

## Ecopreneur.eu: Price as the ultimate label

Brussels, 23 January 2019 - Ecopreneur.eu, the European Sustainable Business Federation, has filed its response to the public [consultation](#) on the EU product policy.

Product policy is crucial for realising the circular economy. From the perspective of the more than 3000 green SMEs and pioneers in the membership of Ecopreneur, the economic framework should foster delivering circular products and services. We therefore welcome this consultation and urge the next European Commission to **prioritise the circular economy** in their workplan with a focus on product policy.

Existing EU regulation is inadequate to realise the circular economy. It is still unable to solve the huge waste problems for many products and materials in virtually all sectors, ranging from construction and plastics to food, textile and electronics. It does not foster circularity over the life cycle on crucial aspects such as **redesign, sharing, delivery, maintenance, reuse and repair, take-back and 100% collection**. It also fails to include citizens to create markets for circular products and services. Implementation of new regulation is still due and market surveillance is often lacking.

Ecopreneur.eu recognises REACH as a valuable policy instrument for improving environmental safety. The most imported question is how many toys are still imported that contain banned substances while carrying a false CE label that has not been verified at all. To ensure safe products, all recovered substances should in principle be registered under REACH and thereby achieve end-of-waste status. However to avoid excessive costs and red tape, **especially for SMEs, we favour to retain an exemption for goods with relatively small waste stream impacts**, i.e. restrict the mandatory registration under REACH to materials recovered from high-impact waste streams such as WEEE, plastics, pharmaceuticals etc.

Environmental and social labels are important to sustainable SMEs and pioneers in a range of sectors, giving them a competitive advantage. At the same time, the labelling system has many flaws. There are way too many labels, they are often too expensive for SMEs, and do not recognise the latest innovations. Also, the information is generally confusing, incomplete, too detailed, does not cover the full life cycle such as the impact of microplastics on the oceans, often fails to prevent poor labour conditions in the supply chain, is hardly readable, is used only by a minority of consumers, etc. There is strong criticism from NGOs on the reliability of many labels that are abundant in the super market. Barcodes and QR codes that can be easily scanned by consumers to provide direct online access to relevant information are lacking. Because the lack of transparency throughout the value chain forms a major obstacle for circularity, Ecopreneur advocates **fostering digital information disclosure on all relevant product information throughout the lifecycle**.

An added value of an improved Ecolabel could be to **simplify the choice for conscious consumers** by being a reliable "stamp" of sustainability without having to know all kinds of details about the product in question. To improve its reliability, Ecopreneur advocates **increased market surveillance of imported goods** including **random, unannounced checks** on the actual presence of SHVCs, in combination with **high fines** for their presence above legal limits. The fine revenues by each agency should be added to their budget for market surveillance. The same principle should be applied to market surveillance of all environmental regulations in all member states, including **false CE labels and false claims** regarding health and environmental impact. These measures are all the more important because the EU needs the trust of EU citizens.

In addition to labelling and ecodesign regulation, the circularity of products needs to be reflected in the price of end products and in public procurement. Most people buy on price and emotion. Green consumers form a niche market that is hardly growing. Ecopreneur therefore advocates **strong price incentives through (a) harmonised implementation of eco-modulated fees in improved schemes for extended producer responsibility, (b) a tax shift from labour to consumption, and (c) opening up the VAT directive to allow member states to differentiate VAT rates on the basis of circularity and sustainability**. This would turn the product's price into a powerful label. The price incentives can be calculated **using existing data on shadow prices** (true costs) reflecting externalities. Where these data are missing, the Commission should prioritise their **calculation**. Incentives for the uptake of secondary raw materials should be included. Work on Product Environmental Footprints (PEFs) should be continued.

Finally, to deliver the circular economy, Ecopreneur advocates:

- Increased support for circular economy in all Member States, including national **circular “hubs”**, aligned policies and increased access to finance for SMEs;
- A **massive training program “Buy Circular”** for local, regional and national governments and companies on how to integrate circularity in procurement;
- **Expansion of the EU Ecodesign Directive with minimum requirements for circular design for all end products and services**, starting with those with high resource intensity; a ban on microplastics and oxo-degradable plastics.

Click [here](#) for our position on the interface between chemicals, waste and products and [here](#) for our recommendations on extended producer responsibility.

#### **ABOUT ECOPRENEUR.EU**

Ecopreneur.eu sets a course toward sustainable economic policies on the European level to support the economic and societal transformation across Europe and beyond. Ecopreneur.eu aims at opening solidified structures and brings sustainable matters to European policy makers. Ecopreneur is a non-profit non-governmental organization that is quickly growing and now holds seven associations from different countries of the European Union. Together they represent over 3000 green businesses, mostly SMEs.

#### **Contact information**

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