



European  
Commission

# CIRCULAR ECONOMY

## Closing the loop

### THE PRODUCTION PHASE OF THE CIRCULAR ECONOMY

**T**he production phase has an impact on the environment, supply of resources and generation of waste. The circular economy starts at the very beginning of a product's lifecycle – smart product design and production processes can help save resources, avoid inefficient waste management and create new business opportunities. By providing instruments and incentives to improve the production phase, the actions put forward will not only help save resources, but also boost innovation and cross-border trade in the EU single market.

- **BETTER PRODUCT DESIGN** – many valuable materials are lost every year, because it is difficult to recover them from products, such as mobile phones or flat screens. Better product design can help save precious resources. The Commission will support product requirements under the Ecodesign Directive that makes products more durable, and easier to repair and recycle. As a first step, the Commission will propose rules for easier and safer dismantling, reusing and recycling of electronic displays. This comes on top of existing energy efficiency requirements for products, which by 2020 will bring savings of €465 per year, per household on their energy bills.
- **CREATING INCENTIVES** – to create a direct economic incentive for producers to make products that can be easily recycled or reused, the Commission will propose to differentiate financial contributions paid by producers in extended producer responsibility schemes on the basis of the end-of-life costs of their products.
- **IMPROVED PRODUCTION PROCESS** – In order to reduce resource use and waste generation in production processes, the Commission will promote best practices in a range of industrial sectors through Best Available Techniques Reference documents (BREFs) for various industrial sectors. It will also issue guidance on mining waste.
- **INNOVATIVE INDUSTRIAL PROCESSES** – The Commission will clarify rules on by-products and on end-of-waste status, which will help support the development of industrial symbiosis – a process by which the waste of one company can become the resource of another company. To promote resource efficient and innovative industrial processes, such as industrial symbiosis or remanufacturing, the Commission supports innovative industrial initiatives under the financing programme Horizon 2020 and through Cohesion Policy funds.

#### WHO WILL BENEFIT?

##### BUSINESS

Many new business opportunities will develop as better product design leads to a focus on new production technologies and materials. Small and Medium-sized Enterprises may find opportunities to differentiate themselves through more resource efficient processes, which will also result in financial savings.

##### CONSUMERS

Improved waste management rules and value generation from waste will reduce the cost of management of products at their end-of-life and better product design will make products more durable and efficient.

##### THE ENVIRONMENT

Smarter use of resources will also help protect the environment and reduce climate change for current and future generations.