

# ‘What next for UK and EU circular economy policy?’

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# Context - From shared rulebook to widening CE policy & legislative gap

## In the EU:

- European Green Deal
  - ↳ Circular Economy Action Plan
    - ↳ Various legislative amendments and developments...
      - ↳ *Circular Economy Act (proposal in 2026)?*
- A slowing down or pushback on policy ambition in the EU?

## In the UK:

- A modicum of progress, but... ‘fits and starts’
- Generally speaking, UK is lagging behind in developing its circular economy policy
- Legislative divergence has opened up on a number of fronts

- Is divergence in legislation a problem anyway?
- Is the policy gap now beginning to narrow?



# Divergence summary

- There are already many areas where policy divergence has arisen between the UK and EU. While there are some exceptions, there has often been **‘divergence by default’**, whereby the UK has not replicated new EU policies.

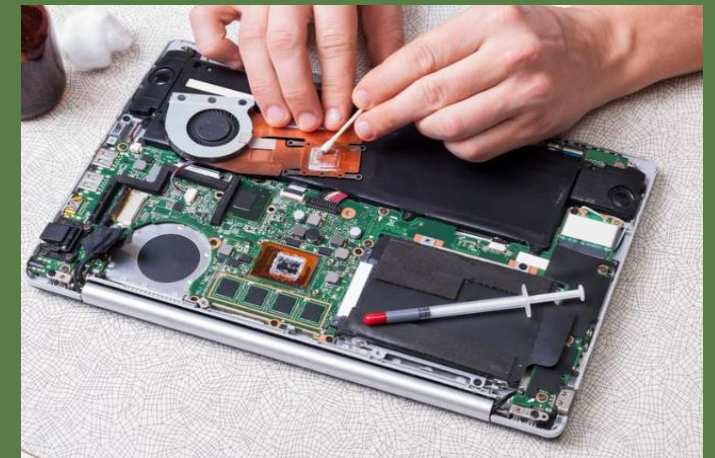
Broad Alignment	Minor Divergence (with potential for significant divergence in future)	Significant Divergence
Single Use Plastics	Waste Framework Directive amendment – Textiles & Food	Ecodesign for Sustainable Products
Packaging & Packaging Waste		Energy Perf’ of Buildings
		Batteries
		Critical Raw Materials

# Ecodesign and Sustainable Products



- The EU's **Ecodesign for Sustainable Products Regulation** opens up significant divergence.
  - Expanded scope from energy using products to all\* products \* exceptions: e.g. food and feed, medicinal products
  - Improved durability and reusability of products, increased energy efficiency, and recycled content.
  - Digital Product Passports for goods
- Could **2021 Environment Act & 2025 Product Regulation and Metrology Act** be used to close this emerging gap?
- Further legislative divergence: EU's **Directive on Repair of Goods, Product Liability Directive** and **Directive on Empowering Consumers for the Green Transition**.

*“ ‘Ecodesign’, refers to a design approach that aims to minimise the environmental impact of a product (including for example the materials to be used in the product, how it will be manufactured and disposed of at the end of its lifecycle).”*



# Textiles and Food

- A provisional agreement on a revision to the EU's **Waste Framework Directive** focussed on textiles and food waste
  - Extended Producer Responsibility for textiles
  - UK efforts to date to reduce textile waste have been largely voluntary
  - On food... Targets to reduce food waste by 2030
  - The UK approach to food waste reduction is again, mainly voluntary.





# Buildings, Batteries and Critical Raw Materials

- **Construction Products Regulation and Energy Performance of Buildings Directive**
- Legislation vs strategies...
  - EU (revision) **Batteries Regulation**
    - Shortening raw material supply chains, reduce harmful substances, recycling efficiency, content and material recovery.
    - UK has developed a non-legislative battery *strategy*
  - New **Critical Raw Materials Act**
    - Target driven, focus on greater domestic extraction, strengthening supply chains and autonomy
    - UK non-legislative Critical Raw Minerals *strategy*



# Plastics and Packaging Waste

- Plastics
  - Broadly speaking, alignment between England, Scotland and Wales with EU on Single Use Plastics.
  - The EU has gone further in addressing oxo-degradable plastics though, while the UK introduced a ban on single-use vapes
  - EU & UK in the process of introducing Deposit Return Schemes for plastic bottles and aluminium cans (2027)
- Packaging
  - UK packaging reforms ongoing: Extended Producer Responsibility Scheme through the **Producer Responsibility Obligations for Packaging and Packaging Waste**
  - **EU Packaging and Packaging Waste Regulation** (upgrade from a Directive)



# Recommendations (1) – for UK Government and the Devolved Administrations



- Strengthen ambition with a shared vision for circular economy in the UK
- Identify and mitigate challenges for businesses caused by divergence
- Increase collaboration with the EU for data & information and good practice sharing



# Recommendations (2) – Looking ahead to the Circular Economy Strategy for England



- Identify implications and opportunities relevant to trade to embed interoperability
- Embed circular economy-related infrastructure, jobs and skills needs, and policy interventions required to support those
- Leverage existing legislative and trade developments to support ambition and a level playing field for circularity
- Resolve policy misalignment, currently hampering circular economy practices