



## SUSTAINABLE PRODUCTS & CONSUMPTION PACKAGE

Wednesday 26 January 2022  
18h00 – 19h30  
*Virtual Meeting*

### WELCOME & INTRODUCTION BY PARLIAMENTARY CHAIR & MODERATOR

Tsvetelina PENKOVA MEP (S&D), Industry, Research & Energy  
Committee

I would like to welcome the representatives from all the political groups contributing to this debate as well the European Manufacturers and European Commission.

Before we start with the discussion it is better that I introduce a bit the background.



As you are aware, the European Green Deal is an all-encompassing initiative that aims to transform almost every aspect of the consumer goods we use. In March 2020, the European Commission presented a New Circular Economy Action Plan, in which it announced a sustainable product policy legislative initiative.

- The purpose is to make products fit for a climate neutral, resource efficient and circular economy
- The idea is to reduce waste and make the European market a frontrunner in sustainability.

The legislative initiative will entail a revision of the Ecodesign Directive, widening its scope beyond energy-related products, and propose additional legislative measures as appropriate.

- It will also address the presence of harmful chemicals in products, such as electronics & ICT equipment; textiles; furniture; steel, cement and chemicals.
- In her speech on the State of the Union from 16 September 2020, European Commission President Ursula von der Leyen confirmed that the legislative proposal would be one of the key initiatives to be presented in 2021.

Even though the COVID crisis postponed the initial legislative process, the topic is very much still on the agenda.

- In the Commission Work Programme for 2021, the initiative was announced for the fourth quarter of 2021, but it is currently expected in the first quarter of this year.
- According to the last provisional agenda of the College of Commissioners, it could be presented on 30 March 2022

In its Resolution of 10 February 2021 on the New Circular Economy Action Plan, the European Parliament underlined, that sustainable, circular, safe and non-toxic products and materials should become the norm in the EU.

- It therefore welcomed the Commission's plan to propose a legislative initiative on sustainable products to set horizontal principles for product policy and binding requirements on products placed on the EU market.

It also stressed the importance of providing market incentives for the most sustainable companies and sustainable products and materials, in parallel to legal minimum standards for product design.



Anna CAVAZZINI MEP (Greens/EFA, Germany), Chair Internal Market & Consumer Protection Committee  
*(Video Message on the Sustainable Products Initiative)*

First of all, of course, I would have liked to be with you in person today, being able to discuss sustainable products and consumption with you and get your input and ideas. But unfortunately, parliamentary work keeps me busy at this very moment. So, I am grateful for at least being able to share with you some thoughts on the Sustainable Products Initiative that might enrich your upcoming debates.

We are in the midst of the climate crisis. That is why the European Commission has set out a framework with the EU Green Deal: by 2050, we want and need to become a carbon-neutral continent.

To do this, we need to address our massive resource consumption, make our supply chains more diverse and trade more sustainable.

Our single market is the largest common economic space in the world. And we must use it for this purpose!

Currently we are working on several initiatives of the Circular Economy Action Plan, which are paving the way for the sustainable products initiative.

At the moment, for example, we are dealing with the Battery Regulation in the Internal Market Committee, a first sectoral try out for a broader horizontal legislation. It is an important building block for decarbonization, the future of the automotive industry and industry in general. It contains many innovative approaches such as a product passport and due diligence requirements. But above all, standardization should enable recycling, interchangeability and reparability.

And that, in my view, is the way to go: we need sustainability by design, which prevents waste and garbage in the first place, through closed material loops.

And this is what I expect the Commission to present with the Sustainable Products Initiative: An ambitious proposal including mandatory sustainability requirements, adapted to specific product

groups, building on the successful Ecodesign Directive. With minimum product standards, we need to ensure that products live longer, are repairable, reusable and recyclable.

I will illustrate the advantage of more sustainable products with one example: the Right to Repair, which I personally fight for in Parliament. Reparability must be one of the sustainability requirements becoming the norm in the internal market.

If we no longer need to throw away a smartphone only because the screen or the battery breaks but can repair it, we can use it longer, save money, save resources, prevent electronic waste. The result: the planet profits and consumers profit.

I am in close exchange with many businesses across Europe on Circular Economy and on the initiatives the Commission will present. I find much interest, also in manufacturing, for which today's Forum is another proof.

For me it is important to say: the sustainable products initiative can also lead to more innovation, making the European single market world leader in sustainability, the direction in which we all need to go.

For me it is important to stress that the transition to a circular economy is not seen and discussed as a short-term weakening, but as a strengthening of the internal market. By moving forward today, we stimulate innovation and can set global standards, create jobs with a future and achieve our climate goals.

## **SUSTAINABLE PRODUCTS INITIATIVE**

Matjaž MALGAJ, European Commission, Head Sustainable Products - DG Environment

Thanks to Mrs Penková and all of you for inviting me here.

We are still preparing the proposals so I am staying a little bit more in the publicly known elements that we are still considering. I will not disclose things that have not been yet fully decided.

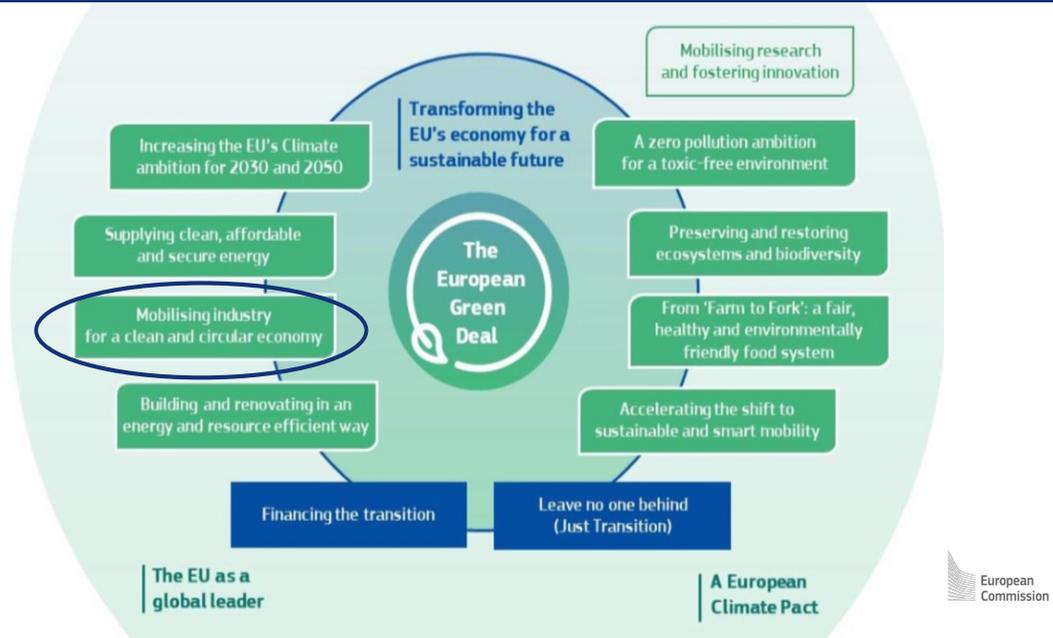
I hold the privilege now for some time to lead the “inter-environmental task force” if I can call it this. I have been heavily involved in the background work that we are doing on the proposal.

I wanted to point out what is obvious: the Green Deal is something that is not any more just a proposal of the Commission from the beginning of its mandate but it is a very clear priority for the Union and its institutions. I think it is useful to keep it mind.

I am therefore deliberately using those slides that were prepared for the first presentation of the Green Deal.



# European Green Deal



I think we have moved on in terms of how we are presenting different directions but I think for this particular topic it is always good to remember the pillars, the building blocks.

How we can advance is really to mobilise European industry to help us. Basically, by entering this road together, to move for a clean and circular economy. I think in this context it is a very important point. I never give different messages to different people but I think, in this work, it is worth noting that we are keeping this in mind.

## Circular Economy Action Plan [CEAP] & Sustainable Products Initiative [SPI]

### CEAP & SPI

**CEAP** announced a **sustainable product policy legislative initiative** to:

- make products fit for a climate neutral, resource efficient and circular economy,
- reduce waste and
- ensure that the performance of frontrunners in sustainability progressively becomes the norm.



Main instrument of SPI: a revision and extension of the current **Ecodesign Directive** to a wide range of products.



It is always good to see what was the mandate that was given. With a large number of experts this is what we have been working on.

It is quite a big challenge to make products fit for a climate neutral, resource efficient and circular economy. It is a big ask. It is a necessary one but the overall mandate is very, very ambitious.

I think a part of this, and that was explicitly pointed out, is also to help us move beyond the instruments we already have now to reduce waste.

So this is clearly part of the mandate.

I think the overall desire is the aspiration that the performance of front runners today become the norm tomorrow. I would add we still hope to have front runners then. But this means raising the bar of what is already being achieved today.

As was mentioned in the introduction by MEPs Tsvetelina Penkova and Anna Cavazzini, it is important to know that we have been asked explicitly - and this is really important to mention - to really try to follow the Ecodesign Directive.

One of the important features of that is that you have a general framework, with objectives and guidance on how you are going to work, and then you have implementing measures where you develop this further. So, I think that this is important to keep in mind in terms of what is very likely to come out as our proposal.

CEAP announced a sustainable product policy legislative initiative.

I would like to mention here the triple crisis. We have an undeniable climate crisis. But we have also a biodiversity crisis and a pollution crisis. They are all interrelated. They are all driven by similar drivers. One of them is that the use of resources is increasing and it is not as efficient as it could be.

I have some figures that we have from the “International Resource Panel”, but the sheer amount of resources that we use to keep fuelling our consumption is really something that is very important to keep in mind in our objectives.

What we try to do in our impact assessment, as much I can disclose, is that we try to link consumption and production to the “Planetary Boundaries” Concept that Johan Rockström and the Stockholm Resilience Centre developed.

We wanted to highlight the links between Planetary Boundaries, their transgression, and what can be done, to help us also to guide our action.

The last thing I want to mention again is that despite efforts on promoting circular economy, both policy driven and private sector driven, we are not there yet, by far.

The economy as it works today in Europe, which is one of the most advanced places in terms of thinking on circularity and sustainability, is still largely ‘linear by design’.

## SPI: Why is it needed (I)?

### 1. Production & consumption of products are not sustainable:

## SPI: Why is it needed? (I)

### (1) Production and consumption of products are not sustainable:

- **Inefficient use of resources:**
  - global extraction of materials since 1970 has **tripled**; waste generation set to **increase by 70% by 2050**;
  - more than **90%** of biodiversity loss and water stress coming from resource extraction and processing
- **Planetary boundaries being exceeded:**
  - recent [JRC study](#) showed global **planetary boundaries are close to or are already being transgressed** in several impact categories
- **EU economy still 'linear by design':**
  - EU industry still accounts for **20%** of the EU's greenhouse gas emissions
  - demand for recycled materials also remains **low**



If we get to a more practical point, from a global challenge to what then really happens once we – the consumers – have the products, it is something that was confirmed by our public consultation – and that is that there is a perception that products break down too quickly, maybe even quicker than they used to do. And I know that for this Forum, it is a very nuanced message I have to give.

Nobody is saying every product breaks down. But what we see, with certain trends, in certain categories of products, is that they are not as durable as they used to be.

This is in part consumer led but is also in part due to design deficiencies or simply lack of marketing, or lack of clear repair options – all things that, if addressed, would help products to last beyond a certain time.

This is one of the problems that we are looking at.

Another one that we really wanted to look at as well was the whole issue of how information can be used both in business-to-business transactions but also to consumers.

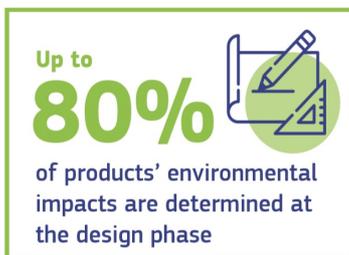
And then finally, this is a bit of a nerdy point, but it is extremely important to underline that the current Ecodesign already has the potential to deliver much more, but its delivery needs to be optimised – and we are looking into this as a priority under SPI.

That is one thing we wanted: to take those lessons and try to implement them in the proposals that we will bring forward.

## 2. Products are not designed for sustainability and information is lacking:

### SPI: Why is it needed? (II)

#### (2) Products are not designed for sustainability and information is lacking:



- many products **break down too quickly**, cannot be easily repaired or recycled; increasingly **complex product designs** (including substances of concern and compound substances)
- **Information on products' environmental characteristics lacking**, for consumers and businesses

#### (3) Improvements in existing Ecodesign process needed:

- e.g. 2020 [Court of Auditors report](#)



### SPI: Areas of possible measures under assessment

To move on to a bit more juicy stuff on what we are looking at.

### SPI: Areas of possible measures under assessment

- Extension of the product scope of the **Ecodesign legislation**
- Extension of **minimum sustainability requirements** for products
- Extension of **sustainability information requirements** for consumers and business-to-business, including a **Digital Product Passport**
- Reward more sustainable products through **incentives**
- Measures for **circular business models** and **value retention**
- Strengthened application of the **Ecodesign framework** (see next slide)



One thing to note is that at the moment, Ecodesign is really looking at energy related products. It has a mandate to go a bit broader and in some cases it does, but the focus is really on the energy use stage of energy related products.

And I think it is pretty clear that under SPI we are going to extend this much beyond just energy-related products. We will of course then look at what kind of requirements to go for for what categories.

Do not let this extension of scope scare you! We do not think we can have the same measures for a pair of jeans and a washing machine. That is absolutely not what we are working on.

Then we would look at wider range of things we can ask for, beyond those we ask for today.

This may include having expanded information requirements, and the notion of Digital Product Passport.

I know some of you were in more detailed discussion with my colleagues on this. I have seen the Report so I am not going into details. It could be one of the most important innovations of this proposal.

We are also looking at what we could do in terms of boosting the market for sustainable products through incentives.

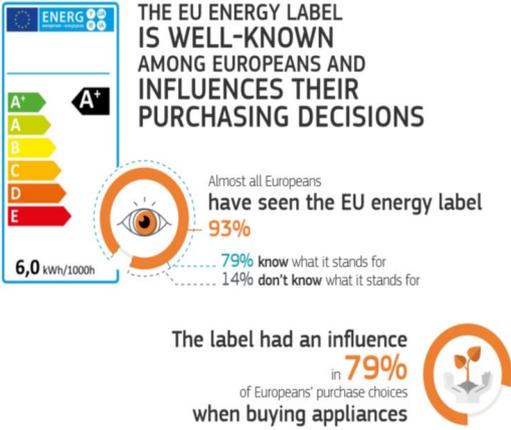
And also we are looking at what to do to help remove barriers and enable a more significant uptake of circulars business models, and to ensure the value of materials is retained throughout the value chain.

And finally, we are examining how to make things work better and more smoothly in terms of Ecodesign delivery, as I mentioned earlier.

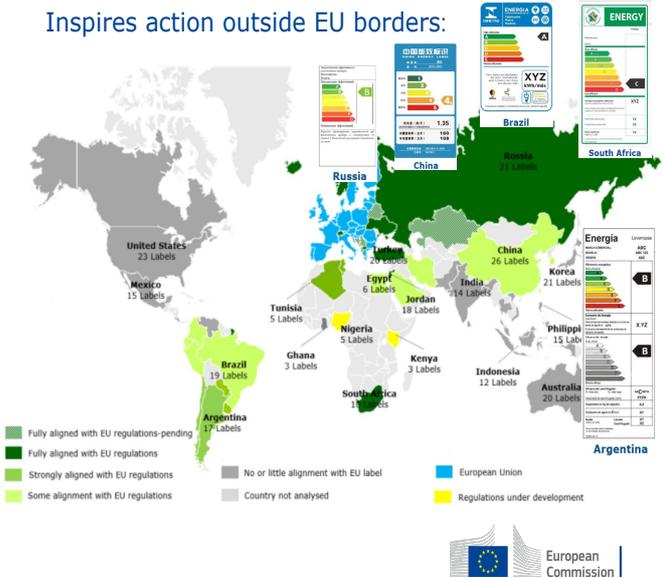
**Ecodesign**

# Spotlight on: Ecodesign

Strong link with citizens:



Inspires action outside EU borders:



Energy labels should be seen as part of Ecodesign. This is one of the most widely recognised results of what the European Commission, or European Union is doing. 92% of people know about energy labels. What energy labels do is they tell you how efficient your energy product will be

during its use stage. So, whether or not it is more efficient than some others, you might consider buying, etc. And increasingly they show some more aspects as well. So basically, it works as a measurement tool, which tries to guide consumers in buying what is better for the environment and also better for them (economically etc.).

What does Ecodesign do? It sets design requirements 'behind the scenes' for consumers, in "co-creation" with the industry, which is essential in order to be sure that the things it puts forward are achievable.

So basically, we remove the worst products, so consumers do not have to see them.

This means you will not end up buying things that do not meet certain criteria, and this also sets a bit of competition in terms of innovation among the industry. Which is a good thing, as it pushes innovation along and helps it to get to the next stage of efficiency, and so on.

I am over simplifying. This was an inspiration for what we are trying to do but with the understanding we are moving it into a more complex scale. So, it will not be always easy to replicate.

A final image that I thought was really interesting is what you see on the left side, which depicts how Ecodesign has been either picked up in this form or a bit downgraded, but still the standards that we have set with it in Europe are being replicated in other places in the world.

There was also recently a publication setting out how high energy prices have become. They were looking at this silent success of the European Union over the past 15+ years, which the Ecodesign Directive has helped to achieve: for example, it's estimated that, for the year 2020, the accumulated energy savings that result from Ecodesign are equal to Europe's total hydro or wind energy production.

I think it is important, just to emphasise, we want to keep this success and build on it. We are not trying to go away with something and replace it with something completely different and complex.

We want to try address complexity but still build on its success, not throwing away but squeezing out the last drop of oil saved if we can.

## SPI: Challenges and opportunities for businesses & SMEs (I)

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#### Long term challenges:

- **Production process adaptations:** likely to be needed across a range of product supply chains, given wide SPI scope foreseen
- **Better understand own products:** know what environmental and social impact they have, across *entire life-cycle*
- **Increase transparency and accountability:** regarding sustainability characteristics of products/their components - across supply chain and to consumers
- **Additional costs:** linked to the above, in particular for manufacturers and producers



We do understand that getting into this level of complexity of environment impacts of improving products is a challenge.

It is a challenge for industry, but it is also an opportunity.

This is an important point for political discussion, because the companies want to succeed but they also do not want to be weighed down with unnecessary regulations.

So, what we are looking at is how to create something that makes the most of the opportunities but also helps companies to deal with challenges, in particular small companies.

They may find it more challenging, so we are looking at different ways we can help.

## Opportunities (II)

### SPI: Challenges and opportunities for businesses & SMEs (II)

#### Opportunities:

Strong indication that additional costs and burdens *can be absorbed over time and bring benefits*, especially for SMEs:

- **Better functioning of the Internal Market and level playing field:** reduced compliance costs and admin burden from harmonised requirements
- **New business opportunities:** incl. expansion of repair, maintenance, remanufacture sectors etc.
- **Reputational benefits:** surveys show it - consumers *want* sustainable product options
- **Reduced material use and expenditure:** currently EU manufacturing firms spend an average of 40% on materials.



We are looking at what was also said in the introduction in MEP Anna Cavazzini's message.

Europe is here to be a leader not to just hold the flag but also to allow our leadership to bring benefits to the others and also to rewards those who are frontrunners.

And those companies in Europe are already doing the work and are willing to take up this challenge to be successful in other markets as well.

It is something we really keep in mind.

## SPI: Supporting businesses and SMEs with the changes

We are actually actively considering some specific measures that can help SMEs.

We wanted first to be aware of these considerations in the impact assessment, but also to really be clear on some of the things we can do at the European level and then a lot should and can be done at the level of Member States.

### SPI: Supporting businesses & SMEs with the changes

#### Support measures foreseen:

- **Adequate time for businesses:** SPI framework legislation first – detailed product rules in a second stage
- **Proportionality:** dedicated consultation and impact assessments foreseen before adoption of detailed product rules
- **Incentives:** to steer demand towards sustainable product options
- **Guidance and support:** to foster circular business models/practices
- **Improved enforcement:** to protect businesses marketing sustainable products
- **Dedicated SME provisions and support:** incl. in the legal texts



## SPI timeline and preparatory process

### SPI timeline and preparatory process

- **Broad cooperation** on SPI within Commission (co-lead by DG ENER, ENV and GROW)
- **Commission Impact Assessment** under preparation (to assess which combination of measures can best achieve the objectives)
- **Adoption:** foreseen **end of March 2022**



In the Commission we have three departments working together on an equal basis on this initiative.

I work in Environment but I have this 'hat' of independent coordinator that reports to all three Directorates General.

It is not our business to discuss how the proposal will be dealt with in the Parliament.

But our direction and the objective we have is to really to work together.

We have basically Vice-Presidents Vestager and Timmermans involved because there is a digital component, and then we have Commissioners Sinkevičius, Breton and Simson, and all are closely cooperating in steering this process.

We are confident that we will pass the impact assessment board and receive a positive opinion.

I am confident with the timeline that was announced for the first quarter of this year unless something really unexpected happens.

## **MODERATED DISCUSSION PANEL: MEPS & MANUFACTURERS**

Focus: To What Extent Is The Sustainable Products Initiative An Opportunity Both For The Environment And European Manufacturers?



Korrina Hegarty, APPLiA - Home Appliance Europe, Policy Director - Environment

Since the adoption of the EU Circular Economy Action Plan and with the subsequent launch of the Sustainable Products Initiative (SPI), making sustainable products the norm escalated the EU political agenda and became a key policy driver in the green transition.

Home appliance manufacturers are a clear example of how the EU industry can contribute to EU policy goals through a longstanding commitment on developing and implementing Ecodesign and Energy Labelling legislation. This will make products as circular and energy efficient as possible, as well as addressing chemical content and end of life management.

To this end, the current Ecodesign Directive has already proved very successful in delivering on environmental, energy efficiency and decarbonisation objectives for energy-related products. For this reason, we advocated that an expansion to non-energy related products would risk questioning its proven legal ground, regulatory process and methodology. Instead, we recommended that a parallel legislation, with appropriate methodologies is considered for other types of products that takes inspiration from the good practices of the existing Ecodesign.

In a nutshell, the sector would like to see that the future policy landscape for sustainable products continues to drive Circular Appliances and supports the work towards a more coherent EU policy framework for a circular economy, while preserving the EU Single Market, competition, and innovation.

The SPI has the ultimate ambitious goal of addressing the challenges related to environmental impacts and resource-use while empowering industries and consumers. For this to happen, it is of critical importance for policy objectives, policy choices and incentives across all policy areas to

be both clear and consistently implemented to create a market for sustainable circular business models and opportunities from a product life cycle perspective.

At the same time, the sector needs EU policies that reward industry investments, while leaving manufacturers free to choose their preferred route towards greater sustainability. To drive innovation towards more sustainable products, legislation should set the goal and industry should have the flexibility to implement the best way to reach that goal.

To close, achieving the set objectives entails a proper and smooth functioning of the EU Single Market. We therefore support an EU circular economy strategy that focuses on keeping markets open and cross-border trade for products flowing. In this sense, it is crucial to ensure a harmonised approach to the various circular economy measures throughout the EU.

Vlad-Marius BOTOȘ MEP (Renew Europe, Romania), Internal Market Committee

We are talking a lot about Green Deal and all its aspects in the past two and a half years. And this is good. Because it is good to understand what this means, how will this change the industry, the production but also the consumers' behaviour.



Now, there is no doubt that the Green Deal is necessary, there is no doubt that the targets assumed must be achieved, we need to seriously reduce the pollution at the EU level, but also at the level of products that come to EU.

We must be realistic here and say that a lot of pollution has been exported by externalizing the manufacturing of most of our products. If we want to reduce the real impact of the European Economy, a market with around four hundred and fifty million consumers, we need a revolution. This is the spirit of the Green Deal.

But I come from the industry, from manufacturing, and not only do I know production processes, but also I am passionate about history and I can tell you that an industrial revolution is not possible without the industry.

In the factories that I worked, we have changed the production of parts for the classic cars, to those for the electric cars quite a few years ago. So, the industry had already a sense of where we were heading and begun the adaptation sooner than the politics.

Which is very good. Only now the politics got a little bit more advanced than the industry. We are talking about new drastic regulations for the industry, which might not be bad, but we need a real dialogue with the European industry, with the big manufacturers.

I think it is extremely important to respect the spirit, but also the words. We are talking about a 'Deal' and the deal is a negotiation between partners and it must be a win-win situation if we want this Green Deal we need, to be a success.

I and all the people that have ever been related to manufacturing already know how important it is to use as few resources as possible for the best product. It is the law of efficiency. As an entrepreneur you cannot survive without respecting that and I think the policy must learn from the manufacturers here.

Not everybody knows how to respect this and I think that good practice need to be not only shared, but also used as models for rules and laws. Only we cannot do it without the industry.

I am afraid that a lot of enthusiastic colleagues do not know how important the dialogue and finding solutions together are. I am looking into all the proposals from the Commission and in all the reports I work at, for this practical side.

About the sustainable consumption, the problem I find a bit more complicated. We cannot regulate how much and what the consumer must consume. We had that in the communist Romania, it is a beaten path, a wrong one, this is why we need to be very careful.

If, in declaration, the great majority is saying they want sustainable, they want a more green attitude, the numbers and real statistics from the economy show that the consumer cares more about the quality and price than about the green and ecology. This is where we have to look, at the economic statistics and not try regulations, but rather education, information.

Of course, we also need a different approach on the way we use the European funds. We need to invest more in ecologic enterprises that can deliver the green and ecological products that we need, so the consumer could have both his own interest and the interest for the green, ecological solutions.

I have to say that the legislation is not always succeeding in delivering the perfect solutions, but I think the debates are a starting point and the flexibility of the legislation in the beginning of this new industrial revolution is what we need.

Louise Bünemann, ORGALIM, Vice-Chair, Environmental Sustainability Working Group; DANISH INDUSTRIES, Head of EU Environmental Policy

Europe's technology industries welcome the European Commission's Sustainable Products Initiative as a key measure to further optimise the way resources are used throughout the economy and society.

The Sustainable Products initiative is an important opportunity for a win-win situation for the environment and the economy, provided that it is properly designed according to key principles.



- Our industries have extensively used and experienced the EU Ecodesign Directive in the last years. We strongly support the Ecodesign instrument which sets requirements, product by product and is based on scientific evidence, on life-cycle analysis and on the principle of proportionality. This principle means that requirements are extensively analysed (cost-benefit analysis). This principle is excellent and should guide the SPI.

Ecodesign also sets the requirements to both products produced in the EU and outside the EU. It is a great tool to secure the functioning of the Single Market and ensure a level playing field because it provides an EU harmonised framework in accordance with the New Legislative Framework. A functioning EU internal market is a prerequisite for the development of a circular economy.

- The Digital Product Passport (DPP) has a lot of potential and the information could be useful. However, it is necessary to limit information requirements to information that would *actually* be used. For instance, the recent 'bad example' of the ECHA SCIP database (the database for information on Substances of Concern In articles as such or in complex objects (Products))

established under the Waste Framework Directive) must not be replicated. This database was supposed to provide useful information to recyclers and improve recycling.

Unfortunately, many recyclers are not using this database because the level of information is too detailed and not useful for them. A lot of industries felt they spent a lot of time and efforts to enter useless data in this database. Learning from the SCIP database, the DPP should not replicate this bad example and the data requested must be of added value.

- We call on the European Commission and the European Parliament to take the opportunity to make the DPP an administrative relief for the industries.

This tool should be an easy and workable way to deal with information data.

For more information, please see:

- Orgalim detailed **Position Paper** on the Sustainable Products Initiative and the Digital Product Passport, 8 June 2021. (<https://orgalim.eu/position-papers/environment-orgalim-position-sustainable-products-initiative-0>)
- Orgalim Policy Exchange **webinar** on the SPI and DPP, 29 June 2021. (Orgalim Policy Exchange webinar on the SPI and DPP, 29 June 2021.)



Henna VIRKKUNEN MEP (EPP, Finland), Industry, Research & Energy Committee

The circular economy offers great opportunities for the European Union. We must take the lead in the global transition towards climate neutrality. Circular economy is a key part of this change, benefitting both the fight against climate change and European competitiveness. The EU's ambitious goals on circular economy require carefully planned legislative work and policy implementation. If implemented correctly, the shift could increase the EU's GDP by an additional 0.5% by 2030, creating around seven hundred thousand new jobs.

I support the approach that the Commission has chosen. It is efficient to target a wide range of resource-intensive sectors and key product value chains with high circularity potential. We can accomplish a lot with sustainable product policies such as ecodesign, substantiation of green claims, 'right to repair', and green public procurement. However, we must ensure that the burden and costs of the transition do not fall on only some specific sectors or products. All stakeholders and sectors must do their part for circular societies to function properly.

Circularity becomes an opportunity both for the environment and for European manufacturers, if we enable businesses, including SMEs, to contribute. The smallest businesses often develop innovations but they must be also supported in the transition. Better regulation practices and the 'one-in-one-out' principle need to apply among with policy coherence and a stable regulatory framework.



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 technologies that allow the manufacturing of more sustainable products, like insulation materials for energy efficiency of buildings.

The Sustainable Products Initiative has the potential to accelerate the development, scale and uptake of more sustainable technologies, without jeopardizing the functionality of a product or compromising safety for human health and the environment.

For example, the SPI can create incentives for the adoption of a state-of-the-art technology like chemical recycling, which will be critical to achieve a more circular economy by providing an end-of-life solution to those wastes that mechanical recycling cannot process.

That is the case for Dow's RENUVA™ Mattress Recycling Program, which recycles polyurethane foam from end-of-life mattresses and turning it into RENUVA™ polyols for use in new mattresses and other applications. For the RENUVA program we are involved in a block-chain project, having capabilities to track and communicate along the value chain.

We are here today discussing the pillars of a policy framework that will shape manufacturing and consumption, and with them, investment decisions, for the decades to come. If we want the SPI to truly be an opportunity for business and the environment, some considerations should be taken into account:

- **Requirements.** They should be product specific, mindful of the particularities of a certain product and the function it plays. They should be coherent with current and upcoming product regulation (e.g., Packaging & Packaging Waste Directive, Constructive Products Regulation etc.). This should be accompanied by strong enforcement and import controls to guarantee a level playing field.
- **Incentives for innovation.** The framework should include incentives to support innovation and foster the uptake of new technologies, like chemical recycling.
- **Digital product passports.** Data should be fit for purpose, fostering the communication of the sustainability features of a product to consumers and the value chain, while protecting confidential business information.

This can be without a doubt an opportunity for business and environment, one that we are willing to embrace. We welcome the opportunity to have an open dialogue on the different policy options so that the SPI delivers the objectives that it is set to accomplish.

Susana SOLÍS PÉREZ MEP (Renew Europe, Spain), Industry, Research & Energy Committee & Environment Committee



First of all, thank you for organizing this debate, I am delighted to be able to participate once again with so many experts

After having heard the previous speakers, I think I can affirm that there is a large consensus that moving to a circular economy is imperative to achieve the Green Deal objectives, but also that there are benefits and economic opportunities even more now in the context of the economic recovery.

I see the circular economy as a way for European companies to remain competitive in a global market, given Europe's scarcity of primary raw materials but its advantages in terms of skills and expertise. Let us make sure that a business case for industry exists

There is also a broad consensus that sustainable products have to become the norm on the EU market. Extending the Ecodesign Directive to a broader scope and setting targets for recycled content in products is essential. But we need impact assessments and scientific based targets that do not compromise our quality and competitiveness

As you mention, incorporating circularity criteria such as durability, reparability, recyclability and the reduction of hazardous substances at the design phase, as well as combatting premature obsolescence, is an important step in the right direction.

Other topics I would like to raise for the debate are:

- It is very important to provide market incentives. We need to help companies to meet the circular goals. In this sense, public sector demand could lead to the creation of a market for circularity and deliver higher standards.

And green public procurement can be very helpful in sending the right signals to industry across Europe. While right now it is a voluntary instrument, we should consider introducing green public procurement criteria, based on life-cycle analysis

- promoting innovation is key to scale up the design of circularity and to develop new manufacturing technologies and smart solutions. For example, digital manufacturing technologies will enable the Digital Product Passport

That is why I want to stress the importance of investing and promoting innovation through Horizon Europe programme. But we also need to incentivise public-private partnerships through the Next Generation Funds or the Just Transition Fund.

- Stress the specific role played by frontrunners, like SMEs and start-ups in the transition to a circular economy. But it is a big challenge for them. We have to help them thrive, and avoid bureaucracy. We have to consider options that do not impose too much administrative burden on SMEs.
- Consumers. We need to empower consumers, provide them with the right information and with affordable repair services. But also promoting behavioural change across citizens and consumers is key if we want to bring a circular economy forward.

The textile industry would be a good example to visualise that a shift away from fast-fashion will ultimately be successful if consumers are given sustainable alternatives and if there is a consensus on being willing to pay more for a sustainable alternative.

- Finally, we also need to take into account the differences in starting points and capabilities among and within the Member States

## **CONCLUDING REMARKS**

Antony Fell, EUROPEAN FORUM FOR MANUFACTURING, Secretary General

We have heard excellent presentations this evening. I would first like to thank Tsvetelina Penkova for her excellent chairing and moderation and Matjaž Malgaj from the European Commission for his comprehensive presentation.

Equally I would like to thank each of the European Manufacturers for their informative presentations and the MEPs for their interventions.

I formally close this European Forum for Manufacturing virtual meeting.



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