

EU Sustainability Regulations: When and how they'll affect your brand



About



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About me:

30+ years in snow and outdoor industries.

Leadership roles at K2 and Outdoor Research.

Introduced hundreds of styles and millions of units to market.

Executive committee that initiated the Higg Index.

Led sustainability efforts in snow and outdoor since 2007.

Founded Snaplinc Consulting in 2018 to help the best brands manage and mitigate environmental impacts.

About Snaplinc Consulting:

Sustainability and ESG support for a range of sectors.

Strategy setting.

Environmental assessments.

Supply chain and labor due diligence.

Materials and chemicals assessments.

Sustainability compliance.



Contents

Part 1: Background

Part 2: Assessment and Reporting

Part 3: Packaging

Part 4: Chemicals and more

Part 5: Future

Part 6: Next Steps

Part 7: Q&A

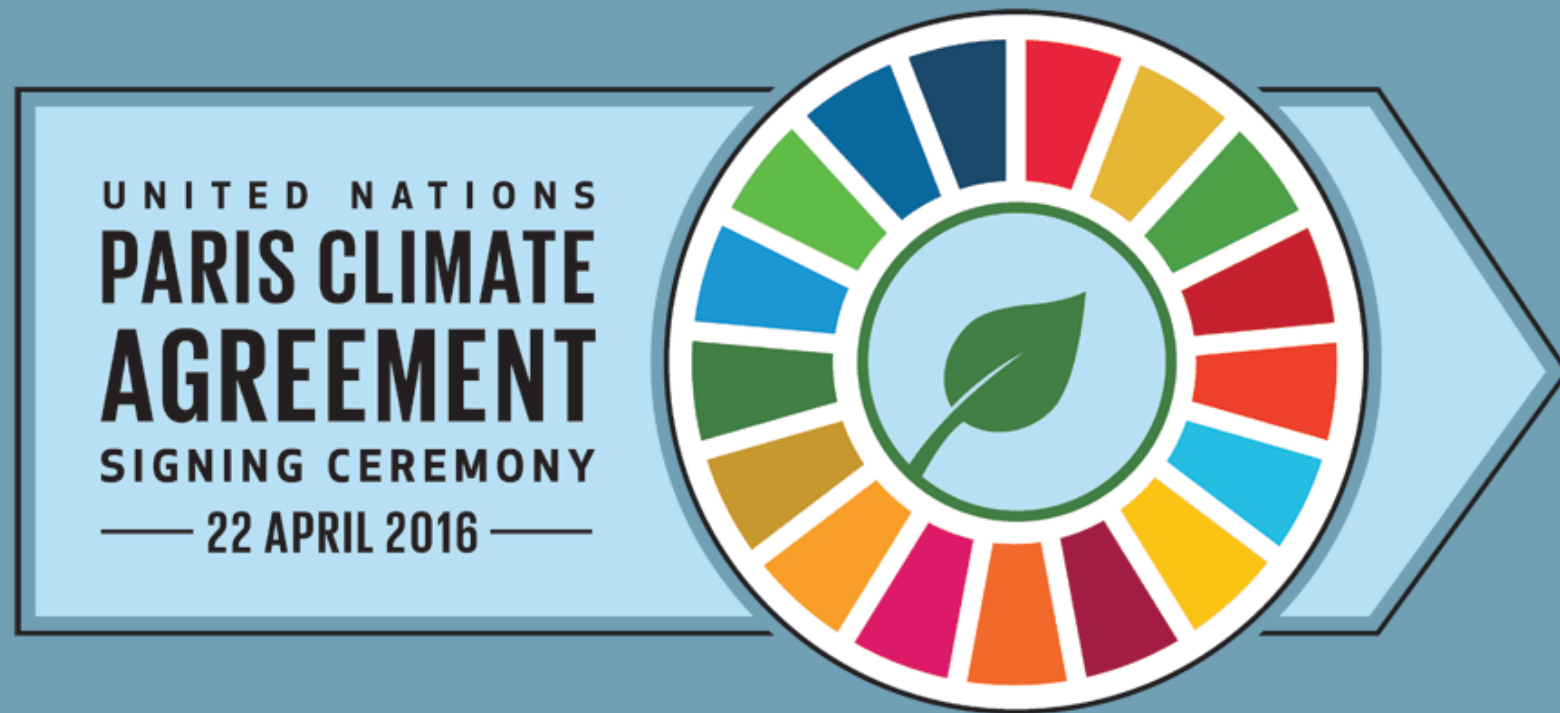




PART 1:

Background

History of EU Sustainability Regulations



Paris Climate Agreement

It all started with the Paris Agreement in 2015.

Hold the increase in the global average temperature to well below 2°C above pre-industrial levels.

Pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

European Green Deal

Package of policy initiatives with the ultimate goal of reaching climate neutrality by 2050.

Supports the transformation of the EU into a fair and prosperous society with a modern and competitive economy.

Underlines the need for a holistic and cross-sectoral approach.

History of EU Sustainability Regulations

What is included in the EU Green Deal?

Multiple areas of action and focus

Several areas of this have already cascaded down to our industry

More are on the way

Requires constant monitoring

Which areas affect our industry?

Breaks down into several key areas:

Sustainability assessment and reporting

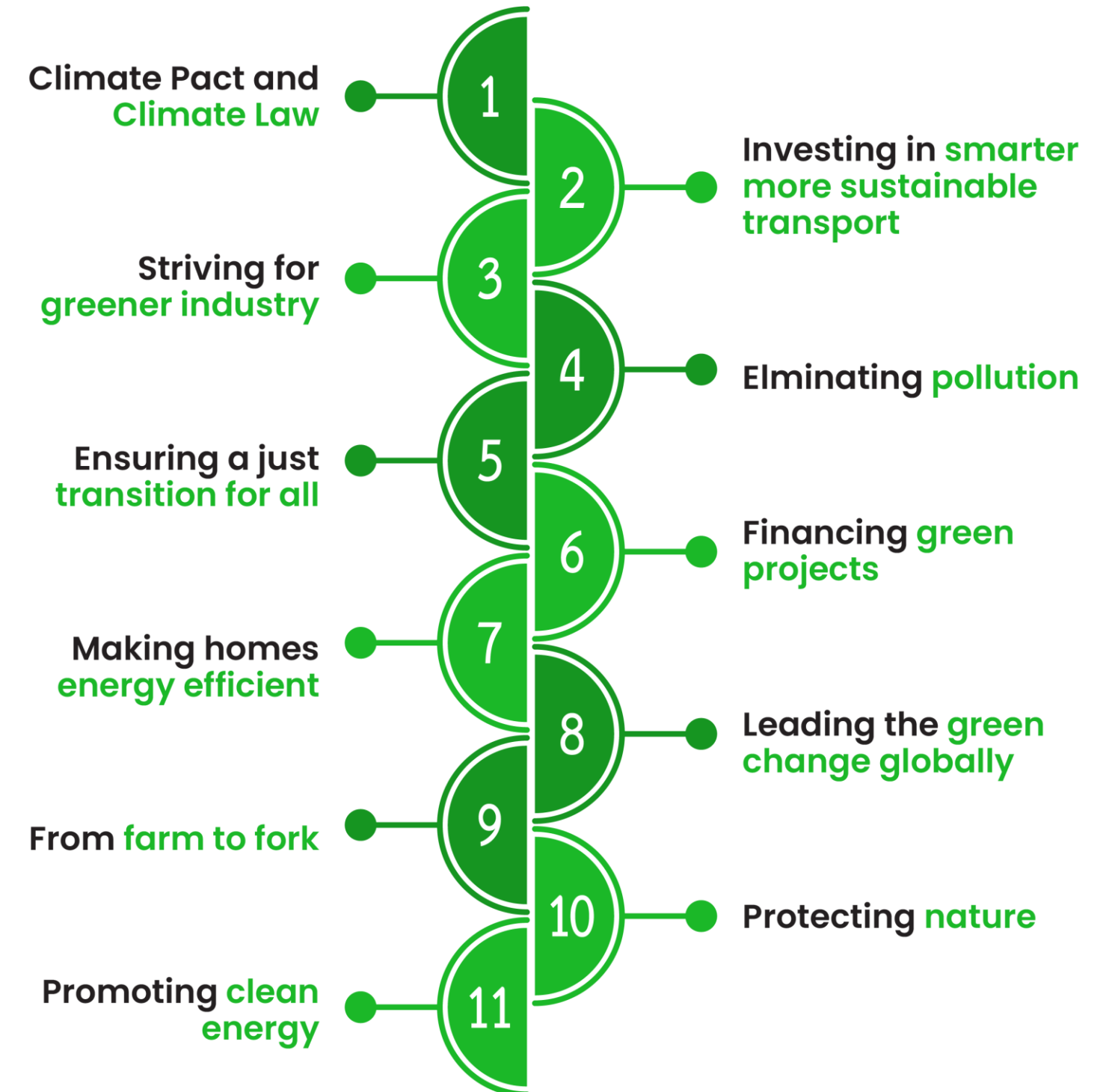
Packaging and Extended Producer Responsibility (EPR)

Chemicals

More...

And don't even ask about UK...

The European Green Deal





PART 2:

Sustainability Assessment & Reporting

Corporate Sustainability Reporting Directive (CSRD)

EU rules require large companies and listed companies to publish regular reports on the social and environmental risks they face, and on how their activities impact people and the environment.

Includes reporting on up to 12 categories.

Largest companies begin reporting in 2025 on 2024 impacts.

Phase in between 2024 and 2029

How to prepare:

- Determine if/ when CSRD applies to you.

- Complete a double materiality assessment to identify relevant risks, impacts and opportunities.

- Develop a reporting structure to ensure all relevant data is being gathered.

- Create a plan for limited assurance.



*Regardless of materiality assessment results, CSRD requires disclosures against this topic

EU Taxonomy for Sustainable Activities

Environmental Impacts

A categorization framework that defines environmentally sustainable economic activities, offering clear guidelines for companies, investors, and regulators on which ventures are deemed environmentally sustainable.

<https://ec.europa.eu/sustainable-finance-taxonomy/>

Timeline

2020 with continuing updates and modifications

Who

Companies that fall under CSRD

Purpose

People and planet



Greenhouse gas emissions are reduced by at least 55% by 2030 (compared to 1990 levels)



There are no net emissions of greenhouse gases by 2050



The EU society is fully adapted to the unavoidable impacts of climate change by 2050



The EU's natural capital is protected, conserved and enhanced



The health and wellbeing of citizens from environment-related risks and impacts is protected



No person and no place is left behind

EU Deforestation Regulation (EUDR)

Mandates due diligence for companies introducing commodities like palm oil, soya, wood, cocoa, coffee, cattle, and rubber, and derived products such as leather, chocolate and furniture to the EU market, aiming to permit only deforestation-free and legally sourced items from their countries of origin.

Due diligence

Data collection in some cases identifying plot of land
Risk assessment
Risk mitigation

Timeline

Products produced after June 2023 from land that was not converted from forest after Dec 31, 2020.
Notifications begin Dec 30, 2024.



EU Green Claims

New criteria to stop greenwashing just approved on September 19, 2023.

Estimated 24-month phase in.

Generic environmental claims and other misleading marketing tricks will be banned.

Applies to commercial communications about goods.

Only approved sustainability labels will be allowed.

Guarantee information to be more visible and a new guarantee extension label to be introduced.

Specifically the following will be banned:

- Generic environmental claims, e.g. “environmentally friendly”, “natural”, “biodegradable”, “climate neutral” or “eco”.
- Claims about a good with a feature that limits its durability.
- Claims based on emissions offsetting schemes that a product has neutral, reduced or positive impact on the environment.
- Sustainability labels not based on approved certification schemes or established by public authorities.
- Durability claims in terms of usage time or intensity under normal conditions, if not proven.
- Prompting the consumer to replace consumables, such as printer ink cartridges, earlier than strictly necessary.
- Presenting software updates as necessary even if they only enhance functionality features.
- Presenting goods as repairable when they are not.



PART 3:

Packaging

Packaging and Extended Producer Responsibility (EPR)

EU Packaging Directives

Requires Member States to set up systems for the return and /or collection and reuse or recovery (including recycling) of used packaging from the consumer in order to meet the EU recycling targets.

Extended Producer Responsibility (EPR)

Requires manufacturers and importers to be responsible for packaging post-consumer.

Not expensive, but moderate complexity.

Requires registration in each country where you distribute products.

May require packaging labeling.

Companies must join Producer Responsibility Organization (PRO)

<https://www.pro-e.org/>



Re_fashion

The eco-organization for the Textile industry



France

Anti-Waste (AGEC)

What is it?

Loi Anti-gaspillage pour une économie circulaire

Anti-waste law requires every product sold in France to have sustainability and circularity information.

Who does it affect?

Large and mid-sized companies.

What is required?

Make sustainability attribute data available to consumers.

Penalties levied for non-compliance.

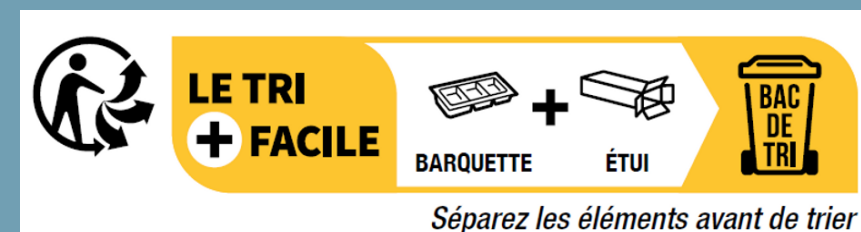
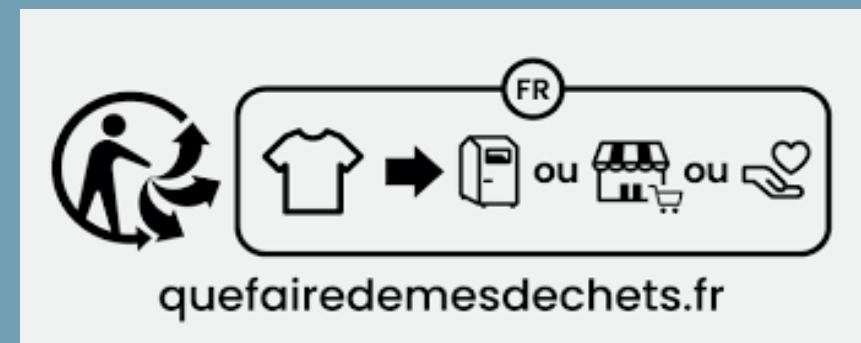
Triman

End-of-life labeling framework for products & packaging.

Must be labeled with Triman logo which serves to identify end-of-life management.

Logo must be directly on product or packaging.

Must reflect actual disposal options.



French approach may be challenged by the EU and Triman may be revoked, but required for now.

Italy

All elements of all packaging must be identified and defined.

Requires gathering of every ingredient in every piece of packaging and harmonizing to Italian standards.

It's all in Italian!

<https://www.etichetta-conai.com/en/>

Includes primary and secondary packaging.

Seleziona di seguito la tipologia e il materiale del tuo imballaggio. Queste informazioni sono fondamentali per la corretta codifica alfanumerica prevista dalla Decisione 97/129/CE che identifica il materiale del tuo pack, e poter indicare in maniera corretta al consumatore come conferirlo in raccolta.

Attenzione: la lista delle tipologie di imballaggi non è esaustiva, nè stringente, ma solo esemplificativa. Per la tua etichettatura puoi usare la formula che meglio descrive il tuo imballaggio.

1.

Corpo principale

Digita la tipologia del tuo imballaggio*

**la lista delle tipologie di imballaggi è solo orientativa e non esaustiva.*

oppure

Selezionala dalla lista*

Borse di plastica ultraleggere per alimenti sfusi

**la lista delle tipologie di imballaggi è solo orientativa e non esaustiva.*

CONTINUA

IMBALLAGGIO



PRODOTTI



IMBALLAGGI PRODOTTI



ETICHETTE INFO PRODOTTO



ALTRI ARTICOLI



SCATOLA DI
CARTONE

BUSTA DI
POLIETILENE

CARTONCINO
(CARTELLINO)

ALTRA SPAZZATURA
(NON RICICLARE)

CHE COS'È



DOVE VA



CHE COS'È



DOVE VA



CHE COS'È



DOVE VA



CHE COS'È



DOVE VA



ATTENZIONE

RICICLARE CORRETTAMENTE TUTTE LE CONFEZIONI, COMPRIMENDO LE SCATOLE DI CARTONE E RICICLANDO TUTTI I MATERIALI DI RIEMPIMENTO ALL'INTERNO.

ADOPTA LA CODIFICA ALFANUMERICA COME DA DECISIONE 97/129/CE.

UK Packaging

Similar to Italy.

Also very complex and with the addition of packaging weights.

Collect all contents of all primary, secondary and transit packaging.

Requires weight of each packaging element.

Final submission requires total weights tied to sales volume in the UK.

Thresholds are currently high, coming down year by year.

Civil penalties apply for non-compliance.





PART 4:

Chemicals

Chemical Compliance



Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)

Covers nearly every type of product.

Continuously evolving.

Requires continuous monitoring of added chemicals and their use in supply chain.

Includes chemicals in use in snowsports products including some PFAS.

Requirements

Companies are required to monitor and disclose chemicals in their supply chains.

Develop systems for assessing potential exposures.

Report use of any chemicals.



PART 5: Future

Ecodesign for Sustainable Products Regulation (ESPR)

Design to reduce products' environmental impact

Improve product sustainability information for consumers and supply chain actors

Prevent destruction of unsold consumer products

Promote more sustainable business models

Increase green public procurement

Timeline - Possibly 2025-2026. Maybe 2030.

Components of ESPR

Digital Product Passports (DPP)

Will enable sharing of product information that supports sustainability and circularity.

Product Environmental Footprint (PEF) and PEF Category Rules (PEFCR)

A new method for assessing environmental footprints.

Making sustainable products the norm in a more resilient Single Market



And More...

Prohibiting Products Made with Forced Labor on the Union Market Regulation (PPMFLR)

Proposal for a ban on goods made using forced labor

Not yet in effect

Very restrictive

Likely to be implemented in the coming 2-4 years

Corporate Sustainability Due Diligence Directive (CSDDD)

Seeks to promote sustainable and responsible corporate conduct by embedding human rights and environmental considerations into companies' operations and governance, ensuring they address negative effects both within and beyond Europe's borders.

Likely adoption 2024 or 2025 plus 2+ year implementation time.

Women on Boards

By 2026, companies will need to have 40% women among non-executive directors or 33% among all directors.



PART 6:

Next Steps

Next Steps

EU keeps pushing forward.

Related products and industries may have different regulations (batteries, electronics, etc.).

Need to stay current.

Data, data, data

Manufacturing, materials, chemicals, packaging.

Tiers 1-4

Develop data collection processes.

Assess for chemicals, deforestation, labor conditions.

Plan for deeper engagement into supply chain.

Include detailed packaging specifications as part of product specifications.

Look at software solutions (ERP, PLM, etc.).

Engage experts

Legal, labs, software, consultants.



PART 7:

Q&A

Thank you!

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