Sustainable Products Initiative (SPI)

Community Resources Network Ireland (CRNI) feedback on the Sustainable Products Initiative

June 22, 2022

Overview

CRNI welcomes the revision of the Ecodesign Directive through the Sustainable Products Initiative (SPI) as a major opportunity to enhance product sustainability and to pave the way for a transition towards sustainability within European markets.

We support the submissions to the above consultation from the Environmental Commission on Standards, Brussels (ECOS) and the RREUSE network, Brussels, and we particularly recognize and appreciate the following initiative's outcomes:

- implementing eco design and information requirements to improve products' sustainability
- promoting the right to repair
- exploring new circular business models

However, the initiative should introduce strong and clear targets in order to be effective. Action on eco-design must be combined with enhancing options for re-use and repair that ultimately lead to reduced consumption of products and materials. Eco-design alone will not solve our unsustainable consumption levels. This is why both the information and eco-design requirements should lead not only to a more sustainable production of goods, but to a concrete phase-out of unsustainable products.

Therefore, we would like to address several elements that seem to be lacking in the actual regulation but are necessary to adopt ambitious policies. In this regard, CRNI's call to the Commission will focus on the following elements:

- Include social element in Eco-design criteria
- Ensure a proper and inclusive implementation of information requirement with a strong assessment of the information provided;
- Deploy inclusive and convenient eco-design requirements, including 'fit-for-repair' criteria;
- Introduce better regulation measures;
- Tackle and reduce overall production;
- Implement measures to foster the repair and re-use sector.

Community Resources Network Ireland (CRNI)
www.crni.ie
10 North Great Georges Street,
Dublin,
Ireland

+353 87 173 5184
info@crni.ie

Include social element in Eco-design criteria

While the IA strongly justifies the inclusion of social requirements, these are finally excluded in the Commission's final proposal because of the recent adoption of the Corporate Sustainable Due Diligence Directive proposal. The lack of any mention of the future legislation in the ESPR and any links between the two policies could lead to potential legal loopholes and to overlook small-medium enterprises.

Ensure a proper and inclusive implementation of information requirement with a strong assessment of the information provided

Overall, we call on the European Commission to ensure mandatory access to product-related information. In addition, we insist on the fact that the product passport must not only contain information on how the product should be recycled at the end of life, but also on how the product can be repaired and reused . In addition, the information requirement should be aligned with sanctions in case of non-compliance to ensure the effectiveness of the policy.

If the information requirement tackles the environmental aspect of the production, it fails to mention the social impacts of the products. Consumers should also be able to make choices based on the social conditions in which their products have been produced. Therefore, the information requirement should include the societal cost of the products and reflect their compliance to labour standards or the general level of wellbeing of workers in manufacturing. In order to implement the societal information requirement, it should be mandatory for manufacturers and value chains as a whole to comply with labour standards as a starting point. Manufacturers should be encouraged to provide detailed information about the working conditions they offer and watchdogs should be implemented by European authorities to assess their compliance to international labour standards, such as ILO frameworks.

In the same way, the information requirement includes durability and energy use, but this remains vague and does not properly measure the overall footprint of products, notably during the production phase. The information requirements should be broader, precise and must tackle the entire product life-time to avoid greenwashing. Therefore, the SPI should develop strict targets for carbon, water, material, land and energy footprint reduction. To do so, the SPI should use indicators such as the "Land footprint". The Land Footprint as a consumption-based indicator would be especially useful, convenient and relevant. Indeed, by measuring the amount of land used both domestically and abroad to produce the products consumed within the EU, this indicator will help assess land-related environmental as well as social impacts.

In short, the following information should be made available to consumers:

- Material and chemicals content (bill of materials) and information on possible hazards related to the chemicals contained.
- Product origin (including sourcing of raw materials). - Circularity performance (durability, reusability, reparability, recyclability, and product care guidance).
- Comprehensive environmental footprint information starting with CO_2 emissions. - Social impacts of production.
- How workers' rights are respected throughout the supply chain and information about worker grievances.
- How environmental and social impacts are dealt with Companies' corporate social and environmental policies, targets, practices, risks, and impacts on human rights, including labour rights.

Beyond the information requirement, the main challenge will be to evaluate that the information provided by producers is not only understandable but, above all, true and certified. If the Commission seems to understand the importance of the authenticity of the information provided ("It is also necessary to ensure better information at the point of sale and build consumer confidence in the claims that producers make on the environmental benefits of their products on their own accord. The proposal on empowering consumers for the green transition enables consumers to make informed purchasing decisions."), it should propose tools to assess the authenticity of the information. This is why the eco-design and information requirements must pay specific attention to greenwashing and ensure the coherence between production practices and their effective environmental impacts.

Another challenge of the information requirement is to avoid putting the entire responsibility of the products' durability on the purchase action. The risk here is to make the consumer responsible for the durability (or not) of its products instead of leading to a systemic change of the production practices. Therefore, the information requirement has to be linked to strict eco-design requirements which will ensure sustainable production.

Deploy inclusive and convenient eco-design requirements, including 'fit-for-repair' criteria

Overall, we welcome the Commission's intention to develop eco-design requirements for groups of products. We would like to insist on the importance of those groups of products to easily implement the eco-design requirements and enable the transition toward sustainable production. However, the SPI should not only focus on labelling and eco-design requirements but it should strongly tackle the issues caused by the development of repair monopolies, notably by manufacturers, and deploy financial tools to encourage repair and re-use as well as to support independent repairers.

"For products where there is no specific EU law setting mandatory requirements on environmental sustainability, the ESPR will be the legal framework under which to set EU rules ." Yet, the eco-design requirements should include other priority types of products such as sport and leisure equipment, toys and bicycles. Other type of products foreseen by the Commission as candidates for eco-design, such as furniture, should absolutely be tackled by the eco-design requirements, because they are fit for standardisation and have a consequent environmental impact.

Introduce better regulation measures

The IA lacks a thorough assessment of the effectiveness of industry-led voluntary agreements which have so far proven not to be fit for purpose. As a result, an article on self-regulation has been proposed in the ESPR text as a copy-paste from the current Ecodesign Directive, thus creating an even higher risk of self-regulation with a higher number of products in the scope.

Tackle and reduce overall production

The SPI will "provide the possibility to ban the destruction of unsold products entirely5 ". However, this statement does not mention any resource consumption nor volume production reduction targets. In addition, businesses will have to disclose the level of unsold products they discard per year but without being incentivized to reduce this amount nor their overall production. In order to develop an effective consumption reduction, the SPI should develop minimum average lifetimes, determined by categories of products that, if not respected by producers/importers, will result in sanctions.

The initiative contains the idea that "this is necessary to decrease overall demand for energy and resources, and decouple growth from primary resource use ". However, it does not mention any clear targets in terms of resources' consumption reduction. Alongside destruction bans, legal mechanisms to make the donation of unsold goods to social, charitable or community based organisations easy should be implemented. For example, in some member states, the recycling of unsold goods allows the producer and/or retailer to claim back VAT incentivising them to destroy their new product, while if they donate the appliance to a charity, they do not, i.e. it is a disincentive to donate.

In addition, the SPI does not tackle other purchase incentives, such as advertisement. Yet, advertisement plays a huge role in sharing consumption trends and should be better regulated to ban false claims and avoid greenwashing. Secondly, the advertisement of new products should be taxed.

Implement measures to foster the repair and re-use sector

The initiative fails to address sufficient policies to develop a circular business model based on repair and reuse practices. In order to truly implement the waste hierarchy and make repair and reuse solutions the first option for consumers, several elements should be added to the initiative.

First, the SPI should propose financial tools to encourage repair and re-use. At the same time, a specific awareness should be raised on financial incentives that could have unintended consequences such as encouraging consumers to purchase goods they do not need. While the SPI must lower the cost of repair/re-use (eg. through the use of repair vouchers or lower VAT on repair services), it should also lead to an increase of new products prices . However, the Commission should be careful that an increase in prices does not lead to widening social and societal gaps. On the contrary, the Commission should make sure that everyone can afford sustainable high quality fit for repair or re-used products. Therefore, the SPI should rely on reuse and refurbishment practices as low-cost alternatives to buying new products, not only for low income consumers but for all of them.

Overall, information on reusability and re-use options (eg. where to donate reusable products) are absent in the Digital Product Passport. Necessary information for the customers to identify the reparability of their products is missing.

The SPI should explore the possibility to provide databases and maps at national level to gather and highlight re-use and repair opportunities for customers but also repairers. For instance, the information requirement must include the price of spare parts and their availability. In this regard, the price of spare parts should be lowered or the producers/importers should commit to maximum prices for the spare parts that are associated to their products (and make that information accessible in the product passport). The SPI is seeking to promote new circular business models such as reverse logistics. Although reverse logistics models can be helpful in collecting unused but valuable products, they need to be designed in an inclusive way to make the repair or re-use of the collected products possible for third parties. Again, operators with access to these products should not only be producers/importers. A solution to enhance and facilitate re-use and repair practices is to require producers/importers to offer product guarantees including a "commitment to free repair by independent repairer as first remedy" or a "commitment to free replacement by a refurbished similar product.

In addition, the SPI is seeking to promote a product-as-a-service model. CRNI fears that the development of mass product-service systems will counter the development of a right to repair. Consumers need to have a choice when deciding how to repair their products. Being able to repair their products on their own or through independent professional repairers will be difficult in product-service systems. Therefore, there are high risks of seeing repair/maintenance monopolies developed by producers/importers if these business models become the norm. To avoid such a situation, the Commission should ensure impact assessment and transparency of those business models.