Political Impacts on the vaping market

21st January 2022

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Overview

1. **EU Green Deal**

2. **Circular Economy**

3. **Case study - Single Use Plastics Directive**

4. **Impact on vaping**

5. **Recommendations**

1. Overview of the EU Green Deal

EU Green Deal

- First major policy launch for Commission President Ursula von der Leyen;

- Communication (non-legislative) setting out the overall plan with an outline of the most immediate legislative reviews or proposals necessary to start delivering on the Green Deal;

- EU Green Deal is in a sense all pervasive in policy as it touches every area of the economy - spanning air quality to deforestation, from renovated buildings to product design;

Overall objectives:
  - no net emissions of greenhouse gases by 2050
  - economic growth decoupled from resource use
  - no person and no place left behind

fresh air, clean water, healthy soil and biodiversity	renovated, energy efficient buildings	healthy and affordable food	more public transport
cleaner energy and cutting-edge clean technological innovation	longer lasting products that can be repaired, recycled and re-used	future-proof jobs and skills training for the transition	globally competitive and resilient industry

EU Green Deal

- First output was the EU's Climate Neutrality Law - legally mandating the EU to reach net zero by 2050 (prior to this all long term targets were only indicative and as low as 80% decarbonisation), with an updated 2030 target later added to it;

- Since the launch of the Green Deal, the Commission has also unveiled their Fit for 55 package (currently being worked on by Parliament / Council), which includes 13 different proposals, and the follow up winter package in December 2021, which includes several more proposals covering sectors like gas and buildings;

- European Commission has laid out long term policy roadmaps across the board: circular economy, industrial strategy, chemicals strategy for sustainability, zero pollution action plan, biodiversity strategy to 2030;

2. Circular Economy

Circular Economy

- Circular Economy predates the Green Deal as it relates to waste policy (resource efficiency / "cradle to grave" / "cradle to cradle");

- First Action Plan in 2014/2015 - overhaul of EU waste legislation in 2018, launch of Plastics Strategy and other ongoing legislative reviews;

- Current discussions span product design, material efficiency (quantification & comparison of repairability, recyclability, reusability etc), responsible sourcing, and waste policy;

- The first half of 2022 alone should have close to 10 legislative reviews or proposals of new legislation in the area of circular economy;

3. Case Study - Single Use Plastics Dir.

Plastics Strategy (SUP Dir. background)

- Following the announcement in the Circular Economy Action Plan, the Commission launched the Plastics Strategy in 2018;

- The aim of the strategy is to transform the way plastic products are designed, produced, used and recycled in the EU, with objectives to:
  - Curb plastic waste
  - Drive innovation and investment
  - Make recycling profitable for business
  - Spur global change

- The strategy itself includes a Communication to explain the ethos that underpins the initiatives, and then a list of measures they intend to take, which includes:
  - A list of future legislative reviews or other options;
  - A list of what actions Member States can already take; and
  - a Pledging Campaign to achieve 10 million tonnes of recycled plastics to be put on the market by 2025;

Single Use Plastics Directive - overall

- First legislative output of the Plastics Strategy;

- The new Directive was proposed by the Commission end of May 2018, and already adopted and entered into force by July 2019;

- Very fast moving - primarily attributed to the timing around the European elections (natural deadline / visibility of the issue);

- In a nutshell: targets smorgasbord of products (10 single-use plastic items most commonly found on Europe's beaches) with smorgasbord of solutions (bans, targets, obligations);

Single-Use Plastics Directive overview

Product bans   Design requirements   Plastic bottle collection target

EPR obligations   Awareness-raising measures

Single Use Plastics Directive - measures

- **Product bans:** some items, where alternatives are available are banned (e.g. cotton bud sticks);

- **Design requirements:** certain products have mandated minimum recycled content (PET beverage bottles - 25% by 2025, and 30% by 2030) and others like container caps and lids have to remain attached to the container;

- **Targets for separate collection:** targets have been set for the collection of plastic beverage bottles (77% by 2025 and 90% by 2030);

- **EPR obligations:** certain products will have Extended Producer Responsibility obligations placed on them. These extra fees are expected to cover the costs of waste management, including the costs of awareness-raising measures and litter clean-up, transport and treatment;

- **Other measures:** include a "measurable quantitative" reduction in the consumption of some single-use items, labelling requirements to better communicate to consumers appropriate waste disposal, and several awareness-raising measures;

Single Use Plastics Directive - tobacco

- **Scale:** an estimated 4.5 trillion cigarette butts are thrown away every year worldwide (plastic waste and hazardous chemicals);

- **Visibility:** also among the 10 most found littered items on beaches;

- **Measures proposed:** labelling requirements, Extended Producer Responsibility fees to cover clean-up and awareness raising measures), and awareness raising beyond just the labelling (though reverts back to labelling);

- **Review:** the Single Use Plastics Directive will be reviewed by 2027 at the latest and will also address whether other measures need to be taken vis a vis tobacco / cigarette butts (e.g. material bans);

4. Impact on vaping

Potential impacts / considerations

- Bottles / e-liquid containers: depending on the types of restrictions or rules imposed, it could have an impact on ideal bottle size, types of materials, and associated cost increases;

- Disposable e-cigarettes could be targeted for their single use nature - depending on the development of the market and policymaker perceptions (alternatives already exist);

- Based on existing legislation applied to other types of products: Extended Producer Responsibility fees, bans of certain products or materials/chemicals, changes / limits to product design (Ecodesign approach);

5. Recommendations

Recommendations

- Continue to monitor and assess developments in EU environmental (& other) areas for their potential direct or indirect impact on the vaping sector;

- Prepare a best practices guide or a code of conduct covering a responsible business approach in order to get ahead of the issue (e.g. take-back schemes);

- Continue to research economic recycling options (eventually the number of exemptions or products not covered by legislation diminishes);

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