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Delegations will find attached document the above document.

Encl.: NAT/851 Sustainable products initiative, including Ecodesign Directive.

¹ Other language versions are available on the following website:
<https://dmsearch.eesc.europa.eu/search/opinion>



OPINION

European Economic and Social Committee

Sustainable products initiative, including Ecodesign Directive

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: On making sustainable products the norm
[COM(2022) 140 final]

Proposal for a Regulation of the European Parliament and of the Council establishing a framework for setting ecodesign requirements for sustainable products and repealing Directive 2009/125/EC
[COM(2022) 142 final – 2022/0095(COD)]

NAT/851

Rapporteur: **Thomas WAGNSONNER**

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Legal basis	Articles 192 (1) and 304 of the Treaty on the Functioning of the European Union
Section responsible	Section for Agriculture, Rural Development and the Environment
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Adopted at plenary	14/07/2022
Plenary session No	571
Outcome of vote (for/against/abstentions)	205/1/4

1. **Conclusions and recommendations**

- 1.1 The European Economic and Social Committee (EESC) welcomes the proposals under the Circular Economy Action Plan and, in this opinion, specifically supports efforts to make products more sustainable. It also regards the harmonised legal approach as essential. At the same time, it notes that the proposed new Ecodesign Regulation is still vague for the most part, because of the large number of delegated acts. Furthermore, given the need to reduce resource consumption and protect the climate, the EESC proposes faster and more ambitious implementation.
- 1.2 The EESC draws particular attention to the fact that the circular economy approach can only succeed if all economic operators – producers, consumers and workers – and authorities are properly involved and informed. To ensure successful implementation, clear, sound and consistent rules are needed in order to give sustainable products a fair competitive opportunity.
- 1.3 The new elements of the Regulation are welcome, such as the extended scope, the new ecodesign requirements (durability, reparability, recycling, environmental impact, CO₂ emissions, etc.) and the information requirements of the digital product passport and labels, emphasising the importance of correct and relevant information, especially for consumers.
- 1.4 The EESC supports the ban on destroying unsold goods – understood as new, returned or repairable goods. It also welcomes the fact that, together with the circular package, the Regulation tackles existing issues, such as greenwashing and obsolescence.
- 1.5 The Ecodesign Forum is a supporting body with a number of tasks relating to implementation. All stakeholders and civil society representatives, including social partners, should be given the opportunity to put forward ideas and suggestions to improve the process.
- 1.6 The EESC is aware of the challenges facing producers and businesses, especially small and medium-sized enterprises (SMEs), but unnecessary red tape should be avoided. It also sees an opportunity to create a new European production standard – Made in Europe – with sustainable product standards.
- 1.7 The tools for the declaration of conformity and self-regulation provide scope for entrepreneurship. Efficient and coordinated controls between Member States, with good consumer information, builds trust in a successful transition from a linear to a circular economy.
- 1.8 Regrettably, the EESC must note that the Regulation overlooks the social dimension. A reference to the Commission's proposed Directive on Corporate Sustainability Due Diligence seems insufficient.

2. **Background to the opinion**

- 2.1 The linear economic system asks too much of the world's resources. More than half a trillion tonnes of new resources were consumed between the UN climate conferences in Paris and

Glasgow. The Circularity Gap Report 2022¹ states that, globally, only 8.6% of what is used is recycled. In other words, there is a circularity gap of more than 90%. The circular economy can make an effective contribution to reducing resource consumption.

- 2.2 The need to conserve resources has been recognised in Europe. The European Commission has put forward the Green Deal, the EU's growth strategy for a fair and prosperous society with a modern, resource-efficient and competitive economy. The need for action has become more acute with the supply chain problems caused by the pandemic and Russia's invasion of Ukraine. Businesses and consumers are experiencing shortages and price hikes across a wide range of areas.
- 2.3 As a practical step, the European Commission put forward the following initiatives in late March as part of the Circular Economy Action Plan:
- Commission Communication on making sustainable products the norm
 - Proposal for a Regulation on ecodesign for sustainable products
 - Ecodesign and Energy Labelling Working Plan 2022-2024
 - EU strategy for sustainable and circular textiles
 - Proposal for a revised Construction Products Regulation
 - Proposal on empowering consumers for the green transition
- 2.4 This opinion looks at the Communication on *making sustainable products the norm* [COM(2022) 140 final] and the Proposal for a Regulation of the European Parliament and of the Council *establishing a framework for setting ecodesign requirements for sustainable products and repealing Directive 2009/125/EC* [COM(2022) 142 final – 2022/0095 (COD)].
- 2.5 The Communication highlights the need to rethink the prevailing linear economic model and move towards a circular economy. A harmonised approach across Europe will boost competitiveness, create jobs and offer sustainable products to consumers. This calls for a new approach to the production of goods, moving beyond the current minimum requirements (REACH, energy labelling, packaging, etc.).
- 2.6 The scope of the new Ecodesign Regulation will be greatly enhanced and its sector-specific initiatives for textiles, construction products, etc. will help preserve resources and boost energy efficiency. In particular, the new provisions to extend product lifespans (durability, reparability, better recycling, etc.) and improve product information through the digital product passport will require businesses to set out the qualities and life-cycle impact of their products in a transparent way. Consumers will have the opportunity to compare and thus assess products that meet European sustainability standards.
- 2.7 The product requirements of the Ecodesign Regulation are backed up by other supporting measures. Mandatory information on product and environmental benefits, as well as information on repair, durability and the ban on greenwashing, will strengthen the position and trust of consumers. Product checks by authorities and transparent monitoring of compliance with

¹ Circle Economy: The Circularity Gap Report 2022, Project Platform for Accelerating the Circular Economy (PACE).

product criteria provide consumers with the certainty of being able to choose from among high-quality products, and thus guarantee a level playing field for economic operators.

3. **General comments**

- 3.1 In principle, the EESC supports the objectives of the circular economy and the sustainable products initiative, as, in this case, sustainability entails combining environmental, economic and social aspects. This means that all economic operators must meet the necessary, new and exacting requirements. Businesses are required to gear their production and product design towards sustainability and to provide information about it. Consumers must have an understanding of this and take the "right" decision responsibly on the basis of information. Relevant awareness-raising campaigns are needed. Effective oversight is essential to ensure that the targets are met and not undermined, as this would harm Europe's position or promote "green scepticism". The goal is rather to have good jobs, better development, a holistic view and informed consumers and customers.
- 3.2 This Regulation and the circular economy set new standards. In order for these requirements to be adopted and fulfilled, and for them to lead to an economic circular process, the task is to involve economic operators – consumers, manufacturers, businesses, trade unions and research organisations – in a resolute and proactive way. It will be helpful to provide relevant information on the opportunities and objectives and to engage stakeholders in a timely manner.
- 3.3 The EESC supports the harmonised approach of the Regulation and delegated acts in order to avoid fragmentation and to be able to address the specific features of products, consumer affordability and competition. Sustainable products represent a European opportunity for businesses, innovation and jobs and take into account consumer desires for environmental protection and long product lifespan.
- 3.4 Extending the scope to include more products and higher requirements is welcome. The EESC notes that it will mean changes for manufacturing companies, for example with the digital product passport, rules on unsold goods and product-specific rules, but this is necessary in order to build the circular economy. At the same time, it will establish a new "Made in Europe" standard and create economic opportunities in the fields of design, disposal and repair.
- 3.5 The EESC underlines the need to ensure consistency across all relevant areas of legislation. This includes consistency under the Action Plan in terms of time and content, so as not to diminish effectiveness through segmented legislation and divergent approaches across Member States. However, it is equally important to ensure consistency with other key supporting areas of legislation, such as the recent European Commission Directive on Corporate Sustainability Due Diligence, the rules on waste which are important for circularity, including export measures, the Market Surveillance Regulation, etc.
- 3.6 The EESC recognises the need to adopt delegated acts and, given that such acts still leave much undecided, asks the European Commission for a more detailed action plan to accompany them. This is to ensure that a large number of products are covered by the delegated acts. At the same time, civil society organisations and trade unions should be involved at an early stage.

- 3.7 The EESC notes that the Ecodesign Regulation is a very complex piece of legislation that will alter the economic model. The Committee believes that the Regulation should be implemented rapidly but also properly. Adequate human resources are therefore needed to implement the delegated acts. Since there will also be new requirements for consumers, businesses, repairers and oversight authorities, the Committee also believes that all economic operators should be properly involved in the information process.
- 3.8 Public bodies should be at the forefront of green procurement in their public procurement processes. However, a greater impact could also be achieved by making green procurement a condition in funding guidelines for support or subsidies, such as the various EU investment programmes for businesses or third parties.
- 3.9 The EESC notes that ecodesign requirements should benefit consumers and that this should be clear and easy to identify. The broader requirements under the new Ecodesign Regulation may make products more expensive to buy, but this should be viewed against the cost savings arising from better performance, durability, upgradability and reparability, as well as higher end-of-life value. Appliances that are more energy-efficient can save energy and money. Durable products are also more economical. With the new proposed directive, consumers could save an average of EUR 285² per year. The Regulation emphasises affordability, but this provision should take account of different household budgets so that ecodesign is not exclusive. It is therefore all the more important to provide consumers with financial support to first buy sustainable products and then to repair them.

3.10 Environmental aspects

3.10.1 Ecodesign is an appeal to think in a circular way. The EESC underlines this point particularly in connection with:

- Regulation and control measures: mitigations/exemptions in delegated acts or in the case of voluntary self-commitments would undermine targets, as would possibilities for circumvention and loopholes in control. Ecodesign, performance and information requirements, including product parameters, should be consistent at the required level.
- Businesses, which are supposed to consider, during the design process, the environmental impact throughout the product life cycle, long-term use of the product, easy maintenance and repair, or which successor product can be made from it. Product standardisation should also be looked at once again. Examples include the different dimensions of tyres or charging cables.
- Consumers, who should receive key information on environmental impact, lifespan, repair, subsequent use and disposal when making a purchase decision.

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https://ec.europa.eu/info/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/energy-label-and-ecodesign/about_en#Energysavings.

3.10.2 Recycling is the next resource-efficient element of the Regulation after long-term use and re-use. The aim is to increase the recycled content of products, their recyclability and the value of the recycling and repair sectors. The EESC supports the objective, but points out that some technical, legal and conceptual obstacles remain.

Thinking in the material cycle shows the enormous need for change. By way of example, higher recycling rates should go together with minimum quotas for use of recycled material, or the theoretical recyclability³ of products should be consistent with the technical feasibility of recycling and the practical implementation of recycling measures. In the plastics sector, for example, many changes are needed in design and production before secondary raw materials are treated differently from primary raw materials.⁴

Recycling is also an opportunity for Europe. For example, high-quality metallic minerals are imported as raw materials or products and then, after use, are disposed of or re-dispatched into the world almost for free; this particularly includes cars and electronic scrap. These should be regarded as reusable materials and treated as such. Dismantling, processing and recycling benefit the climate, but also create significant added value and jobs⁵. In all of this, it is also crucial to keep the economic, environmental and social balance in mind.

3.10.3 The EESC welcomes the proposal to deal with unsold goods, but a more ambitious approach is possible. The destruction of products that remain intact, including new, returned and repairable products, is undesirable for society because it is tantamount to wasting resources. For the EESC, the Commission proposal to initially encourage only documentation by businesses while exempting small and medium-sized enterprises (SMEs) does not go far enough. The mere possibility of effecting stronger measures through delegated acts casts doubt on whether the objectives will actually be achieved. The EESC supports a ban on destroying unsold products, provided they are not dangerous. Businesses and retail platforms should also be asked to work on business practices that significantly reduce the number of returned products and unsold stocks. At the same time, consumers should be made aware of the environmental impact of returning goods.

3.11 Economic aspects

3.11.1 The EESC points out that the proposed Regulation is in principle welcome from the point of view of SMEs, but is also viewed with scepticism. SMEs have only limited (human) resources at their disposal. In particular, the support measures referred to in the Regulation should be geared to the needs and requirements of SMEs. Furthermore, SMEs are having difficulties in accessing the required public procurement procedures. Solutions should therefore be sought to enable them to participate in these procedures. Finally, from an SME perspective, it is necessary to ensure complementarity between the sustainable product regulation and product-specific rules. This is to avoid duplication of costs and administrative burden.

³ Pomberger, R. (2020). *Über theoretische, praktische und reale Recyclingfähigkeit* <https://doi.org/10.1007/s00506-020-00721-5>, <https://doi.org/10.1007/s00506-019-00648-6>.

⁴ Communication on *A European Strategy for Plastics in a Circular Economy*, [COM\(2018\) 28 final](#).

⁵ [OJ C 220, 9.6.2021, p. 118](#).

3.11.2 Repairers have a key role in ensuring that products last. It should therefore be made easier for repairers, socio-economic businesses specialising in re-use and civil society/local repair initiatives to take up their place in this circular model. In Germany and Austria, for example, it has proven worthwhile for repair initiatives to take out repair insurance, which at the same time entitles them to carry out repairs.

3.12 New circular business models⁶ are identified as an important tool in the Communication. These must be attractive, appealing and act as an incentive for businesses and consumers, and ensure decent working conditions. Models of this kind already exist in practice, such as the sharing economy, product-as-a-service and pay-per-use. The EESC suggests encouraging use of the existing best practice platforms and adapting them to the current challenges of the circular economy. Currently listed examples include Baukarussell – materials are offered to new users following demolition or conversion works – and repair networks that bring together consumers and repairers. However, it should be noted that many databases are not so attractive for contributors and users.

3.13 The EESC points to the need to raise consumer awareness of sustainable action and to continue using products until their end of their lifespan. Academic studies⁷ show that products that are still operative but no longer used (e.g. laptops, mobile phones, toasters, etc.) are stored in households for up to six years. Consumers therefore need relevant incentives to ensure that items they no longer use remain in circulation.

3.14 **Social aspects**

3.14.1 Regrettably, the EESC must note that the Regulation overlooks the social dimension. A reference to the Commission's proposed Directive on Corporate Sustainability Due Diligence⁸ seems insufficient, as this Directive clearly prioritises a process-oriented approach to global value chains, and product-specific social issues are not sufficiently covered. The EESC stresses that, from the point of view of sustainability, all three dimensions – economic, social and environmental sustainability – must always be dealt with in tandem and therefore calls on the Commission to re-examine the Regulation to see whether it would make sense to include product-specific social aspects as well.

3.14.2 The EESC points out that green jobs are not automatically sustainable jobs, unless all the Sustainable Development Goals (SDGs) are taken into account. Compliance with labour standards must be ensured, particularly for reasons of competition.

3.14.3 A project by the European social partners⁹ has looked into the impact of the circular economy on employment and working conditions. The transition to a circular economy could create

⁶ See INT/778 on *Innovation as a driver of new business models* (exploratory opinion), [OJ C 303, 19.8.2016, p. 28](#).

⁷ [Public hearing, NAT/851](#), presentation by Gudrun Obersteiner, 29.4.2022.

⁸ [COM\(2022\) 71 final](#).

⁹ <https://www.etuc.org/en/publication/european-social-partners-project-circular-economy-and-world-work-0>

between 250 000 and 700 000 jobs by 2030. The impact varies considerably across sectors and regions. The waste and repair sectors will benefit more than average, whereas the mining and chemical sectors will be negatively affected. A well-trained workforce will also be needed (e.g. waste management). In general, care must be taken to ensure that good jobs are available and decent wages are paid. The EESC finds it regrettable that the Commission does not currently provide for social dialogue to look into the consequences for workers of the transition to the circular economy.

4. **Specific comments**

4.1 **Information in the DPP, labels and Ecolabels**

4.1.1 The EESC welcomes access to comprehensive product information in the digital product passport (DPP). The information should be targeted and accessible to all actors along the supply chain in a user-friendly way. The content should provide consumers with a circular decision-making basis for purchases, re-use, repair and disposal. This includes the CO₂ content of the product, the proportion of rare earths, hazardous components, non-recyclable materials, the list of repairable parts and their availability or, in the case of software, compatibility and costs. The option to include information on other sustainability aspects in the DPP is welcome¹⁰. The Committee suggests that the DPP be accompanied by a repair score containing information on reparability, particularly of important wear parts, the price of spare parts and how long they are available for, as well as information on the working conditions under which the products were manufactured. The essential information should also be made available to consumers in physical form, such as the guarantee and the carbon content of the product.

The DPP should not be a tool that requires businesses to use additional resources (data collection), but rather one that incorporates existing systems. However, the requirement to provide increasingly transparent but at the same time sensitive data may also require a review of the consistency of the decision on industrial property rights.

4.1.2 **Labels**

Labels are intended to provide consumers with the product information that is still to be specified in the delegated acts. The EESC stresses that customers should be provided with correct, visible and clear information, with data on climate impact, content and composition, compliance with labour standards, durability and reparability being essential.

4.1.3 **Ecolabels**

Many products and services are certified with the European Ecolabel by means of an expert opinion. The aim is to make it easy for consumers to tell if a product or service is environmentally friendly, durable and of high quality, and to enable comparison with other products and services. At most, however, the Ecolabel requirements can complement, but not replace, product rules based on the Ecodesign Regulation, with the checks by authorities under the Ecodesign Regulation also having to cover the information on Ecolabels.

¹⁰ [COM\(2022\) 142 final – 2022/0095\(COD\)](#), p. 29, point 26.

4.2 **Online marketplaces**

A level playing field for all economic operators is important and therefore liability rules for online marketplaces should apply particularly in cases where no other actor in the supply chain takes action against a non-compliant product¹¹.

- 4.3 Market surveillance – checks, bans and fines – is entrusted to the Member States and information on infringements is published in the ICSMS (Information and Communication System for Market Surveillance), a European reporting and information system for products found to be non-compliant or dangerous. The Committee supports the proposal to extend and improve market surveillance, as between 10% and 25% of products surveyed do not comply with the Ecodesign Directive¹². In order to enable Member States to carry out their tasks, market surveillance needs to be equipped with the right resources. Particularly with regard to infringements, it should be ensured that any non-compliance of products is properly followed up by market surveillance authorities. Unfortunately, there are repeated negative examples of the conformity assessment procedure being circumvented, as in the recent case of masks to protect against COVID-19. Spot checks should always be carried out by the authorities. Consumer organisations should also play a part as infringement whistleblowers. This should take place quickly and efficiently, complementing the Directive on *representative actions for the protection of the collective interests of consumers*. Effective market surveillance across all Member States requires the European Commission to play a very active role in this area, so that all businesses in the European Economic Area enjoy a level playing field based on equally robust checks. In addition, attention is drawn to the scope for improvement in the user-friendliness and information of the ICSMS homepage.
- 4.4 The Ecodesign Forum and the involvement of all stakeholders in this process is to be welcomed, but care must be taken to ensure that it works effectively and that responsibility, skills and resources for the mentioned tasks are ensured. For example, the Forum cannot evaluate self-regulation measures. This is a task for the authorities or the European Commission.
- 4.5 Self-regulation measures, as an alternative instrument to a delegated act for a product group, should be the exception. If applied, these measures should be close to delegated acts in terms of criteria for clarity, market coverage and quality.
- 4.6 The EESC would specifically like to refer to the European Circular Economy Stakeholder Platform¹³ in the context of this opinion. Launched jointly by the EESC and the European Commission in March 2017, the initiative supports new partnerships and the further development of circular economy solutions across Europe. It is also intended to highlight the important contribution that the circular economy can make to the implementation of the UN Sustainable Development Goals.

¹¹ Remark: INT/957 *Product Safety Directive/revision* ([OJ C 105, 4.3.2022, p. 99](#)) already addresses important aspects of product safety.

¹² J. Bürger/G. Paulinger, Vienna Chamber of Labour (2022) <https://emedien.arbeiterkammer.at/viewer/resolver?urn=urn:nbn:at:at-akw:g-5230098>, p. 88.

¹³ <https://circulareconomy.europa.eu/platform/>.

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Christa Schweng
The president of the European Economic and Social Committee
