

April 24, 2024 POLICY MONITORING BRIEF

POLICY ISSUES

EP PLENARY: NEW EU RULES TO REDUCE, REUSE AND RECYCLE PACKAGING

On Wednesday 24 April, the European Parliament adopted new measures to make packaging more sustainable and reduce packaging waste in the EU. The regulation was approved with 476 votes in favour, 129 against and 24 abstentions.

The rules, which have been <u>provisionally agreed on with the Council</u>, include packaging reduction targets (5% by 2030, 10% by 2035 and 15% by 2040) and require EU countries to reduce, in particular, the amount of plastic packaging waste. To reduce unnecessary packaging, a maximum empty space ratio of 50% is set for grouped, transport and e-commerce packaging; manufacturers and importers will also have to ensure that the weight and volume of packaging are minimised.

Certain single use plastic packaging types will be banned from 1 January 2030. These include packaging for unprocessed fresh fruit and vegetables, packaging for foods and beverages filled and consumed in cafés and restaurants, individual portions (for e.g. condiments, sauces, creamer, sugar), accommodation miniature packaging for toiletry products and very lightweight plastic carrier bags (below 15 microns). To prevent adverse health effects, the text includes a ban on the use of so called "forever chemicals" (PFASs) above certain thresholds in food contact packaging.

Specific 2030 reuse targets are foreseen for alcoholic and non-alcoholic beverages packaging (except e.g. milk, wine, aromatised wine, spirits), transport and sales packaging, as well as grouped packaging. Member states may grant a five-year derogation from these requirements under certain conditions. Final distributors of beverages and take-away food will have to offer consumers the option of bringing their own container. They will also be required to endeavour to offer 10% of products in a reusable packaging format by 2030.Link to article here and the Adopted text will be available here (25.04.2024)

Source: European Parliament, 24/04/24

ECODESIGN: NEW EU RULES TO MAKE SUSTAINABLE PRODUCTS THE NORM

On 23 April 2024 the European Parliament adopted the revised ecodesign framework, which will enable the introduction of environmental sustainability requirements for most products sold in the EU. The regulation was adopted with 455 votes in favour, 99 against and 54 abstentions. The new rules aim to improve various aspects of products throughout their lifecycle to make them more durable and reliable, easier to reuse, upgrade, repair and recycle, use less resources, energy and water. Specific product requirements will be outlined by the Commission through secondary legislation. Now, the Council needs to formally approve the law as well before it can come into force. Link to article here

Further Reference - The adopted text will be available here (23.04.2024)

Source: European Parliament, 23/04/24

CHEMICAL AND PACKAGING LOBBIES DEFEND COMMISSION'S RECYCLING RULES

On 23 April, Politico reported that Industry groups are asking the Parliament to back the Commission's approach to measuring recycled content in single-use plastics, according to a letter sent to MEPs. The circular argument: Opposing the Commission's proposal will lead to "continued uncertainty" and threaten the industry's "capability to meet recycled content targets," the letter states. Signatories include industry associations VinylPlus and Plastics Europe, but also packaging groups Europen and Ceflex and the European Chemical Industry Council.

Context: The Parliament's environment committee last week rejected the Commission's proposal for counting chemically recycled plastics toward recycled content targets for single-use plastic bottles. The motion is up for a vote in the Parliament's plenary on Wednesday.

Source Politico 23/04/24.

MINISTERS URGE COMMISSION TO PRIORITISE BIOECONOMY IN WORK PLAN

Forestry ministers from four EU member states are calling for sustainable bioeconomy to be recognised and integrated into the Commission's next work programme.

Politico reported that Finland — whose own bioceconomy generates billions in revenue annually — is calling for the EU's industrial ambitions to include a focus on the bioeconomy, including by boosting funding for biotechnologies, according to a note circulated ahead of next week's Council meeting ("Agriculture and Fisheries") on 29 April 2024. The text is co-signed by Austria, Slovenia and Sweden, and backed by another 11 countries. The bioeconomy must stand out at the core of the next European Commission's work Programme. Link to the document here

DUE DILIGENCE: MEPS ADOPT RULES FOR FIRMS ON HUMAN RIGHTS AND ENVIRONMENT

The European Parliament approved with 374 votes against 235 and 19 abstentions the new "due diligence" directive, agreed on with the Council, requiring firms and their upstream and downstream partners, including supply, production and distribution to prevent, end or mitigate their adverse impact on human rights and the environment. Such impact will include slavery, child labour, labour exploitation, biodiversity loss, pollution or destruction of natural heritage.

The directive now also needs to be formally endorsed by the Council, signed and published in the EU Official Journal. It will enter into force twenty days later. Member states will have two years to transpose the new rules into their national laws.

The rules will apply to EU companies and parent companies with over 1000 employees and a worldwide turnover higher than 450 million euro. It will also apply to companies with franchising or licensing agreements in the EU ensuring a common corporate identity with worldwide turnover higher than 80 million euro if at least 22.5 million euro was generated by royalties. Non-EU companies, parent companies and companies with franchising or licensing agreements in the EU reaching the same turnover thresholds in the EU will also be covered. These firms will have to integrate due diligence into their policies, make related investments, seek contractual assurances from their partners, improve their business plan or provide support to small and medium-sized business partners to ensure they comply with new obligations. Companies will also have to adopt a transition plan to make their business model compatible with the Paris Agreement global warming limit of 1.5°C.

Member states will be required to provide companies with detailed online information on their due diligence obligations via practical portals containing the Commission's guidance. Link to article here

Source: European Parliament, 24/04/24

PARLIAMENT ADOPTS NEW RULES TO IMPROVE CLASSIFICATION AND INFORMATION OF HAZARDOUS CHEMICALS REGULATION

- Significant increase in the level of consumer and environment protection
- All hazardous chemicals must be classified adequately and uniformly in the EU
- Labels to be more accessible and understandable, including for products sold online

The updated rules regulate how to classify, label and package chemical substances and mixtures. The European Parliament has adopted, with 533 votes in favour, 11 against and 65 abstentions, a provisional political agreement with EU countries to update the Classification, Labelling and Packaging of hazardous chemicals Regulation. The law now also has to be adopted by Council, before being published in the EU Official Journal and entering into force 20 days later. This revision of the Classification, Labelling and Packaging (CLP) Regulation ((EC) No 1272/2008) is part of the European Green Deal for the strengthening and simplification of the legal framework for chemicals to ensure a

toxic-free environment and the implementation of the Chemicals Strategy adopted in October 2020. New hazard classes for chemicals and criteria for classifying substances and mixtures entered into force on 20 April 2023. Link *here*

Source European Parliament 23/04/24

COMMUNICATION FROM THE COMMISSION: GUIDING CRITERIA AND PRINCIPLES FOR THE ESSENTIAL USE CONCEPT IN EU LEGISLATION DEALING WITH CHEMICALS

In a communication adopted on Monday 22 April, the European Commission has specified the guiding criteria and principles for determining that the use of a harmful chemical substance remains essential for society. According to the European Union institution, to characterise the concept of "essential uses", two cumulative criteria must be met:

- its use is necessary for health or safety or is critical for the functioning of society and
 - there are no acceptable alternatives.

These criteria are cumulative. Thus, for a use to be essential, both criteria must be met. They also provide for flexibility to consider specificities and existing definitions in pieces of EU legislation where the concept could be integrated and applied. The concept of essential use brought by this Communication will only have legal effect when introduced into specific legislation. So far, no EU legislation contains a legal definition of essential uses of substances.

Link to Commission Communication <u>here</u>

Link to Questions and Answers on essential use chemicals

Source: European Commission 22/04/24

MICROPLASTICS: MEPS WANT TO REDUCE PLASTIC PELLET LOSSES

The European Parliament adopted its proposals to better prevent plastic pellets losses throughout the supply chain, with the goal of achieving zero losses. The new rules would require all entities handling plastic pellets to take measures to avoid losses. If these occur, they will have to take immediate action to contain and clean up spills.

The regulation would require economic operators to establish a risk assessment plan for each installation that handles annually over 1000 tonnes of plastic pellets. MEPs want this measure to apply as of two years after the entry into force of the regulation for large enterprises, three years for medium-sized enterprises and five years for small enterprises. They also want the plans to contain information on the number of tonnes of plastic pellets handled per year and the chemical nature of each polymer contained in plastic pellets on site.

MEPs propose that all storage and transport containers carrying plastic pellets should be labelled with a specific pictogram and information linked to their danger, potential to harm the environment, the need to avoid release and collect any spillage.

You can read more about MEPs proposals in the press release following the committee vote.

Next steps: The file will be followed up by the new Parliament after the 6 - 9 June European elections. Link to article here

Source: European Parliament 23/04/24

ENRICO LETTA'S REPORT ON THE FUTURE OF THE SINGLE MARKET

The European Council of 30 June 2023 called "for an independent High-Level Report on the future of the Single Market to be presented at its meeting of March 2024 and invites the incoming presidencies of the Council and the Commission to take this work forward, in consultation with the Member States". Both countries and the Commission would like to find in it concrete and ambitious recommendations and asked the former Italian head of government, **Enrico Letta**, to write this report.

In order to draft this report, which may come to define the future of the Single Market for years to come, Mr. Letta has travelled across Europe and beyond seeking to gather information and input. One of the stops on this route was 2023's SME Assembly, where he was able to engage with participants from all around Europe and understand the main issues at stake.

Link to report Link to Article here

Source: European Commission 18/04/24

RIGHT TO REPAIR: MAKING REPAIR EASIER AND MORE APPEALING TO CONSUMERS

The Parliament adopted the directive on the so-called "right to repair" for consumers with 584 votes in favour, 3 against and 14 abstentions. The rules clarify the obligations for manufacturers to repair goods and encourage consumers to extend a product's lifecycle through repair. The new rules ensure that manufacturers provide timely and cost-effective repair services and inform consumers about their rights to repair. Goods repaired under the warranty will benefit from an additional one-year extension of the legal guarantee, further incentivising consumers to choose repair instead of replacement.

Promoting affordable repair: To make repairs more affordable, each member state will have to implement at least one measure to promote repair, such as repair vouchers and funds, conducting information campaigns, offering repair courses or supporting for community-led repair spaces. Link to article

Source: European Parliament 23/04/2024

FRUSTRATING' LACK OF AMBITION IN GLOBAL PLASTIC TREATY TALKS

Politico reported that Spain's Deputy Prime Minister and Ecological Transition Minister Teresa Ribera slammed the low ambition of a group of countries in talks to clinch a global deal on tackling plastic pollution, saying their position "doesn't make sense at all."

A coalition of oil-rich and plastic-producing countries — including China, Russia and Iran — is pushing for the upcoming treaty to focus on better waste management rather than setting binding rules to reduce plastic production. That approach "is quite frustrating," said Ribera. "It doesn't make sense at all, neither for them," she added, pointing to the "invasion of plastics" in rural areas, river basins and oceans across the world. Plastic treaty negotiators are currently in a second-to-last round of make-or-break U.N. talks to complete a global plastics treaty by the end of the year. Progress has been slow as a result of deep divisions between countries on how prescriptive the deal should be. The Spanish minister also said she wants to see the U.S. — which has resisted joining the High Ambition Coalition — become a "leader" in the negotiations, arguing that the "scale of the U.S. market, the U.S. financial sector and the U.S. industry is big enough to make a difference Amid backlash against the European Green Deal, the European Chemicals Agency's top official cautioned on Wednesday against "playing politics with health or the environment."

PFAS MEASURING PROTOCOLS LIKELY UNDERESTIMATE TOTAL CONCENTRATIONS

Study of PFAS concentrations in consumer products finds that US Environmental Protection Agency protocol likely does not "adequately capture PFAS embodied in consumer products"; also finds "large fraction" of surface and groundwaters exceed regulatory concentrations; "future PFAS environmental burden is likely underestimated". The current risk assessment based regulatory system is largely dependent on understanding the sources of exposure to a chemical, or class of chemicals, and making reasonable estimates of exposure to an average individual based on those estimates. In *Nature Geoscience* published on April 8, 2024, Diana Ackerman Grunfeld of the *University of New South Wales* and co-authors collated studies of concentrations of per- and polyfluoroalkyl substances (PFAS) in a variety of consumer products and product groups, including packaging, to find the range of PFAS measured and overall concentrations.

Source: Food packaging forum 24/04/2024

MEPS CONSENT TO THE EU WITHDRAWING FROM THE ENERGY CHARTER TREATY

The recommendation from the Industry, Research, Energy, and International Trade committees was adopted with 560 votes to 43, with 27 abstentions. Parliament's consent is required so that the Council can now adopt the decision by qualified majority.

The Energy Charter Treaty (ECT), established in 1994 to govern trade and investment in the energy sector, has become controversial. The European Parliament has also voiced the need for the EU to exit in a resolution adopted in 2022. Link here

PUBLIC CONSULTATIONS

- Single Market Programme interim evaluation (deadline 31 May 2024) Link here
- Stakeholder consultation CoE New draft technical guide on FCM compliance (deadline of 30 April 2024) link EDQM's dedicated "Food contact materials and articles web page"
- EU-Canada Comprehensive Economic and Trade Agreement (CETA) evaluation (deadline 25 April) - link here
- Customs enforcement of intellectual property rights through electronic submission of applications for action by business (deadline 24 April) link here
- Environmental economic accounts compendium (deadline 30 April) link here

STUDIES/REPORTS/ARTICLES

EBB REPORT -FROM RISK TO RESILIENCE: NAVIGATING TOWARDS A TOXIC-FREE FUTURE.

This report comprehensively evaluates how ambitious and how far advanced the Chemicals Strategy for Sustainability (CSS) is today. It takes in REACH, the CLP, the 'One Substance, One Assessment' package and initiatives like the Essential Use Concept (EUC) and Generic Approach to Risk Management (GARM). Adjacent plans on PFAS and Endocrine Disruptors, the Zero Pollution Action Plan and the Circular Economy Action Plan are also considered. Sectoral legislation with chemical control provisions, such as the Industrial Emissions Directive and the Ecodesign for Sustainable Products Regulation, are referenced to ensure this is a comprehensive assessment.

This report also offers a case study on the PFAS that illustrates a range of familiar problems that continue to hold back effective chemical protections, from the proliferation of chemical diversity outpacing regulatory oversight to the chilling lack of corporate integrity.

Executive Summary – From Risk to Resilience, Navigating towards a Toxic-Free Future Annex I – Complete Stakeholder feedback on the CSS

Annex II Complete overview table of CSS actions

VTT'S BIODEGRADABILITY STUDY PUBLISHED

In a collaboration between Cepi and the VTT Research Centre of Finland, senior scientist Minna Vikman conducted a study evaluating the biodegradability of paper and board materials in an uncontrolled soil and marine environment. This study has been published in the BioResources Journal. One particular point of interest in this study is the influence of lignin on the biodegradability of lignin-containing products and the challenges that consequently arise. Link to Report here

SURVEYS SHOW PUBLIC IN FAVOR OF MEASURES AGAINST PLASTIC POLLUTION

In light of the ongoing 4th negotiations for a Global Plastics Treaty in Ottawa, Greenpeace International published a report on April 4, 2024, exploring public sentiment about proposed approaches to combat plastic pollution.

The survey includes 19,000 respondents across 19 countries and reveals a strong consensus among participants, with the majority expressing support for key aspects of the proposed treaty. 82% advocate for reducing plastic production, highlighting the need to address plastic consumption. 80% express concern about the environmental impacts of plastic production on biodiversity and climate.

Source: FPF 24/04/2024

STAKEHOLDERS' REACTIONS TO THE EUROPEAN PARLIAMENT PLENARY ADOPTION OF THE RIGHT TO REPAIR DIRECTIVE AND ECODESIGN REGULATION

- <u>BEUC:</u> Right to Repair and Ecodesign: Win for consumers as EU Parliament vote to enhance product longevity.
- <u>FESI:</u> FESI applauds European Parliament's adoption of ESPR but calls for further clarity regarding the ban on unsold goods' destruction.
- Orgalim: Sustainable Products Regulation Approved