SUMMARY REPORT

Ensuring a non-toxic circular economy
Promotion of material cycles without hazardous substances

5th May 2015
European Parliament, Brussels

On Tuesday 5th of May, policy-makers and stakeholders were brought together by the European Parliament Intergroup on Climate Change, Biodiversity and Sustainable Development with the support of the Norwegian Ministry of Climate and Environment and the Swedish Ministry of Environment and Energy, to discuss the importance of ensuring a non-toxic circular economy in Europe.

MEP Linnéa Engström opened the session by highlighting that the European Parliament has been very active on pushing the agenda forward for a progressive waste policy and further emphasised that they would continue to do so. The EU is currently missing out on the benefits that the circular economy can bring about such as job creation, increasing competitiveness and minimising environmental degradation. The Parliament is eagerly awaiting the new proposal on the circular economy but many still wonder what it will entail to be fully compatible with the jobs and growth agenda. Concern was raised on the amount of influence coming from the business sector, which might hinder the ambition of the circular economy framework. Another major concern raised was the compatibility of chemical and waste legislation, which is often falsely identified as a barrier to increasing recycling and creating a downstream market for secondary raw materials.

State Secretary Lars Andreas Lunde, Norwegian Ministry of the Environment expressed that Norway and the EU share the same vision of working towards a greener economy while at the same time increasing competitiveness. Norway aims to use resources more sustainably and has since 2009 banned the land filling of biodegradable waste. Norway aims to increase the rate of recycling while ensuring that hazardous substances do not become a part of the resource cycle. Standards for recycled materials are therefore needed. Finding less hazardous alternatives could be difficult and it is impossible to stop using some altogether. However, many products are produced in areas with less stringent regulations and hazardous substances will continue to remain on the market long after production has seized. If these substances are not removed recycling can be a means to prolong exposure to these substances. We must aim for more and more materials to be recycled in a safely manner. This requires chemical and waste regulations to develop in parallel. The private sector also plays a pivotal role as leaders of innovation. Governments must engage with the private sector and provide incentives to facilitate greener products without the use of hazardous substances.

State Secretary Gunvor G Ericsson, Swedish Ministry of Environment and Energy referred to the 7th Environmental Action Program, which highlights the importance of turning the EU into a resource efficient and competitive low-carbon economy. Moving towards a circular economy offers great potential for business, growth, job creation and the environment. To obtain these benefits an ambitious approach is needed in collaboration with governments, industry and consumers. Ensuring a non-toxic environment is a pivotal part of the circular economy. The main obstacle to achieving this is the fact that only high qualitative waste material should be recycled, i.e. waste which doesn´t contain substances of very high concern. The industry must be able to trust that the recycled material fulfils the same requirements as virgin materials. The REACH regulation is one of the most important tools to be used. We must move away from substances of high concern and enforce stronger restrictions. Access to information is also needed concerning the recyclability of materials and products. Further, it is essential that the necessary conditions are created to facilitate the development of a secondary raw material that both industry and consumers can trust. Together with this, we also need to minimize landfilling of non-toxic and biodegradable waste and use the full potential of the eco-design directive to also look at other parameters that would facilitate circular economy practice.

Constantin Ciupagea, Head of Unit, Institute for Environment and Sustainability (IES) (Ispra), Joint Research Centre, European Commission started by re-exploring the title of the workshop, explaining that 'hazardous substances' should probably be called 'substances of concerns' (because many substances can be considered hazardous, depending on the dose). It was further explained that, considering that some substances of concerns might be needed in some applications despite their hazardous nature, a vision of a material cycles 'without substances of concerns' might be seen as very ambitious, at least in the near future, and that material cycles 'with limited/controlled quantity of substances of concerns' might be easier to reach in a reasonable timeframe. He then presented three possible policy intervention strategies, inspired by IES's experience in the area of product policy, which aim to help pave the way for the circular economy with decreased amount of substances of concerns, taking a life cycle approach. The first strategy aims to better identify and quantify substances of concerns in products. This is related to REACh regulation but it goes beyond and it was shown how substances in the supply chains may be also addressed via instruments such as the eco-design directive, eco-labelling or product environmental footprint. The second strategy proposed aims to reduce, and when possible substitute, substances of concerns in products, highlighting that both horizontal (via REACh or RoHS) and vertical approaches (i.e. product-specific) are probably needed. An example of a draft requirement in the context of Ecodesign applied to displays was given. The third strategy calls for better management of the substances during waste management, through intervention on the product (e.g. labelling of substances on the product, easy extraction of components from the product). Some examples of innovative eco-design requirements were presented. As conclusion, he highlighted that at the European level, the challenge of material cycles with much less substances of concerns will require some policy innovations and governance, including standardization work and development of registration database

to monitor and organize product data information. The Commission is currently working to ensure consistency between policies, including substances-related, product-related and waste related policies, which will enhance the future framework of the circular economy.

Per Stoltz, Sustainability Developer, IKEA Retail Services AB highlighted that IKEA has set up a sustainability strategy for 2020, which highlights the importance of growth, people, sustainability and lower costs. The circular economy is often associated with recycling but there are many other areas to work with. For instance IKEA works with refurbishment where some parts are recycled and others re-used avoiding recycling and additional energy all together. Prolonging the life of products is another area as well as treating your products in the correct way. It is important that owners can maintain and repair products if needed. The design process is another important element designing products the correct way by using non-toxic materials, which makes recycling easier. The focus is on materials where a difference can be made and where recycling solutions can be found. IKEA chemical requirements align all products to the most stringent regulations and the aspects of safety, health, function and environment are all taken into consideration. IKEA has a blacklist of chemicals, which is continuously updated by trying to stay ahead of new legislation. Moving forward it was highlighted that a policy framework is needed that enables an economically sustainable circular economy and promotes a market for secondary materials. Transparent EPR schemes are also necessary, defining roles and responsibilities for actors in the supply chain. Flexible and inclusive policies are also needed to encourage innovation for product and service design in priority sectors.

René Kemna, Director, VHK Consulting works with technical and economical policy support for energy efficiency and eco-design of energy using products. The five "*R*" of the waste hierarchy, *reduce, re-use, recycle, recover, remove* are all part of the eco-design methodology. With regards to energy using products, *reduce*, was emphasised as the most important element as it provides high impact measures with low uncertainty. This was compared to recycling and the necessary measures, which would only be relevant in 15 years from now for most products. It was highlighted that a longer life for products, which is often seen as a benefit also means that old products, which may use a lot of energy stay on the market for a very long time. It is therefore a product by product study. Apart from the production, end-of-life and use phase, the methodology also takes into account a time dimension, which is of utmost importance as it could determine which strategy to take. The first strategy is to reduce as it provides the highest effect with the least risks. The prolonging of a product-life can sometimes block the introduction of more efficient products. Re-use always leads to some kind of degradation. With regards to recycling and removal of products an effort must be made to either collect or re-use products. Therefore the real closed loop of a circular economy doesn't exist. The methodology of the eco-design shows that the accounting is not so simple and that the time dimension must be taken into account. Another accounting dimension, which is not a policy area but an essential reference in evaluating success or failure of any strategy, is the continuing growth of population, market penetration and performance of the products. If we are to achieve a truly closed loop and a

sustainable society we must ensure that the primary production is as big as the consumption.

The discussion with the audience highlighted that the business sector sees a lot of opportunities and solutions within the circular economy. A strong agenda and strict legislation often drives innovation and leads to more sustainable products on the market. The conflict between waste and chemical legislation was further discussed by highlighting that they are perfectly compatible provided that a proper implementation of the waste hierarchy is put in place. The importance of the 7th EAP was further highlighted to ensure that the EU works towards a non-toxic environment. The methodology of eco-design was further discussed emphasising that it could be applied in other areas such as packaging to reduce the material used. Consumer trust was highly discussed and particularly how to ensure trust in the recycled materials. The IKEA blacklist was further emphasised as well as highlighting the risks and precautions needed to ensure the limitation of usage of substances of high concerns as they can have unknown effects on nature, animal and humans.

MEP Jytte Guteland provided the conclusions of the debate highlighting that the circular economy is one of the main topics of our time. It is a challenge but also an opportunity for the EU to be a leading economy while taking responsibility for the environment. The world is rapidly changing and as we move forward we must combine economic growth and material welfare with sustainability. The Parliament will continue to put pressure on the Commission to ensure better regulation, sustainable development and an overall more ambitious framework on the circular economy. In connection with the circular economy it was called upon the EU to update and strengthen the REACH directive as both the natural and human world are exposed to a complex cocktail of chemical substances. The debate was concluded by highlighting the importance of companies, investors and innovators in Europe, knowing that European Institutions envision a sustainable and competitive future and will lead Europe forward by pushing for innovation and a green economy.

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