

TOWARDS AN EU PRODUCT POLICY FRAMEWORK CONTRIBUTING TO THE CIRCULAR ECONOMY

The European steel industry welcomes the development of a coherent product policy framework that supports a circular economy and sustainability, giving full recognition to materials fit for circularity and supporting sustainable outcomes. We are at a critical stage in which EU product policy can be shaped to fully support the development of a more Circular Economy. It is therefore essential to have the right founding principles from the very beginning.

The use of a Life Cycle Assessment (LCA) methodology, when thoroughly peer-reviewed, should be widely supported as a means of quantifying the environmental impacts of products. For instance, a consistent LCA methodology is needed for preparing background studies, which are used to inform policy, such as in Eco-design and Eco-label. As a voluntary assessment tool, the EC shall however ensure a level playing field for environmental claims communicated by harmonizing methodology.

It is also essential to have a common “integrated LCA approach” for the purpose of communicating information on sustainability of products, for giving tools to consumers in order to make market choices and thus avoiding misleading messages. A robust LCA-methodology alone cannot lead to a suitable sustainable option: it covers only environmental aspects. Social and economic ones are important as well and, if not addressed, can lead to serious unintended consequences such as, for instance, marine litter.

More specifically with reference to the Circular Economy, the product policy framework should take into account the following specific points:

- **Linking policies over the product lifecycle:** Product policies are diverse and tackle only specific aspects, environmental impacts or phases of the lifecycle, using different assessment methods. A product policy framework should necessarily take in a full lifecycle perspective, having in mind circularity – e.g. cradle-to-cradle, for all products.
- **Focus on end-product applications:** A product policy framework for eco-design contributes most effectively to the Circular Economy when targeting the various end applications. This will also support the member states in better managing waste streams collected from End-of-Life (EoL) products and will make easier to apply waste hierarchy and then to find the best environmental fate of collected waste materials.
- **Essential features of an LCA methodology:** (1) the approach of taking into account the environmental benefits of the end-of-life stages (e.g. waste collection, treatment and recycling) or of remanufacturing/re-use is key because it will establish the link between LCA and circularity, guiding options selection to the best possible outcome; (2) the assessment of recycling benefits needs to take into account the properties and functionality of the (new) recycled material; (3) the selection of impact categories in an LCA methodology must be robust and widely accepted by the scientific community and industry.
- **Products Environmental Footprint (PEF):** The PEF piloting stage has brought about several improvements for a consistent and robust lifecycle approach, including:
 - A circular footprint formula that considers recycling in a consistent way with emphasis on recycling quality and multiple circularity.
 - Greater emphasis on data quality and verification
 - Availability of consistent datasets.

We recognise and welcome to continue the development of the PEF methodology during the transition phase, since there are still several challenges with some environmental impact methodologies. In particular, the steel sector has concerns about toxicity and resource depletion indicators and also about current inconsistencies among the results of the different PEF pilot projects. All these aspects should be solved before they can be used in product policy.

Finally, it should be underlined that PEF might be used as the life cycle assessment tool within an integrated sustainability framework for product policy.

- **Opportunities to increase focus eco-/circular- design:** The construction and automotive sectors are where a lifecycle approach, to design and produce products with circularity in mind, has the greatest potential. In particular, design for reuse and recycling in buildings and a shift away from a tailpipe approach in vehicle CO₂ regulations is supported. A lifecycle approach in vehicle CO₂ targets will avoid the potential of increasing production emissions, due to a focus only on tailpipe emissions, and will also support the circularity of ELV treatment options.