consumer law** (2020) to provide trustworthy and relevant information at the point of sale
- Consider **protection against “green washing”**, setting minimum requirements for sustainability labels/logos, change to the EC will propose that companies substantiate environmental claims using PEF (2020)
- Minimum mandatory GPP criteria and targets in sectoral legislation (from 2021)

With regard to **production processes**, the EC will:

- Assess options in the context of the **Industrial Emissions Directive (IED) review** (from 2021)
- Promote the use of **digital technologies for tracking, tracing and mapping of resources**



## 2. New Sustainability Requirements for Key Products and Value Chains

### Electronics and ICT

- The EC will present a new **Circular Electronics Initiative** (2020/2021) to promote longer product lifetimes, including a potential “**right to repair**”, measures on **chargers for mobile phones** and similar devices, or **EU-wide take back schemes**
- Upcoming **Ecodesign Working Plan** will cover printers and consumables such as cartridges, unless the sector reaches an ambitious voluntary agreement within six months (i.e. by autumn 2020)

### Batteries and Vehicles

- The EC will propose a **new regulatory framework for batteries**, including rules on recycled content, measures to improve the collection and recycling rates of all batteries, and new sustainability and transparency requirements
- Addressing **non-rechargeable batteries** with a view to phasing them out progressively
- Revision of the rules on **end-of-life vehicles**

### Packaging

Due to the ever-increasing amount of packaging waste in Europe, the EC will focus on the (European Plastics Strategy) objective to ensure that by 2030, all packaging on the EU market is reusable or recyclable in an economically viable manner.

For that purpose, the EC will **review the mandatory essential requirements for packaging** (2021), but also consider other measures with a focus on:

- **Reducing (over)packaging and waste**
- **Restrictions on some packaging materials** for certain applications, in particular where alternative reusable products exist or in cases of unnecessary packaging
- **Reducing the complexity of packaging materials**, including the number of materials and polymers used

The EC will also establish rules for the safe recycling into **food contact materials** of plastics other than PET.

### Plastics

In addition to the measures planned under the [EU Plastics Strategy](#), the EC is considering taking further targeted measures:

- Proposing **mandatory recycled content requirements** and waste reduction measures for key products such as packaging and construction, also taking into account the activities of the Circular Plastics Alliance (2021/2022)
- Developing measuring (especially for tyres and textiles), labelling, standardisation, certification and regulatory measures on **unintentional release of microplastics**, including the capture at all relevant stages of the lifecycle and data on concentrations in seawater (2021)
- “**Bio**” **policy framework** on sourcing, labelling and use of bio-based plastics (genuine environmental benefits go beyond reduction in using fossil resources) and the use of biodegradable or compostable plastics so that consumers are not misled

**Timely implementation of the Single-use Plastics Directive (SUPD)** while safeguarding the Single Market, in particular regarding the harmonised interpretation of scope, labelling and recycled content.

### Textiles

- The EC aims to propose a comprehensive **EU Strategy for Textiles**, which will address issues such as:
- Applying new **sustainable product considerations to the textile sector**, including developing eco-design measures and empowering consumers to choose sustainable textiles and have access to repair services
  - Guidance to achieve a high level of **separate collection** of textile waste, and boosting the sorting, re-use and recycling of textiles, including via **extended producer responsibility** schemes

### Construction and Buildings

Due to the substantial impact of the construction and building sector on resource use, but also waste generation, the EC plans to launch a comprehensive **Strategy for a Sustainable Built Environment** (2021), as well as a **Renovation Wave** initiative. The strategy aims to ensure coherence and will promote circularity throughout the lifecycle by, for instance:

- **Revising the Construction Product Regulation**, including possibly recycled content requirements for certain products
- Developing **digital logbooks** for buildings
- Using ‘Level(s)’ to **integrate life-cycle assessments (LCA) in public procurement**
- Considering a **revision of material recovery targets for construction and demolition waste (CDW)** and its material-specific fractions, in particular for insulation material which generates a growing waste stream



### 3. Waste Prevention and Circularity

#### Enhanced Waste Policy in Support of Waste Prevention and Circularity

- The EC will propose **waste reduction targets** for specific streams and other measures (2022)
- The EC will enhance implementation of the **minimum requirements for extended producer responsibility** schemes
- Goal to **halve the amount of residual (non-recycled) municipal waste** by 2030
- Recycling relies on **effective separate collection**; the EC will propose to harmonise, especially collection models and points, and consider bin colours, symbols and labels, as well as seek standardisation of the quality of the collected waste
- Where necessary (if member states miss recycling targets), the EC will also use its **enforcement powers**

#### Enhancing Circularity in a Toxic-Free Environment (Chemicals, Products and Waste Interface)

The EC is seeking to address the problem that (now) banned **legacy substances** persist in recycled feedstock.

- The EC will seek solutions for (incidental) contamination, harmonised systems to identify, track and manage information on, as well as minimise the presence of substances of concern (2021)
- The EC will propose amendments to the Persistent Organic Pollutants (POPs) Regulation annexes, in line with technical and scientific progress and the international obligations under the Stockholm Convention

#### EU Market for Secondary Raw Materials

The EC lists a number of challenges that secondary raw materials face, *vis-à-vis* primary raw materials, including performance, availability and costs. In order to establish a well-functioning internal market for secondary raw materials, the EC foresees the following measures:

- Introduction of **requirements for recycled content in products**
- **REACH restrictions** on substances of very high concern (SVHC) in imported articles and improved border enforcement
- Assessing the feasibility of a **market observatory** for key secondary materials

The EC wants to facilitate the re-use and recycling of waste in the EU via a thorough review of EU rules on **waste shipments** (2021)

### Conclusion

With the new Circular Economy Action Plan 2.0, the EC increases the pressure on industry and other stakeholders to transform their operations, services and products from a sustainability perspective. This process has **profound implications for the entire industrial value chain**, consumers and society. An intense debate will now take place among all relevant stakeholders how to react to the various European Commission's initiatives in order to shape the numerous legislative and non-legislative measures. This process opens up **various opportunities for engagement with relevant policymakers and other stakeholders** at the European and national level in the coming months.

With a long history and excellent track record of combining high-end industry, legal and public policy expertise, we help clients with assessing the threats posed to their business models via the new Circular Economy Action Plan 2.0, and take the appropriate course of action to minimise related risks and maximise potential opportunities arising out of these proposals. Please do not hesitate to contact us for more information of how we can support you.

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