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materials for a better life



Contribution to an Ambitious Circular Economy Package

An ambitious European circular economy package creates the policy framework that scales up existing sector initiatives on resource security and efficiency to a macro-level. As seven companies covering the entire value chain, we believe that the key to unlocking 315bn € investment are incentives bringing structural changes and visibility. The end goal should be an EU framework that creates business opportunities, secures access to primary materials, prolongs their productive use (e.g. through re-use, re-manufacturing or as spare parts or recycling), guarantees high quality recycling processes once they reach their end of life, as well as treats all by-products and waste as valuable resource streams for further use. This will create a competitive advantage for Europe's economy that will make the EU better equipped to deal with strategic raw material issues by decoupling economic growth from resource consumption, leading to a low carbon, prosperous EU.

I. Drive secure and sustainable access to raw materials

Europe's businesses, which create value by selling products domestically and overseas, strongly depend on the supply of finite raw materials that are mainly produced outside the EU.

Thus circular economy policy should:

- Promote both the use of secondary raw materials and the use of renewable primary materials in order to reduce Europe's dependence on imported finite raw materials;
- Ensure that competitive advantage is not given to materials solely on the basis that they are easy to recycle. This end-of-life focus bears the risk that materials continue to be used that are sourced under social, economic and environmental conditions which do not meet EU standards. EU policy must take measures that ensure responsible sourcing and management of primary materials and set a level playing field for businesses acting within the EU.

II. Generate quality secondary raw materials

One of the key tools the EU has at its disposal for scaling up circular initiatives is the Single Market. Rather than organising its waste streams along 28 separated waste management infrastructures, the EU should strive for the creation of a Single Market for its Secondary Raw Material by enabling infrastructure such as sorting plants and recyclers, to be located where they are needed, rather than according to national borders. Furthermore, we need

- To introduce an environmental footprint methodology in order to measure progress e.g. the use of material, water and GHG emissions, as well as an integrated resource efficiency target based on clear and sufficient data;
- Challenging, but achievable collection and recycling targets with harmonized recycling calculation methodology, generating high quality resources;



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- Balancing challenging recycling targets by stimulating demand for Secondary Raw Materials through price signals sent to the market (fiscal incentives, financing possibilities etc.), provided that consumers are offered products with an equivalent level of quality and performance;
- Ensure an adequate market surveillance, with audits to verify that imported products effectively contain the quantity of secondary raw material that is declared;
- Establish fair level playing field conditions to ensure secondary raw materials are treated in quality, environmental, health and efficiency conditions wherever they are treated;
- Long-term economic optimization by enhancing the Extended Producer Responsibility (EPR) Principle through the definition of minimum operating requirements and allocation of roles and responsibilities to all stakeholders involved in the collection, sorting and recycling of waste;
- Strengthened policies on waste avoidance and Ecodesign to encourage new product designs and use of recycled, renewable or re-used materials where appropriate;
- Creation of a number of sectorial and flow resource efficiency platforms to identify sector specific measures and opportunities, including sector specific sustainable sourcing standards, eco-design standards, tax and import/export policies, green public procurement including for EPR schemes, product passports and sector specific minimum recycled content per flow.

III. Stimulate innovation for higher resource utilization at component and product levels

Materials make up only a part of the value of products. The value-adding activities of design, manufacturing and distribution generate a higher value than the mere material value. A lot of that value is destroyed when products have artificially short working lives or are disposed of even if there is still demand for them from other users. In addition, value is wasted by products that sit idle unnecessarily for long periods of time. Activating this value by giving products a second and third life, exploiting new IT solutions to reach better utilization of products and increase efficiency of sorting and recycling to extract more incorporated value, is a source of innovation, growth and export market for the EU economy. This innovation can be stimulated by

- Promoting long-term performance-based business models in public private partnerships by extending green public procurement to a more holistic circular procurement approach.
- Removing unnecessary barriers that restrict the cross-border flow of refurbished equipment / spare parts by correcting outdated definitions of waste;
- Introducing open data / IT standards for communicating real-time lifecycle data of connected products and components as precondition for a new service industry around smart asset management;
- Facilitating cooperation across industries to strengthen circular models and incentivize reverse logistics;
- Supporting the development of resource efficient, innovative solutions for a circular economy in Europe through Horizon 2020.