

NEW CIRCULAR ECONOMY ACTION PLAN

A.I.S.E. Position paper

9 March 2021

A.I.S.E., the European association representing the detergents and maintenance products industry, welcomes the objectives of the European Commission's **Circular Economy Action Plan 2.0 (CEAP): "For a cleaner and more competitive Europe"**, and is committed to continue its dialogue with the EU policymakers and the value chain partners ahead of the upcoming legislative and non-legislative initiatives.

The products and services provided by companies for the household and professional sectors play a critical role for society as they help address vital needs for protection from infection, but also for comfort and wellbeing. These are essential enablers for securing the adequate maintenance and durability of goods, surfaces and infrastructures, which is a key principle of the Circular Economy. Together with the circularity of our packaging, we also recognise the importance of leveraging the circularity of the ingredients used in our products through the use of renewable carbon sources and ensuring their complete biodegradability.

We wish to highlight the importance of ensuring a coherent and legally sound legislative framework that is supported by a science-based approach and solid impact assessments. This will guarantee that the functionality of our products and packaging materials can be maintained for the safety of citizens, the environment, and businesses. Moreover, legal certainty, predictability and workability of policy-making needs to be ensured during all phases of the legislative process, as well as for secondary legislation and guidelines, through the proper application of the Better Regulation principles. It is also key that existing legislation is fully implemented and enforced. This will ensure successful legislative predictability and business certainty.

A well-functioning EU Single Market should be preserved in order to stimulate the competitiveness of EU industry. To this purpose, it is essential that EU legislation is harmonised, holistic and inclusive, also providing flexibility for future innovative technologies. To ensure businesses can operate sustainably, and achieve and maintain the necessary scale, we need one Circular Economy within the EU and not 27 separate pieces of legislation, targets and objectives leading to a fragmented EU where the free movement of goods is jeopardised.

This paper aims to share the cleaning, detergents and maintenance products industry's vision and further recommendations on CEAP to deliver on the objectives of the European Green Deal, addressing sustainability, circularity, consumers' and end-users' needs as well as industry competitiveness. All these integrated aspects should also help reduce greenhouse gas emissions as outlined in the Green Deal Climate Initiative, which is strongly supported by our sector.

A sustainable product policy framework

A.I.S.E. welcomes the objectives of the sustainable product policy framework, in particular the initiatives related to substantiation of green claims, empowering consumers in the green transition and the sustainable product initiative. A holistic approach towards sustainability, which includes social, environmental, and economic aspects should be taken into consideration, as well as the unexploited potential of digitalisation.

A.I.S.E.'s experience with industry voluntary initiatives clearly indicates that such programmes should be considered as part of the sustainable product framework, as many have proven to bring

meaningful and measurable improvements towards sustainable development of our sector. Moreover, A.I.S.E. has participated in the Product Environmental Footprint (PEF) Pilot project¹ on household liquid laundry detergents, the learnings of which can be applied to discussions regarding the methodologies for the substantiation of green claims. Under the framework of consumer empowerment and the importance of adequate information guiding their purchase decisions, A.I.S.E. has been conducting consumer campaigns on sustainable use of our products², as well as initiatives and consumer surveys³ demonstrating the need to further optimise products labels and information through digitalisation. To this end, online tools should be exploited, supporting the increased interest of consumers to gain more product information, as well catering to the continuous decreasing space available on packaging.

Furthermore, under the objective of boosting circularity of our final products and packaging material, A.I.S.E. has also developed industry guidance on sustainable sourcing of bio-based material aimed at guiding and supporting companies⁴.

Green claims, substantiation and consumer communications

- The continued growth of environmental and sustainable claims and logos has led to consumer confusion, as well as to false claims from certain operators. **A.I.S.E. is thus supportive of the European Commission's objective of tackling the issue of proliferation of insufficiently substantiated environmental claims** (so-called "green washing"), and the effort to steer consumers towards better informed and more sustainable consumption choices. In this regard, **A.I.S.E. has developed and implemented an approach to achieve this objective through its long standing A.I.S.E. voluntary [Charter for Sustainable Cleaning](#)⁵. The Charter should be recognised as an operational tool that helps effectively reduce the footprint of our sector, as it uses a science-based approach, full life cycle assessment, and transparent independent third-party verification.** This scheme is already recognised by various actors in several countries and is constantly being further updated to reflect scientific developments. Moreover, the Charter highlights the proactive commitment of our sector, as demonstrated through our annual sustainability reporting e.g. 44% of CO₂ and 36% energy reduction in the production phase as well as 32% less packaging per consumer units, between 2006 and 2019⁶. The following graph demonstrates how the decoupling of energy use and CO₂ emissions from production has been increasing.



¹www.aise.eu/pef

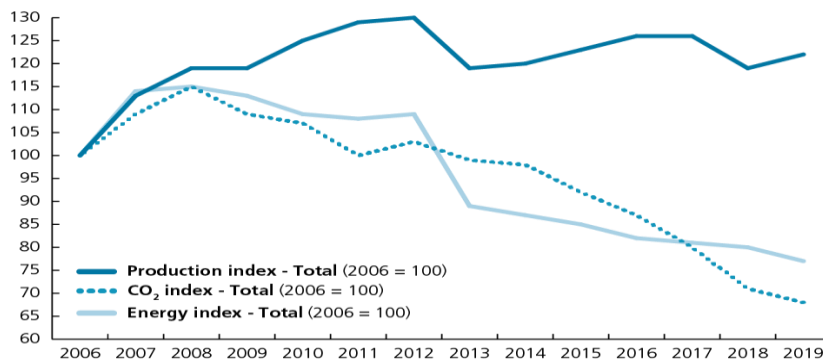
²<https://www.aise.eu/our-activities/information-to-end-users.aspx>

³www.aise.eu/our-activities/information-to-end-users/consumer-research.aspx

⁴<https://www.aise.eu/our-activities/sustainable-cleaning-78/circular-economy/bio-based-materials.aspx>

⁵www.aise.eu/our-activities/sustainable-cleaning-78/charter-kpi-reporting.aspx

⁶https://www.aise.eu/documents/document/20200727143009-aise_ar19-20_final_double_page_spread.pdf

ENERGY USE AND CO₂ EMISSIONS DECOUPLED FROM PRODUCTION

Source: A.I.S.E. Activity & Sustainability Report 2019-20

- The substantiation of environmental claims through PEF needs to be carefully assessed. **PEF has a long-term potential but, in its current form, this methodology is not yet sufficiently mature for product-to-product comparisons and does not help substantiate certain environmental claims, which are not covered by the lifecycle impact categories of the PEF method. At this stage, most of the recommended PEF methods lack the scientific robustness for this purpose⁷.**
- By supporting the objectives of substantiating environmental claims through LCA and other validated science-based methods, **a solid partnership between the industry and the European Commission will be required to reach these objectives.** In this regard, **A.I.S.E. is willing to cooperate with the Commission to work on robust methodologies**, by using our Charter for Sustainable Cleaning as a basis while integrating PEF into the Charter sustainability mechanisms. This would help achieve the substantiation of green claims objectives, while addressing the inadequacies, gaps, and concerns of the current PEF methodology.
- In relation to consumer empowerment, **targeted and sharper on-pack information of value to consumers should be promoted together with easily accessible online information complemented by back-up digital solutions.** This approach is aimed at bringing information of significance to consumers for safe use of products. Moreover, with the scaling down of packaging, the space for on-pack information is also reducing. Our current product legislation requires us to disclose on-pack information, some of which refers to technical jargon/terminology that is often not easy for consumers to comprehend. Therefore, **some of this information could be moved online where relevant product characteristics can be better explained and illustrated.**

Sustainable product initiative and eco-design

- The establishment of **sustainability principles under the sustainable product initiative should support circularity and, at the same time, clarify potential applicability of these principles.**
- **The extension of the scope of the Eco-design Directive should not be considered for detergents and maintenance products as they already follow their own regulatory framework, and are not meant to be repaired, renewed or replaced.** Moreover, our companies are taking an active role as enablers and promoters of increased energy efficiency

⁷Product Environmental Footprint Category Rules Guidance, Version 6.3 – May 2018:
https://ec.europa.eu/environment/eussd/smgp/pdf/PEFCR_guidance_v6.3.pdf

through specific consumer campaigns aimed at educating consumers on best cleaning practices⁸. Hence, the **A.I.S.E. product categories should be excluded from the extension** to maintain the current regulatory framework and avoid legal overlaps and uncertainties.

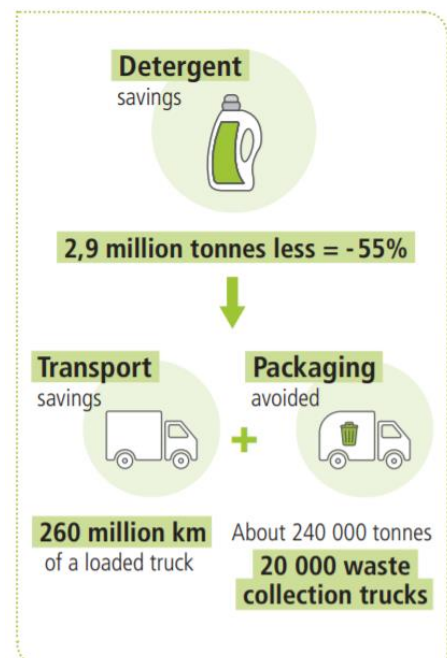
- The introduction of **digital product passports** to track the sustainability impacts of products **should be compatible with existing digital tools**, such as the SCIP database particularly when addressing chemicals and hazardous substances, **as well as be thoroughly assessed against its effectiveness and feasibility**. Furthermore, it should be clearly **defined which characteristics a digital product passport entails, in line with existing provisions and taking into account the respective sectorial approaches**.

Sustainable packaging

A.I.S.E. supports the revision of the existing essential requirements for packaging and the consideration of measures to prevent unmanaged packaging waste. We are already active in addressing these challenges and have undertaken several initiatives to reduce packaging within our membership and to increase the uptake of recycled plastic content in packaging.

Moreover, A.I.S.E. shares the objective of creating an EU-wide harmonised model for separate collection of waste and recognises the importance of reducing waste. Harmonisation of the collection and recycling systems across Member States is needed to ensure availability and quality of secondary raw materials and eliminate the limits on cross-border shipment of waste. Nevertheless, issues related to lack of investments in new technologies, waste management infrastructures, revenues paid by industry and waste related definitions need to first be addressed to overcome the current obstacles.

Within the objective of further reducing unnecessary packaging placed on the market, **additional industry voluntary actions should be considered instead of regulatory measures, as in many cases the former are able to achieve the policy goals faster and with better results**. A.I.S.E. has a long-track record of similar initiatives such as the **voluntary initiative on compaction for certain household products, also leading to less volume of packaging used**⁹.



Source: A.I.S.E. Factsheet on Compaction of Household Laundry Detergents

⁸<https://www.aise.eu/our-activities/sustainable-cleaning-78/engaging-with-consumers.aspx>

⁹Between 1997 – 2017, detergents savings of 55%, resulting in about 240 000 tonnes of packaging avoided. https://www.aise.eu/documents/document/20190410111600-aise_factsheet-2019_compaction_def.pdf

To this end, A.I.S.E.:

- established a voluntary initiative on compaction for certain household products with the aim to reduce the volume of packaging used¹⁰;
- joined the Circular Plastics Alliance¹¹;
- launched an initiative on plastic packaging with signatories committing by 2025 to use a minimum of 20% volume of recycled plastic material in packaging and make all packaging of household products in the A.I.S.E. portfolio recyclable, reusable or compostable¹².

In parallel with pursuing legitimate environmental goals, the EU industry needs to operate in a well-functioning Single Market, conducive to stimulating innovation and competitiveness. In order to ensure our packaging becomes truly circular and sustainable, the following barriers need to be unlocked:

- **Ensure a true Single Market through harmonised EU rules and provide legal certainty to businesses.** This will continue to **stimulate competitiveness of the EU industry by avoiding divergent policy measures among the Member States, particularly on free movement of packaging and packaged goods**, that may risk distorting the market¹³.
- Implementation and enforcement of EU legislation is key to ensure the same rules apply within the Single Market and provide certainty to businesses. **Core elements of legislation such as definitions and scope need to be agreed and concluded during the primary legislative phase, and not left for further guidance documents**, in alignment with Better Regulation principles. For example, the **Single Use Plastics Directive (SUPD)** principles and objectives are laudable, aiming at limiting pollution. However, there have been some major shortcomings during the post-legislative phase, with **the guidelines establishing the scope/definitions, as well as of the implementing act for marking requirements having suffered significant delays in their development and finalisation**. It is critical that companies benefit from business predictability for these measures entering into force in July 2021, as adapting artwork and labelling requires investment in time and financial resources. In addition, resource efficiency and sustainability principles dictate that **existing products placed on the market before the deadline can still be sold**.
- **High quality recycled secondary raw material has to be made available in sufficient quantities** from reliable sources to all market players to ensure high performance aligned with industry standards.
- **International cooperation needs to be strengthened to facilitate imports of secondary raw materials** and address the loss of resources caused by illegal export of waste to third countries.
- **Waste management infrastructures and technologies require improvements** to ensure proper sorting and an effective management of the recycling process.

¹⁰www.aise.eu/preps:

¹¹<https://ec.europa.eu/docsroom/documents/43704>

¹²<https://www.aise.eu/our-activities/sustainable-cleaning-78/circular-economy/packaging-2222/voluntary-industry-initiative.aspx>

¹³Examples of national legislative developments threatening the integrity of the Single Market for packaging and packaged goods are reported in this EU packaging value chain Position Paper on the protection of the integrity of the Single Market. Annex I: Spain, France and Italy:

https://www.aise.eu/documents/document/20200918093637-packaging_chain_forum_statement.pdf

- **Revenues paid by industry should be reinvested** into better collection, sorting and recycling infrastructures, with the aim of increasing the amount of packaging effectively recycled and the supply of high quality secondary raw materials.
- **A European definition of “recyclability” is necessary** to avoid different provisions and interpretation at national level of what can be recycled or not, since the current situation creates legal uncertainty for industry, restrictions of internal Single Market, and limits to the environmental benefits.
- The **development of new innovative digital solutions and technologies like watermarking** should be encouraged, as it is important to increase sorting of packaging and enhance the high quality of recycling.
- **All contributing technologies should be recognised**, from mechanical to chemical recycling as well as the use of bio-based materials and every future de-fossilised material.

In this journey, A.I.S.E. is committed to continuing to work constructively and proactively with its value chain on these priorities. This should help steer further tangible progress on circularity, sustainability and empowering consumers, as well as enabling the innovation and competitiveness of the EU industry in a well-functioning Single Market and predictable legislative environment.

