

Product Risk Radar

The EU Green Deal and Circular Economy

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What is the Green Deal?

The European Green Deal, launched in 2019, is the European Union's flagship decarbonisation strategy. The Green Deal sets the target of a carbon-neutral Europe by 2050 (i.e., "net-zero"). To help achieve this aim, EU Member States have pledged to reduce emissions by at least 55% by 2030, compared to 1990 levels.

The measures and regulations introduced as part of the Green Deal strategy seek to incorporate climate and environmental objectives into all sectors of the economy, and so the impact will be felt by all businesses operating in the EU. A key building block of the Green Deal, particularly relevant to product manufacturers and resellers, is the Circular Economy Action Plan.

What is the Circular Economy Action Plan?

The latest Circular Economy Action Plan ("CEAP") was adopted by the European Commission in March 2020 following the adoption of its first CEAP in December 2015. The CEAP identifies 35 legislative and non-legislative actions to improve the circularity of products in the EU market. It targets how products are designed, promotes circular economy processes, encourages sustainable consumption, and aims to ensure that waste is prevented, and the resources used are kept in the EU economy for as long as possible.

Key legislative developments resulting from the CEAP include:

- [The Sustainable Batteries Regulation](#)
- [The proposed Packaging and Packaging Waste Regulation](#)
- [The proposed Ecodesign for Sustainable Products Regulation](#)
- The EU's proposed greenwashing regime under the proposed Green Claims Directive, and proposed Empowering Consumers in the Green Transition Directive

The CEAP also provides for non-legislative actions such as the adoption of a new Strategy for Sustainable and Circular Textiles.

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Why should your business care?

Sustainability requirements will apply to virtually all physical goods placed on the market in the EU and so impact almost all sectors. Circular economy measures will have a transformative effect on the EU market, significantly curtailing the use of the "take, make, break and throw away" model across almost all product categories. Businesses need to start considering now how they can adapt and modify their products to ensure they can meet these stringent new requirements.

What comes next?

The EU will continue to monitor and implement the range of actions proposed under the CEAP. Product companies will need to track the individual legislative developments applicable to their business so that they can ensure compliance as and when they enter into force.

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