



PROPOSED ECODESIGN FOR SUSTAINABLE PRODUCTS REGULATION

NEW PRODUCT PRIORITIES

Wednesday 22 March 2023

18h00–18h30 Cocktail Reception 18h30–22h00 Dinner Debate
Restaurant 12th Floor, Spaak Building
European Parliament



WELCOME & INTRODUCTION BY THE CHAIR



Antony Fell, EUROPEAN FORUM FOR MANUFACTURING, Secretary General

In the name of the Parliamentary host for this European Forum for Manufacturing dinner debate, Maria Grapini MEP, I welcome Parliamentary members from S&D, EPP, the European Commission and European manufacturers to this European Forum for Manufacturing. This has been organised in close collaboration with APPLiA, Home Appliance Europe.

Manufacturing matters for Europe. This was why a past Chair of the Internal Market established the European Forum for Manufacturing with its membership of MEPs from different political groups and European Manufacturers.

The Commission is currently consulting on what the new product priorities should be under the proposed Ecodesign for Sustainable Products Regulation (ESPR).

The aim is to make products on the EU market increasingly sustainable, by enabling far-reaching performance and information requirements to be set on a wide range of them to improve their circularity, energy performance and other environmental sustainability aspects.

Rules will be laid down on a product-by-product basis, or on the basis of groups of products with enough similar characteristics. The Commission is therefore seeking views on the categories of new products and measures that ESPR should address first, so that priorities can be set transparently and inclusively.

We are pleased to welcome therefore the Commission lead official and Parliamentary Rapporteur as well as European manufacturers to consider the implications of this draft proposal.

Alessandra MORETTI MEP (S&D, Italy), Committee on the Environment, Public Health and Food Safety, Rapporteur

First of all, I would like to thank the European Forum for Manufacturing and APPLiA for inviting me to participate to this event and all of you for taking the time to attend it.

I am delighted to see tonight so many representatives from such a wide range of stakeholders active on the file: a comprehensive and continuing consultation with all of you is in fact crucial for the success of this proposal.

I am also very pleased to see Matjaž Malgaj from the European Commission and to hear his thoughts on the file. In particular, on how the secondary legislation is developing within the Commission, also in the light of the new Joint Research Centre study, which will represent a useful tool also for our internal discussions on the compromises.

In this regard, let me underline the importance of having a common life cycle assessment method to quantify the environmental impact of products in order to be able to prioritize them.



In the last months, I had the chance to meet some of you and to get a fuller insight into your positions and to better understand how this regulation will affect the different sectors involved and I was happy to ascertain that we all agree that the Ecodesign proposal presents an opportunity to ensure that European products become a global benchmark for sustainability.

In the context of the EU Green Deal, the development of these specific Eco-design standards for sustainable products are pivotal to foster a consumption trajectory compliant with EU overall sustainability targets in terms of climate, environmental, energy efficiency, resource security and biodiversity, while ensuring at the same time the good functioning of the internal market and consequently the competitiveness of European industry.

Given the ever-increasing demand among consumers for more environmentally friendly products, this Regulation can help to ensure that these demands are met, while also reassuring consumers that the sustainability criteria of products they buy are certified and transparent.

There is no doubt that the traditional consumption patterns we have become used to over the years, in Europe and around the world, cannot proceed as they are. This “take-make-dispose” economy is neither sustainable, desirable or cost effective in the long term.

What we urgently need is a system where sustainability is paramount and consumer goods have their footprint significantly reduced, while at the same time incentivising reusability, durability, and recyclability in a way that limits the amount of virgin raw materials needed, as well as the end-of-life waste, in line with the waste hierarchy.

I strongly believe in circularity, because it has become clear to all, that the natural resources of this world are not infinite, and that there will be a time when they will run out. Today more than ever it is therefore necessary and urgent to act accordingly. All EU stakeholders, including consumers, businesses, and of course policy makers, must adopt and implement the appropriate responses.

The European efforts to increase the sustainability of products will reduce the climate threat, boost competitiveness, and ensure that EU products set the sustainability benchmarks for the rest of the world and the industry, will play a central role in this transition.

I am perfectly aware that as with all EU initiatives, the Ecodesign proposal offers both opportunities and challenges for the sectors involved and together with the Shadow Rapporteurs we are carefully considering all the most critical aspects of it.

As you know in the Parliament, we are currently negotiating the compromise amendments: we already had two Shadow meetings and we are confident that we will conclude our work before the summer break in order to be able to start the trilogues in September.

There are of course some controversial points like, just to mention a few, the discussion around the substances of concern, the possible inclusion of social and due diligence aspects in the scope of the proposal, the possible deletion of the Article on self-regulation measures and the provisions related to the unsold goods. However, I am globally happy to see that we are all working with a constructive approach and that there is a common willingness to approve soon an ambitious text.



Matjaž Malgaj, EUROPEAN COMMISSION, DG ENVI, Head of Unit, Sustainable Products

(He spoke freely without notes. The text, from slides on which he based his presentation, is below)

Slide 1

How will ESPR work?

Key features of Ecodesign Directive maintained:

- Framework legislation – specific product requirements to be set at second stage – followed by
- Detailed measures on a product-by-product basis or based on groups of similar products preceded by a detailed impact assessment – followed by
- Regularly updated multiannual working plans – based on prioritisation criteria set out in Article 16

Slide 2

Open Consultation: key information

- Consultation period: 31 January – 12 May 2023
- Published on:
https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13682-New-product-priorities-for-Ecodesign-for-Sustainable-Products_en

Slide 3

OPC: Reasons for Consultation

- “To deliver in the most efficient way on the European Green Deal’s objectives and to address the most impactful products first “ there is a need to:
 1. Conduct a prioritisation exercise, based on the process is already followed under the existing Eco-design Directive (Recital 42)
 2. Base this exercise on a set of prioritisation criteria (Recital 42 and Article 16)
 3. Adopt a working plan, covering at least three years, laying down a list of product groups and product aspects which the Commission intends to address (Recital 42)
- The 2022 Communication ‘on making sustainable products the norm close “announced it to accelerate preparations for the ESPR and ensure transparency and inclusivity.

Slide 4

OPC: Objectives of Consultation

- Delivery assessment conducted by the JRC → identification of a number of products and horizontal measures that may be suitable for first action under the ESPR:
 - End-use products: Textiles and Footwear; Furniture; Ceramic Products; Tyes; Detergents; Bed Mattresses; Lubricants; Paints and Varnishes; Cosmetic Products; Toys; Fshing Nets and Gears; Absorbent Hygiene Products
 - Intermediate products: Iron and Steel; Non-Ferrous Metals; Aluminium; Chemicals; Plastics and Polymers; Paper, Pulp Paper and Boards; Glass

- Horizontal measures: Durability; Recyclability; Post-Consumer Recycled Content
- While this consultation focuses on products not within the scope of the existing eco-design directive, energy related products will be included in the future ESPR working plan

Slide 5

Expected Outcomes of ESPR

- Environment
 - Help achieve EU's environmental goals and SDGs
 - Target product related environmental impacts
- Consumers
 - Improved product performance and longer lifetimes
 - More informed decision making
 - Financial savings (longer life and less energy)
- Supply chain actors
 - Reduced material costs
 - Reputational benefits
 - Increased transparency across supply chain

Slide 6

Continued Environmental Gains

- Energy savings of existing Ecodesign rules
 - 89 mtoe achieved by 2020
 - 43 mtoe expected by 2030
 - Projected saving = 132 mteo by 2030
- ESP our scope will cover products responsible for:
 - 65% of EU product related GHG and particulate matter emissions
 - 70% of EU product related resource depletion

Slide 7

Supporting businesses and SMEs with the changes

Support measures foreseen:

- Adequate time for businesses:
 - Framework legislation first
 - detailed product rules in the second stage, foreseen in working plans
- Proportionality:
 - dedicated consultation and impact assessments foreseen before adoption of all detailed product rules
- Dedicated SME provisions and support:
 - including in the legal texts (Article 19) e.g. financial support, trainings, SME test

- Incentives:
 - to steer demand towards sustainable product options (GPP; MS incentives; classes of performance)
- Guidance and support:
 - To foster circular business models/practices (e.g. Circular Business Hub)
- Improved enforcement:
 - To protect businesses marketing sustainable products



Paolo Falcioni, APPLiA – Home Appliance Europe, Director General

We hear about “sustainability” almost everywhere we look. For the home appliance industry, the drive for sustainability is considerable and has multiple facets. But successful sustainability strategies can only happen within the right regulatory framework.

Sixty years ago, my grandma used to carry her heavy bucket to the river to do the laundry, using the ashes from the fireplace of the night before. A lot has changed since then. With the touch of a button, today’s washing machines clean our clothes in a fraction of the time, in an energy-efficient manner. Less time-consuming, and more sustainable. Significant progress can be made with advances in technology in sixty years from now and that is where legislation plays a role to help shape future innovation and allow for innovative business models to flourish.

Only in the last twenty years, we have seen a 50% reduction in the energy consumption of our appliances. Most of our products on the market today, rank in the top energy classes.

“Making sustainable products the norm” is not surprisingly the ultimate goal of the Ecodesign for Sustainable Products Regulation (ESPR). But for this legislation to be effective, we must acknowledge that there is not only one approach to sustainability. Products should be assessed based on an aggregated evaluation of different parameters. Energy efficiency, resource efficiency, use of recycled materials but also durability and repairability, among others. The roads to sustainability are many and they should all be equally valued.

This is where the ESPR comes into play, with a very broad scope, to a very broad ambition. To make the most of it, we need to make sure it also is fully aligned with past, present and future legislation. That no double or cascading requirements, as it is the case for substances of concern, are allowed. Lack of clarity, confusion, are the main drivers of failure for a plan which instead, carries great potential. Product sustainability requirements must be evaluated to ensure they will ultimately lead to more sustainable products. The right balance needs to be found in relation to environmental impact and circularity thus the scope of the impact assessment should be as broad as possible to evaluate all possible impacts.

In the same way, we should make sure to preserve the value of information. A Digital Product Passport (DPP), that does not build on already existing databases, would result in an unnecessary and burdensome replication that is not proportionate to the benefit generated.

This needs to be done in a framework that focuses on keeping markets open and cross-border trade for products flowing. The EU Single Market is a key asset for industry and consumers alike. With over half of EU consumers shopping with sustainability in mind, we must ensure to establish a consumption trajectory for Europe that takes into account the environment, but also society and the European economy.



Pernille WEISS MEP (EPP, Denmark), Environment, Public Health and Food Safety Committee & Industry, Research and Energy Committee

Thank you APPLiA and the European Forum for Manufacturing for organising this very important and timely event. I also like to thank the Rapport Alessandra Moretti and also the Commission for being with us tonight.

I am a great fan of SMEs because I had my own for years and I am also a member of SME Europe and also a Member of the Environment Committee and a member of the Industry, Research and Energy Committee. And that might colour also my message

tonight.

The very important thing is that we cannot talk about sustainability only focussing on the environmental impact of sustainability because the broad definition of sustainability is that it consists of both environment, social and economic aspects.

We need to balance between all three very important pillars of what the European Union can make also in terms of this Green Deal and the promises laid down in the European Climate Law as well as also this suffering of our competitiveness and our economic model right now.

Also because of the global situation with the war in Ukraine and what US and China is doing, battling with each other and actually not caring that much about how it impacts Europe.

So, whatever we do in the European Green Deal, also in this important Ecodesign legislation we must also work for the third pillar of sustainability in the economy.

And I am saying that also because being a new Member of European Parliament, in the life before being an MEP I learnt that historically ITRE and ENVI Committee have been fighting against each other because one Committee is complaining about everything that is not yet working and the other Committee is trying to struggle with how to get to the pathway of more research and innovation in a way that we do not cut off the branches of our economy, our jobs and also in a way where the industries with very different specialities still choose to stay, to grow to develop in Europe.

Because it gives them a certain competitive advantage on the market right now and tomorrow, but also because it is done in a way where our children and grandchildren, they also would like to stay and learn and educate and research and maybe also become the new generation of entrepreneurs in every sector and that can carry on developing the Europe we know and the Europe we would like to give at the next generation.

So that is my main message for tonight and I also have a some more but not less important details that I would like to address.

When you come to the legislation, I hope that we could see that there will be a short but also a realistic implementation time for the new file, together with other files working on sustainability for the reasons said just before.

But also we will focus on the products that actually have a high environmental pay-off because we need some role models for all the sectors to be inspired and to learn that it is not dangerous to work with sustainability but also in ways that it grows in a responsible way that is also an invite for the work force to learn the skills needed, the competences needed, to be a part of the workforce of the future of a more sustainable Europe.

It was already being said that we have to create an existing data bases to avoid double reporting. I learned last week that a promise from the Commission is that there will be a 20% reduction of documentation burden going forward. That is a big promise from the Commission.

It is a way that we can take care of the promise.

We also should ensure harmonisation and also to avoid duplication of overregulation.

We also will not forget the importance of research in particularly when it is happening in close relationships to SMEs. Of course, we have research that is happening in the universities but we more and more in the future will work very close with the SMEs. Together with the SMEs, the workforce the better.

That is something that I hope to see. How also the new legislation will support and also come up with some concrete ideas this. There must be enough financial and educational support especially for SMEs as I said before

Also, for young entrepreneurs, because not only do we have some current challenges with our competitiveness, we are actually also becoming a continent of people being employed by others and the others are getting fewer and fewer.

The next generation is not dreaming about creating their own SMEs. Or maybe they are but they are afraid to do it.

So, we need also in the way we work with the Ecodesign Regulation and with all the other directives we need to be much more focussed on how they can be an enabler for the spirit and the courage of the next generation to become entrepreneurs and become a part of the co-creative community between researchers, experts, SMEs, legislators, creatures like politicians both in the European Parliament, but also maybe even more in the future as national parliament because they are the ones creating the legitimacy of all the legislative work made in Europe. So, if they cannot be explained and also further on, facilitated by our national parliaments, we will fail in our ambition and we must not do that.

There are so much at stake right now I really hope for the colleagues working directly with the Ecodesign Regulation that they will succeed in a truly sustainable way. I am working on the Waste Shipment Regulation where we have some consensus in the file to deliver on that and I am also working with the Textile Strategy, where the potential and need for more sustainability is huge. The Ecodesign Regulation is key to many files and also to unlock more competitiveness to the EU economy.

So yes, I do it because I love SMEs, I am a child of SME community in my country Denmark, but also because I sit in these two Committees that used to fight each other.

We can actually tonight give even some more emphasis on how ITRE and ENVI together with all related promises can make us build a strong interesting legislative interrelated bridge going forward.



Jens Giegerich, VORWERK, Technical Regulatory Affairs

ESPR should be based on a product-by-product approach and a solid methodology based on standards in a well-functioning internal market.

Standards establish a common understanding, which makes it easy to understand the goal that should be fulfilled. The same is true for EU regulations. Having common requirements that are the same in all member states allow for a uniform understanding and compliance.

The Single Market, having the same rules in all Member States, is one of the biggest assets of the EU. With deviating regulations in Member States on issues like food contact materials and packaging in various Member States and most recently sustainability information like repair labelling in France, the Single Market is at risk of deviating more and more. In addition, Europe faces severe challenges including experiencing a geopolitical, climate, energy and inflation crisis. In response, we must transform our economy towards a more sustainable, autonomous and economically strong single market. The new Ecodesign Framework will be one of Europe's flagship regulations that must serve this rationale and be measured against this backdrop. To achieve this, the new Ecodesign for Sustainable Products Regulation should focus on what really drives us towards a more sustainable continent building on our great asset: the Single Market.

Learning from the existing Ecodesign Framework, there are two main reasons for its success. The first being a common set of minimum requirements applicable in all Member States, alongside having minimum requirements tailored for the specific product group. This product-by-product approach should at all means be kept to tailor future eco-design requirements for the specific product-group, be it an ErP or non-ErP. While it is tempting to aim for horizontal product requirements, this is rarely efficient. In many cases, to set horizontal requirements effectively, specific considerations of the product will need to be taken into account. A prime example is the Standby Regulation, which needed eight years to be put into operation.

The toolbox-like set of parameters in the ESPR, extending from energy efficiency to material efficiency like reliability, repair and recycling is a step in the right direction for a circular economy. At the heart of the ESPR is circularity. Key to a circular economy is to design out waste, in line with the waste hierarchy, by having longer product lifetimes, using more sustainable materials and using less material to begin with. However, care should be taken to holistically assess each product group and place requirements on product parameters which are most relevant in terms of environmental impact.

European standards, being democratically voted consensus-based documents, are the ideal tool to contribute to European legislation, by allowing for a precise, reliable and reproducible way of measurement. Following harmonized EU standards, makes it possible for market actors to self-assess and self-certify their products. The past proves that this system is very well working and should be kept. Hence, a mandatory third-party assessment should be avoided.

Ourania Georgoutsakou, LIGHTINGEUROPE, Secretary General

Introduction

This paper summarises LightingEurope's proposals for the ongoing Council and European Parliament debates on the Commission's proposal on the ESPR.

As a preliminary recommendation, we request that the ESPR remains consistent with other related rules, e.g. on empowering consumers in the green transition, green claims, the right to repair, the upcoming review of the Waste Framework Directive and of WEEE.



Substances of Concern (Articles. 2.28 and 7.5)

We propose to strongly reduce the number of substances to be tracked at product level, focusing only on hazardous substances that impede the recycling of products based on currently available recycling technologies.

The final list of substances to be tracked must be set at product level and be subject to consultation with all stakeholders including recyclers.

No restriction of substances should be introduced with the ESPR delegated acts, leaving this to chemical legislation (e.g. REACH and RoHS).

Fragmentation of the Internal Market (Article. 3)

The harmonisation of rules should already apply once the Framework Regulation enters into force, directly repealing existing conflicting national requirements.

Enforcement of Rules for Online Marketplaces (Article. 29)

Liability for online product non-compliance with the requirements set under the ESPR must be allocated to an economic operator within the EU jurisdiction. We support some of the amendments that have been tabled by the European Parliament calling for the liability to fall on online marketplaces when there is no liable economic operator in the EU and in particular no importer. We have co-signed a Joint Statement where 31 organisations, both NGOs and European industry, call for the ESPR to address this.

Both the Parliament and the Council should maintain the ambition of the Commission's dedicated Chapter on the enforcement of ESPR rules and in particular the proposal to introduce a requirement for a minimum of checks per product by Market Surveillance authorities.

Digital vs Printed Information (Articles. 7, 14, 21)

The digital format should always be preferred for the various information requirements and for the label.

Business Sensitive Information (Article. 30-31)

These new requirements should be optimised to the minimum to counter cybersecurity risks, eg. we propose deleting the obligation to disclose the exact number of quantities of models supplied to an operator

Digital Product Passport - DPP (Article. 8-12)

A pragmatic timeline (no less than 8 months' time from the moment that all the technical specifications and information requirements are finalised and/or launched) should be set to allow the operators to collect the information, adapt their IT systems and then upload the data.

Information parameters that are already required by existing EU databases (e.g. EPREL or SCIP) should not also be required for the Digital Product Passport in the product delegated acts.

For energy related products subject to energy labelling, delegated acts at product level could require that sustainability-related parameters are added as additional parameters in the EPREL database.



Bram Soenen, SPF SANTÉ PUBLIQUE BELGIUM, Senior Attaché, Product Policy

We can speculate the ESPR will change the face of Ecodesign. Since the adoption of the first Directives in 2005 and 2009:

- the constitution of the Union has changed
- energy efficiency requirements have been set for Energy-related Products responsible for the bulk of the energy consumption
- most regulations have been revised and material efficiency requirements have been added
- the 'verification annexes' have been revised and 'circumvention'

was taken into account

- the EPREL database was created, as well as a new and rescaled energy label, and
- all policy offers in DG ENER and DG GROW and most Member States representatives originally involved have moved on.

Many new ideas have grown, and are added to the ESPR:

- minimal number of inspections for Member States (MS)
- Digital Product Passports (DPPs) for products
- possible bans on the destruction of unsold goods
- development of mandatory Green Public Procurement criteria, and
- other things.

Other discussions inevitably have finally been (re)tabled:

- extension of the scope
- the nature of the new framework and choice of the delegation of powers to the Commission for secondary legislation, and
- will we ever see Environmental footprint information on products in our shops?

It has to be with some doubt and uncertainty that you look at the future where existing practices are questioned and much is still unknown.

The extension of the scope to include all products seems like the most important feature. The ESPR is conceived to be 'the one ring to rule them all'. If environmental product legislation is needed, there is a legal framework ready.

The choice to go for a framework with implemented acts or delegated acts is mostly a political choice of Council and Parliament. It is no secret where preferences lie. In each case the delegated powers should be clearly delimited. The current proposal still needs to fill in details on many uncharted territories, to avoid giving 'carte blanche' to the Commission.

Product policy finally ventured in new policy objectives: material efficiency, circular economy and strategic raw materials.

New criteria are being developed all will be introduced, the challenges there are technical and practical. Do we have a standard to measure, calculate and verify reliability, reparability, recyclability and recycled content? Do we have any idea or data to underpin minimum requirements? What is the burden for industries, but also for market surveillance?

The DPP seems to be the topic that is the centre of most attention. For me personally, I get the feeling it is more a goal in itself, than a means to an end. Connectivity of some sort is key to track products in a circular business model. The data carrier and DPP will do that. But the DPP should also be a tool to communicate performance information to different target groups, to declare compliance by manufacturers and to verify conformity by MSAs. For MS and MSAs there is a need to have compliance information readily available without request.

The involvement of Customs Officials to do relevant work in compliance assessment seems to be problematic, as they lack the resources and knowledge of legislation to do physical inspections on shipments. Electronic automated checks would require a lot work without significant impact. The main issue being that you cannot derive from a declaration if the shipment has certain legal obligations. Tarif codes and trade nomenclature do not align well with scope, definition and exemptions in legislation.

Finally, we can assume some things will remain largely the same. Some are positive, some are points to improve:

- first of all, there is a solid ecodesign legacy
- incremental improvements continue to be included
- it will always become more, and more complicated
- market surveillance has been and will be a point of attention, and
- the lively stakeholder interactions are always interesting and the personal interactions have mostly, if not always, been a pleasure.



Fabian Fechner, MIELE, Representative EU Office

It is fundamental that the concepts and requirements of the Ecodesign for Sustainable Products Regulation (ESPR) and consumer legislation do not overlap.

There is a natural connection between the ESPR and the empowering consumer proposals that are negotiated in parallel. Several of the requirements that will be defined under the ESPR will be passed onto consumers in order to help them make informed purchasing decisions, such as information on product's reparability.

The way to provide consumers with this information will be determined by the law on Empowering Consumers for the Green Transition that has two main goals: improving consumer information before purchase on the one hand, and preventing misleading commercial practices on the other hand.

Methodologies that will be developed under the ESPR shall improve the clarity and the transparency of processes, then resulting in better substantiated environmental declarations and less misleading practices towards consumers.

Lately, we have seen in the negotiations' proposals to provide consumers with more information on product's characteristics. As manufacturers of those products, we definitely support giving consumers better information.

The proposal to empower consumers is the right place to do so. The Commission initiative to promote repair and more generally a sustainable consumption of goods that has been released today, will equip consumers with more tools too.

We caution against overlaps in competences and scope between ESPR, empowering consumers plus provisions on repair, or even on legal guarantees which belong to another consumer law: the Sales of Goods Directive.

The ESPR is about setting technical requirements on products. It is not appropriate and actually beyond its scope that ESPR mandates how information on repair, product lifetime, etc shall be given. The opposite holds true too: defining a method for products' reparability or durability has not its place in consumer law.

Also, concerning the availability of spare parts, the ESPR is actually the right place and the path chosen in the existing directive should be further pursued – in a product specific way! That means on the other hand: no specific regulation on spare parts in EU consumer law.

We appreciate the connection with the ESPR but there should not be any duplication in the requirements set under both pieces of legislation. This would be equally valid for the proposals on substantiating green claims and repair. How challenging this task is, is shown by the fact that these four proposals are discussed in at least three different Council Working Groups. It is mainly on the Commission to ensure coherence.

To put it more generally: from an industry point of view, it is crucial to take a close look at each regulatory provision and consciously weigh up in which Act it can be dealt with in the best/most sensible way. It must be verifiable and enforceable in order to avoid unfair competition.

Finally, a word on the issue of the destruction of goods, the ban should only apply to unused consumer goods. There is unfortunately a good amount of goods that were returned under consumers' right of withdrawal but cannot be put for sale again as they were used beyond what is necessary.

If we go forward with such a ban, we should also look at the reasons why some actors are destroying unsold products. The way some consumers use the right of withdrawal is one of them, VAT that has to be paid on donations and too short transition periods for the phaseout of products are two more.



Stéphanie Mittelham, ORGALIM, Manager Energy and Environment

Europe's technology industries welcome the new Ecodesign for Sustainable Products Regulation (ESPR)

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering and electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of €2,497 billion, manufacturing one-third of all European exports and providing 10.97 million direct jobs.

Our industries provide innovative technology solutions which are underpinning the twin green and digital transitions and can unlock a greener, healthier and more prosperous future for the European Union and its citizens.

Europe's technology industries welcome the new Ecodesign for Sustainable Products Regulation as it will bring new business opportunities and will be a win-win for the environment and the economy, making the most of new digital solutions

Examples of What We Support:

- We support the objective of the ESPR which is to establish a framework to improve the environmental sustainability of products and to ensure free movement in the internal market by setting ecodesign requirements that products must fulfil to be placed on the market or put into service.
- We strongly support the Ecodesign instrument which has already delivered for EU consumers, industry and the planet by taking into account all aspects of the life cycle of the product, and setting measurable and enforceable requirements based on the proportionality principle.
- We strongly support EU harmonised requirements which are fundamental to secure the functioning of the internal market.
- We support a Regulation instead of a Directive because the Regulation will ensure that the obligations will be implemented at the same time, and in the same way, in all EU Member States
- We support that the European Commission will continue to set ecodesign requirements product-by-product to take into account individual characteristics and specificities of products via the adoption of product-specific legislation based on the best available evidence through comprehensive impact assessments, as well as transparent and inclusive consultation with stakeholders.

- We support the potential benefits of the Digital Product Passport (DPP), such as better transparency in the value chain and easier access to data. We support a decentralised system and must avoid a central “registry” of the EU for millions of individual product identifiers. Data management should be kept at manufacturers’ or product/data users’ level. The quality of data is important and data has to be of added value.

Examples of What Concerns Us:

- We are extremely concerned about the proposal from IMCO Rapporteur Corman to give the possibility to Member States to set more stringent requirements and restrict the entry and use of certain products based on environmental objectives. Enabling Member States to set national requirements goes against the legal form of the ESPR proposal – a Regulation – and will seriously harm the free movements within the Single Market as well as the possibility for companies to develop efficient and successful circular solutions across Europe. To secure the functioning of the internal market, it is essential that requirements are harmonised.
- Our industries are very concerned about the protection of trade secrets and Intellectual Property Rights (IPR). Confidential business data, IPRs and trade secrets of companies must not be served up on a freely available silver plate to their competitors.
- Consistency and coherence with other legislation must be ensured and duplication of efforts and double regulation which must be avoided:
 - The DPP should rely on existing databases; such as the database for information on Substances of Concern In articles as such or in complex objects (Products) – SCIP database, the European Product Registry for Energy Labelling (EPREL) database to avoid unnecessary and burdensome duplication. The data format should be designed to be applicable for different legislation and should be interoperable with existing requirements.
 - As chemicals are already regulated in other chemicals legislation, chemicals should not be defined and further regulated under the ESPR. REACH and RoHS must remain the primary legislation for addressing chemicals. And policymaking regarding chemicals should be risk-based, not hazard-based.

The current definition of Substances of Concern (SoC) is not enforceable because it is very broad and leads to legal uncertainties. Given that the definition of SoC under ESPR has been misreferred to in some legislation (eg. new proposal on Packaging and Packaging Waste, Taxonomy Climate Delegated Act) and could be repeated in future regulation (eg. REACH review, draft European Sustainability Reporting Standards).

To avoid duplication and contradiction of wording with other legislation (eg. Substances of concern in SCIP, REACH), we suggest that only ‘substance of relevance for circularity’ should be regulated under the ESPR and not all substances of concern. Orgalim is finalizing its proposal on the SoC definition which we will be happy to share when available.

- We do not see the added value in setting requirements on social aspects under ESPR because social aspects are already covered by the current Directive on Corporate Sustainability Due Diligence.
- We also recommend to not include digital services not linked to a product in the scope of ESPR. As the Digital Markets Act and the Digital Services Act are already dealing with digital services and online platforms, we must avoid overlaps between EU instruments.
- Components should not be regulated as components as such and at the same time as part of finished products.

- Documentation requirements need to be aligned with the provisions / rights on data access of the Data Act.
- New requirements for products must follow the New Legislative Framework.
- Requirements must be based on scientific assessment methods through recognised European or ISO /IEC/ITU international standards and must be reliable and verifiable.
- Last but not least, ensuring effective enforcement through the market surveillance system will be of the utmost importance for the success of the ESPR.

Preliminary Comments on the Draft ESPR Working Plan

- We recommend to focus on products that have the highest environmental and circularity impacts' potential.
- To carry forward the success of Ecodesign, we emphasise again the importance of applying a product-by-product approach to take into account individual characteristics and specificities of products. We believe horizontal product sustainability criteria will be ambitious only on paper but will not actually lead to ambitious circular products as there is no one-size-fits-all solution.
- It is important that any new measure will be proportionate and enforceable by market surveillance authorities. Circular economy requirements, such as recycled content or durability may be more expensive and more burdensome to check than is currently the case. This must therefore be also taken into consideration when thinking of setting those measures.
- Regarding the proposed horizontal measures, we welcome that the exact content of the provisions could differ and be adapted depending on the characteristics of the product categories to which they would apply. We would welcome further information on how these horizontal measures would work in practice and which products would be potentially in the scope of these horizontal measures compared to products potentially in the scope of upcoming ESPR Delegated Acts and products already in the scope of existing Ecodesign measures?

We will provide further comments on the draft ESPR Working Plan in the context of the ongoing consultation from the Commission.

Conclusion

In conclusion, Europe's Technology Industries support the ESPR and we want to make it a success. A big thank you to the European Commission for their very good proposal which we very much support.

We call on the Members of the European Parliament to safeguard the competitiveness of companies in Europe by not changing the overall principles of the new Regulation. Please safeguard the functioning of the EU internal market, ensure policy coherence between ESPR and other legislation, do not duplicate efforts and avoid double regulation.

To ensure ESPR will be successful, we recommend to start with a small number of products and simple criteria based on data already available rather than with a wide scope and complex criteria.

Lara Carrier, ELECTROLUX, Policy Officer

The requirements for products stemming from the ESPR and all the definitions set in the framework need to be fully harmonised with existing and upcoming EU legislation and existing measures to ensure complementary, consistent, and non-contradictory application and avoid double or cascading product requirements.

Full consistency is needed between all existing chemical, waste, safety, and market surveillance legislation. The definition of substances of concern should focus *only* on hazardous substances that impede reuse and recycling of products. This is in line with the focus of the Ecodesign Regulation on regulating product sustainability. The definition proposed by the Commission must be amended to be more precise and be linked with the evolution of recycling technologies. In addition to chemicals regulated under the REACH Candidate List, information should be included about chemicals that are critical to remove during recycling processes.



The Digital Product Passport (DPP) should be built on already existing data formats and sources, such as SCIP and EPREL, de facto easing the associated administrative burden and costs on businesses and authorities. Drawing from the experience with the EU EPREL system for the energy labels, if a product has not completed the registration in EPREL, an EPREL registration number and corresponding QR code, required to place the product on the market, cannot be established. The same approach should be adopted to ensure that the DPP is always in place. While there are potential benefits of the DPP, such as better transparency in the value chain and easier access to data, herein information needs to be correct and trustworthy for it to be of value. This is also important to ensure that competition does not get distorted.

To prevent a scenario that would promote incorrect behaviour, effective enforcement of the content in the Passport is essential. The criteria for the type of information to be included in it must be legally and strictly defined by the European Commission, in a centralised manner and applicable to all relevant supply chain actors as well.



Susanne Zaenker, A.I.S.E. – International Association for Soaps, Detergents & Maintenance Products, Director General

A.I.S.E. supports the objectives of the European Commission's Ecodesign for Sustainable Products proposal, which will enable a comprehensive and harmonised set of requirements for the sustainability of products placed on EU market.

As a proactive and socially responsible organisation for over 70 years, A.I.S.E. has been developing and promoting safe and sustainable use initiatives in Europe since 1997.

A.I.S.E. launched the Charter for Sustainable Cleaning in 2005 to support the whole industry in undertaking continual sustainability improvements and to encourage consumers to adopt more sustainable ways of doing their washing, cleaning, and household maintenance. The Charter has a proven track record of delivering tangible improvements in environmental performance including significant improvements in CO₂ emissions and energy use per tonne of production.

A.I.S.E. wishes to highlight some key aspects of the proposal & emphasise the need for:

- Coherence with other legislation whilst ensuring harmonisation of ecodesign and information requirements at EU level
- Scientific and coherent basis for ecodesign requirements to drive tangible sustainability benefits. More specifically:
 - Use of other verifiable LCAs methods for quantification of environmental impacts in addition to PEF methodology
 - Developing necessary definitions for the relevant products aspects such as e.g. a clear definition of recycled content.
 - Limiting fossil-based resource use and supporting use of sustainably sourced low carbon renewable and circular resources.
 - Considering a threshold-based approach and availability of analytical methods to detect substances of concern which relate to sustainability requirements.
- Shared responsibility along the supply chain for information disclosure to enable smooth implementation of Digital Product Passport (DPP).

Coherence with Other Legislation and Harmonisation of Requirements at EU Level.

The fundamental principle of establishing an overarching framework and harmonisation of all sustainability related requirements across EU, must enable a true single market. ESPR needs to be fully coherent with the upcoming detergents regulation revision and existing chemical legislation. Additionally, ESPR only focuses on restrictions of substances of concern due to sustainability reasons. Therefore, restricting substances of concern related to chemical safety should continue to be dealt with under specific chemical legislation such as REACH. Labelling requirements based on safety should be handled within chemical legislation to ensure coherence.

Scientific and Coherent Basis for Ecodesign Requirements

- Methodology used for quantification of environmental impact: Using harmonised methodologies to assess environmental impact is necessary to achieve sustainability of products. The current proposal identifies Products Environmental Footprint (PEF) as the only “approved” methodology. But there are certain limitations with PEF, such as outdated databases and Category Rules (PEFCRs) that need further development. Therefore, to complement PEF, other scientifically robust and validated Life Cycle Assessment (LCA) methodologies and standards must be considered.
- Recycled content definition: Recycled content definition is currently not covered in ESPR proposal or other legislation. This definition is critical to ensure a clear understanding for all the different stakeholders and to set the right thresholds.
- Limitation of fossil-based resource use: Use of sustainably sourced low carbon renewable and circular materials in design of products is one of the means to support the objectives of enabling a circular economy. Adding this feature amongst ecodesign aspects for specific categories is in line with EU Green Deal and climate objectives.
- Substances of Concern (SoC): A threshold-based approach of key identified Substances of Concern for each specific product category and the existence of analytical methods to detect these substances of concern should be considered.

Information Requirements & Digital Product Passport (DPP)

The Digital Product Passport will be an important tool for sharing information and enhancing traceability in the value chain. Suppliers are best placed to provide data and information, while manufacturers who sell final products on the EU market are obligated to ensure that this

information is available. Final product manufacturers often don't have all the information they need, such as the Carbon Footprint and substances of concern. Therefore, suppliers of product components or substances should be responsible for providing this information since they have the necessary information. It's important to protect confidential and sensitive data, and digital information provided to stakeholders and consumers should be tailored to their specific needs. Additionally, information on substances of concern should be provided via digital product passports and not on the product label.

A.I.S.E. is committed to working together with the EU co-legislators and the European Commission to achieve sustainability, industry competitiveness and consumer empowerment.

A.I.S.E. is the International Association for Soaps, Detergents and Maintenance Products. Based in Brussels, A.I.S.E. has been the voice of the industry to EU regulators for nearly 70 years. Membership consists of 29 national associations across Europe, 17 corporate members and 15 value chain partners. Through this extensive network, A.I.S.E. represents over 900 companies supplying household and professional cleaning products and services across Europe.

The industry is a substantial contributor to the European economy with an annual market value of €39.8 billion, directly employing 95,000 and 360,000 throughout the value chain. A.I.S.E. has a long history in leading voluntary industry initiatives that focus on sustainable design, manufacturing and consumption, product safety and safe and sustainable use of products by consumers and professional customers.



Jimena Canda, DOW, EU Government Affairs & Public Policy Leader

As part of the chemical industry, we are proud to play a central role in the creation of new technologies that allow products to become more circular, with lower carbon footprint for better sustainability.

We support the goal of the European Commission proposal on the Ecodesign for Sustainable Products Regulation, which is to bring to the market products fit for a climate neutral, resource efficient, and circular economy.

Dow, as a central part of the European chemical industry, wants to contribute to the success of this regulatory framework as we believe it can create major opportunities for the development of new technologies and materials. However, a successful implementation needs to be smart, inclusive, workable, and supported by incentives. Furthermore, feasible timelines and transparent planning will enable us and our value chain to take an active role in the European market transition towards sustainable products. That is why we highly value the constructive dialogue happening here today.

There are three things I would like to share with you this evening:

- When it comes to end products:

We strongly believe that a policy like the ESPR will help create a market to incentivize investments in the development of new technologies and materials. That's why we are

pleased to see that the JRC report is already pointing out furniture, footwear, paints, and in particular mattresses.

New sustainability parameters for mattresses can drive the uptake of sustainable solutions.

For example, Dow has already invested in a first-of-its-kind commercial mattresses recycling facility in France called RENUVA™, which has been in place since last year. This recycling program recycles polyurethane foam from end-of-life mattresses and turns it into recycled polyols for use in new mattresses and other applications.

This initiative is accompanied by a block-chain project, which allows to track substances along the value chain and improve the communication with the different players. This clearly shows industry's support for the Digital Product Passport, as a great way to communicate to the market the sustainable features of products, such as recycled content and carbon-neutral products.

- When it comes to intermediates:

As you well know, the JRC report also explores potential eco-design measures for intermediates like chemicals, polymers and plastics. It particularly mentions that there is room for improvement when it comes to the impact of these intermediates mainly in climate change, soil, biodiversity and waste generation and management.

We struggle to see how this regulation would not duplicate regulation as many of these aspects are already covered by the IED, ETS, REACH, CLP, WFD among other frameworks. Intermediate products such as plastic and chemicals are enablers for final products, hence, they should not be contained in ESPR regulation, which should focus on the end-product.

Now, at the end-product stage and considering its design, we support regulation that addresses substances hindering recycling. DPP can play a critical role here as well, allowing the value chain to access more information about the product components to increase recyclability. However, REACH and CLP need to remain as the main regulatory framework for chemical management.

- When it comes to measures:

The report clearly reinforces that ESPR measures will be product specific, this is critical as we should avoid one-size-fits-all solutions. Besides, ESPR must be aligned to product specific regulations like CPR, PPWR and others to avoid double regulation.

Horizontal measures are planned for all products across the board. We are glad to see "light weight design", "durability", "recyclability" and "recycled content" as the priority measures.

However, it is important to recognize that a full LCA needs to be done to understand if combining all these measures into one product produces higher environmental benefits than the current design. For example, durability is critical: as the JRC report states, "durability has the potential to deliver higher savings compared to the other measures". Doing so would have a positive effect in reducing the environmental impact across different products and product groups. Depending on the application, durability can get compromised with the incorporation of recycled content.

Additionally, the goals of ESPR should be coherent with other policy frameworks. For example, new CLP and REACH could pose new restrictions to persistent substances, compromising durability performance of end-products.

When it comes to recycled content, it is critical that this policy recognizes all state-of-the-art technologies for recycling like chemical recycling, with mass balance accounting as a complement to mechanical recycling in order to increase recycling rates.

Finally, let me say it one more time: we strongly support the Commission's objectives for the ESPR. We believe that these kinds of measures are the ones that create new business opportunities, boost circular economy, lower emissions, and can make Europe an attractive market again. At Dow, we want to actively contribute to the design and implementation of this policy so that it does not transform into an intricate un-enforceable framework that could jeopardize the desired goals.



Jean-Pierre Schweitzer, EEB – European Environmental Bureau, Deputy Manager Circular Economy

Knowing that the impacts from Europe's consumption already exceed a number of planetary boundaries, and that 50% of our emissions come from products, we are convinced Europe's best strategy for resilience in today's environmental and geopolitical climate is genuine circularity.

In this context, we warmly welcome the Commission's proposals on the Ecodesign for Sustainable Products Regulation. The existing Ecodesign Directive has proven itself a success story - saving energy and consumer expenditure.

The EEB also values the constructive dialogue in the Ecodesign Consultation Forum, which many of the organisations participating in today's event already play an active role in.

We also welcome the two proposals presented today on Green Claims and Consumer Laws to support repair. In 2019 we established the European Right to Repair campaign, where we bring together NGOs, repair and refurbishment businesses and social initiatives like repair cafes. We see great potential for growth in the repair sector.

Environmental NGOs are also concerned by the heavy deregulation push back witnessed in recent weeks. We fear this short sightedness will only exacerbate future risks around natural resources.

I would like to present four main points related to the ecodesign proposal:

- Support a complimentary approach between chemicals and product policy to address substances of concern.

We agree with the commitment set out in the Chemical Strategy for Sustainability to compliment the base level of protection provided by REACH to use product policy to both restrict and track substances of concern through the supply chain of products. Building on the case of ecodesign requirements for electronic displays, we think ecodesign presents an opportunity to act precisely at the component level based on a detailed preparatory study which is unlikely to occur in horizontal chemicals' legislation.

- Do not close the door to use the product passport for due diligence information.

We welcome the proposal to develop a digital passport for products regulated under the future ecodesign acts. While it could be understood that the Commission was hesitant to include social sustainability in the scope of ecodesign requirements in the ESPR due to the parallel work ongoing on the CSDDD – this legislation already seems to have a number of limitations such as only applying to the biggest companies.

Additionally, we think it is a missed opportunity not to use the product passport to convey information on social sustainability – the tool really is perfectly suited to do this. Many private sector initiatives similar to the EU product passport, notably in the textile sector, already combine environmental and social information on one tool realising its potential to pass information through complex global supply chains and between suppliers.

- Remove the option for self-regulation - Article 18.

The EEB played an active role as observers in the three self-regulation initiatives within the existing ecodesign framework and we have been underwhelmed by the performance of all of them. In the case of imaging equipment, over a decade was wasted, resulting in huge job losses in cartridge remanufacturing and a product group which remains one of the most short-lived - with more than half a million tonnes of e-waste from cartridges and printers per year.

We have also seen how voluntary agreements outside of ecodesign, like the one on the common charger, were unfortunately abused by some manufacturers who prioritised profit at the expense of mountains of electronic waste.

If we consider that the future ecodesign framework will set requirements for some of the most carbon intensive sectors, we simply cannot afford to repeat the mistakes of the past on this. Unless co-legislators have smart ideas to ensure self-regulation delivers genuine environmental savings, this option should be removed from the proposal.

- Urgent need to address online non-compliance

This week environmental NGOs joined forces with many of the organisations present in the room today: LightingEurope, Toys Industry of Europe, Euratex and European Furnitures Industries Confederation amongst others, to raise concerns once again about the issue of non-compliant imports from online sales.

Alongside the Joint Statement, we published a report which illustrates that: first, there are already high levels of non-compliance with existing EU product requirements such as those on product safety or extended producer responsibility; and second this risk could be multiplied by ESPR which will set requirements on a wide range of products which are increasingly sold online and imported into the EU and have a significant environmental footprint. There is a clear lack of liability for some avenues of online imports which needs to be urgently addressed. This unlevel playing field undermines competitiveness for companies who make an effort to follow the rules, and it also undermines the environmental objectives of the legislation.



Catherine Van Reeth, TIE - Toy Industries of Europe, Director General

Toy Industries of Europe (TIE) supports the EU's goals to increase the sustainability of products.

To strengthen the framework proposal, we believe the new legislation should:

- have a relevant and workable Digital Product Passport
- take into account the specificities of toys when proposing any eco-design requirements
- have effective market surveillance and enforcement of eco-design requirements
- be consistent with existing and upcoming legislation.

The Digital Product Passport Needs to Be Relevant and Workable

The Digital Product Passport (DPP) sounds promising. It can facilitate the provision of information to consumers, authorities and recyclers. To really ensure that DPP is a success, especially for the >95% of toy companies who are SMEs, it needs to be designed in an as pragmatic, practical and do-able way as possible. It needs to be designed together with the businesses who will have to use it rather than introduced top-down. We are counting on the Ecodesign Forum to ensure this and to ensure the SME's need for assistance to deal with the DPP is properly considered.

- The design of the DPP needs to protect sensitive commercial information or intellectual property rights. The access to information in the DPP must be provided on a "need-to-know basis". Different actors consulting the DPP will need a different type of information and that need should be justified.
- Besides providing ecodesign information, the DPP can be an opportunity to reduce waste and empower consumers to choose the correct waste stream by digitalising information that today we have to put on the packaging so expanding the scope of the DPP.

Toy manufacturers continuously work to minimise their packaging and often use one package for global markets to avoid unnecessary packaging waste. Unfortunately, a concerning amount of national labelling requirements make it increasingly difficult for our manufacturers to move products across the EU. The Internal Market is very much fragmented in this respect.

Dematerialising certain information will relieve the pressure on other material supports (eg. packaging or instruction sheets), reduce the consumption of resources and the generation of more packaging waste. It will facilitate the redistribution of stocks between different countries, reduce the need to re-package and as a result decrease the number of unsold consumer products.

In the spirit of packaging minimisation, in line with the revision of the Packaging and Packaging Waste Directive, the DPP should not be accompanied by any wording (that would need to be translated into multiple languages) next to the QR code or other data carriers.

- We need effective enforcement and market surveillance to avoid the Digital Product Passport requirements giving further advantage to those deliberately ignoring the rules.
- DPP needs to be designed taking into account the particularities of SMEs and the additional assistance they will need.

No One-Size-Fits-All Approach

- For reputable toy manufacturers, safety always comes first. This is something we cannot compromise on.
- Not everything that guarantees safety in a toy will be 'sustainable' and there are sustainability requirements that go against safety requirements. For instance, being able to take a product apart may be a good idea to improve its recyclability but in the hands of a child, this may become dangerous. Or banning the destruction of unsold consumer products is not a solution if it concerns unsafe goods and their destruction is a safety measure.
- Any sustainability requirements for toys should be carefully assessed against the requirements of the Toy Safety Directive. The Toy Safety Directive also, along with other legislation such as REACH or RoHS, restricts the use of chemicals in toys. Any additional restrictions should consider the possible alternatives and whether they are safe for toys.
- Across the board, a one-size-fits-all approach will not work but also within the toys category, a diverse approach will be needed.
- Few product categories are as diverse as the toy category:
 - we have toy cars, toy houses, toy people, toy clothes, games, puzzles, toys specifically for very young children, toys with electronics, toys without electronics, and the list is endless.
 - These toys are made from plastic, from wood, from carton, from naturally-occurring materials, from man-made materials, from fibres, from metal etc.
 - It will be extremely difficult to compare the sustainability score of one toy against another unless they are very alike.
 - Each sub-category will need specific and appropriate requirements to address environmental impact.
- Another specificity of the toy category is the fact that a good quality toy will have a long life.
 - It will have several lives as it will be handed down to siblings, to friends, to children and even grandchildren.
 - For safety reasons, toys need to be sturdy, to pass the tests kids will put them through. So toys already need to be durable for safety reasons.
 - A durability requirement will not have any significant impact on most of the toys.
 - Toys have an average lifespan of 15 years.
- We Need Strong Enforcement And Effective Market Surveillance
 - Any sustainability requirements will affect only those companies who want to respect the rules.

- The toy sector already has a big gap between reputable toy manufacturers and rogue traders who mass produce unsafe toys. We need effective enforcement otherwise any rules will simply increase the advantage of dishonest traders.
- Products sold online by third-party sellers who are not based in the EU need special focus here. In these cases, online marketplaces should have to check whether an EU-responsible person takes responsibility for meeting the obligations under the ESPR. Otherwise, the marketplace that enables the placing on the EU market of these products should take up that responsibility.

The Ecodesign Rules Need to Be Consistent with Existing And Upcoming Legislation

The proposal for Ecodesign for Sustainable Products Regulation (ESPR) is a catch-all legislation that brings together elements from eco-design, labelling, waste, market surveillance and even chemicals legislation. To ensure coherence and avoid double regulation, it is important to have a consistent approach with other EU legislation and policies (existing and upcoming) such as REACH, Empowering consumers for the green transition, Green Claims and Right to Repair.



Carolina Vigo, SIEMENS, Director Green Transformation of Industries – EU Government Affairs

Siemens backs the European Commission’s ambition to make sustainable products the norm across the EU market. Since all our products will be covered by the future Ecodesign for Sustainable Products Regulation (ESPR), we see this proposal as supporting our agenda, “Technology with purpose”, and helping delivering our sustainability objectives.

In particular, Siemens has set ambitious circularity targets and the new ecodesign requirements have the potential to further accelerate the realization of Siemens’ commitments.

Siemens’ Main Recommendations on the ESPR Proposal:

- Unleash the benefits of the EU internal market and further enhance European harmonization for economic and environmental benefits. Member States shall not be allowed to set different ecodesign requirements (incl. performance, information, labelling). This will lead to market fragmentation, high compliance costs, unequal customers’ rights and uneven and sub-optimal environmental benefits.
- Preserve the Commission’s approach of defining product-specific requirements in secondary legislation.

To be effective, the new ecodesign requirements shall be set following a comprehensive lifecycle assessment and relevant consultation with product and sustainability experts thus

considering the specific product's characteristics and functions (incl. B2B vs B2C uses). Albeit implementable faster, setting horizontal requirements in the framework legislation do not necessarily reach the ESPR's goals nor improve the environmental sustainability of products.

- Clarify the “substance of concern” definition and better outline suppliers-customers responsibilities.

To ensure compliance, economic operators shall have no interpretative questions around the definition nor the presence of substances of concern in products they receive. Defining “substances of concern” in the ESPR will undermine the implementation of other legislations and it is therefore suggested that the ESPR only refers to substances that are relevant for circularity. Suppliers shall provide relevant information on these substances to the manufacturers.

- Unleash the competitiveness of European companies.

Setting ecodesign requirements based on robust scientific methodologies and international standards will ensure better market uptake, including beyond Europe, thus providing an advantage to European companies. To ensure legal certainty and boost innovation, it is recommended that working plans are established for a 10 years' duration.

- Develop a decentralized and interoperable DPP which builds on technologies that guarantee data safety and adequate information sharing systems.

This recommendation comes from our SIGREEN (allowing us to efficiently exchange information on CO₂ footprint with our suppliers) and DPP 4.0 (in collaboration with ZVEI) experiences. The DPP has the potential to provide administrative relief and automate data flows along and across different value chains. A central register shall be established for purposes proper to market surveillance and customs' authorities only. To guarantee a quick implementation, technical details and specifications (interoperability, interfaces, formats etc.) shall be clearly defined in relevant standards.



Mauro Scalia, EURATEX, Director Sustainable Businesses

Highlights

EURATEX supports the efforts of EU policy makers to improve the sustainability of products in the European internal market, through the ESPR.

The industry is proactively addressing the sustainability challenges and has a key role to play to achieve the proposal goals.

For the regulation to be workable in the textile and apparel industry, there are critical points requiring attention or revision:

- the Ecodesign requirements should focus where best suited to deliver change in the market
- the Digital Product Passport must enable traceability
- SMEs need support to comply
- level playing field must be ensured, also through enforceability and fair enforcement.

Ecodesign Requirements

Setting requirements should follow a step-by-step approach, building on successful business practices which are feasible for the industry. The products in scope should be garments, and may be followed by home textiles in the future. Criteria should be simple and focus on i) durability, ii) reusability and iii) recycled contents. Criteria should be sector specific but also product-specific, according to pre-defined categorisation which consider the material composition as well as the function and intended use. Work shall be based on the existing well-established testing standards so to avoid duplications and waste of time.

Substance of Concern must be regulated as per provisions set in the chemical legislation REACH. When it comes to the role of chemicals (or materials) on recyclability, it should be noted that different technological solutions already exist. (Technologies enabling recycling also for textiles blend are available, albeit need to be scaled up, and offer a potential for Green House Gas emission savings of 60% to 70% over virgin materials, reference McKinsey report “Scaling textile recycling in Europe—turning waste into value” 2022.). These have enormous potential to scale up and overcome challenges. Chemical legislation must also guarantee safety while ensuring feasible compliance for both virgin and recycled materials.

Setting requirements policy makers and stakeholders shall be mindful of the bigger picture including trade off, the impact of workload, testing costs and the capacity of European companies, especially SMEs to comply while remain competitive.

Digital Product Passport (DPP)

Designing the DPP, it is imperative that the entire European textile value chain is enabled to process information seamlessly and through interoperability, especially the SMEs.

Information exchange must enable data flow for: i) companies in the value chain, ii) market surveillance authorities, and iii) consumers

The “need to know” basis for data exchange relating to circularity is welcomed, different users need different information. While disclosing certain information may be mandatory, companies should also be able to choose the beneficiaries of disclosed information.

Confidentiality of business information must be ensured to maintain the competitiveness. This is an important factor in protecting trade secrets. Building on existent industry practices, clear standards are needed for info security and confidentiality.

The introduced decentralised database by the European Commission in which each player in the supply chain would be responsible for its own local data can be feasible and welcomed, as it would also ensure the protection of business information. However, also an agreed data-exchange standard within the industry is necessary that is feasible for SMEs.

Support SME Capacity To Comply

Member States must take appropriate and harmonised measures to support SMEs in the implementation of eco-design requirements, in particular in relation to the product passport and the calculation of the environmental footprint of products.

Level Playing Field And Better Market Surveillance

EURATEX stress the priority need of improving market surveillance across the EU and to design legislation which is enforceable by Member States. Evidences gathered with regards to REACH enforcement needs and uncompliant textile products in the market shall be used.

A growing imbalance in new sustainability laws further distorts fair competition and undermines the efforts of European companies that invest in complying with EU rules and that are losing market share to unsustainable imports.

Other Points

A pragmatic approach is needed for companies in the EU's European neighbourhood which should not be required setting an authorized representative in the EU. Such exemptions would be grounded on a mutual assistance agreement between EU and concerned country.

While agreeing that efforts on fibre-to-fibre recycling should be prioritized, we stress producing textiles from recycled bottles is consistent with the circular models. Bottle-to-fibre recycling contributes to the diversion of a significant amount of waste, material unsuitable for bottles production should remain a raw material for the manmade fibre industry in the future.

Concluding Remarks

The ESPR is part of a much broader legislative effort with sees 16 legislative actions in the making and fall within the goal of the EU Textile Strategy (March 2022). EURATEX shared its vision on the EU Textile Strategy (2021) in which the European Industry wants to be a global leader on sustainable textiles, improve its resource efficiency and increase its share of the global market. This vision remains fully valid today.

To meet goals and avoid unintended consequences, the legislation must also address the large differences across textile products, notably between consumer textile goods and technical textiles. The latter have different performance requirements and production processes.

In times of continuous economic crisis, it is more important than ever that the EU legislation strategy deliver concrete benefits to the European sector companies and their 1.3 million employees.

CONCLUDING REMARKS

Antony Fell, EUROPEAN FORUM FOR MANUFACTURING,
Secretary General

In conclusion, I would like to thank the European Commission, the European Manufacturers and MEPs for their contributions to this EFM event on the Ecodesign Products Regulation.

I formally close this meeting.




