

Proposal for the Ecodesign for Sustainable Products Regulation (ESPR)

Bocconi University

13 December 2022

Why an initiative on Sustainable Products?



 Global extraction of materials tripled since 1970; waste generation set to increase 70%

by 2050;

 Over 90% of biodiversity loss and water stress from resource extraction and processing



Planetary boundaries exceeded

EU has less than 10%
 of world population, yet
 its consumption-based
 impacts are close to
 or exceed boundaries
 for climate change,
 particulate matter, land use
 and mineral resources
 (Sala et al, 2020)



New business opportunities

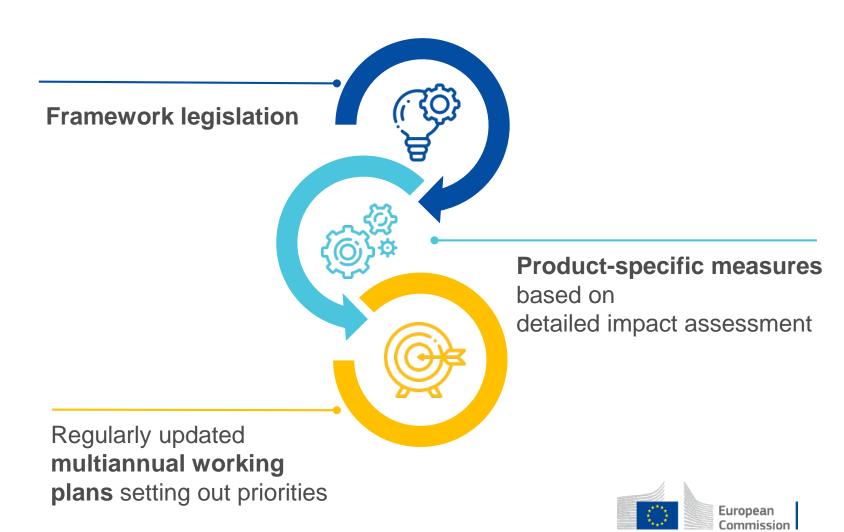
- Better functioning of the Single Market
- Reduce material use and expenditure
- Level playing field



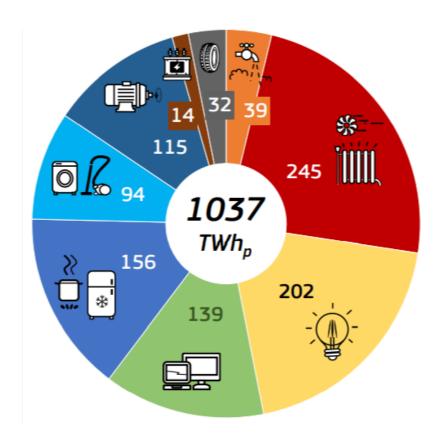
How will ESPR work?

1. By **building on** the existing Ecodesign Directive

Key features of Ecodesign Directive approach maintained



Existing Ecodesign and Energy Labelling Legislation



Current status (existing measures):

50 measures covering products that consume almost 50% of EU final energy, and emitted almost half our GHG in 2020

- About 3 billion products in scope sold in 2020
- Energy saved in 2020 comparable to energy consumption of Poland

More than €60 bn estimated reduction in annual consumer energy expenditure in 2020

About 1 MWh annual electricity savings per household (27%)

All savings for 2020 vs BAU



Energy labelling globally "The Brussles effect"

Some alignment with EU regulations





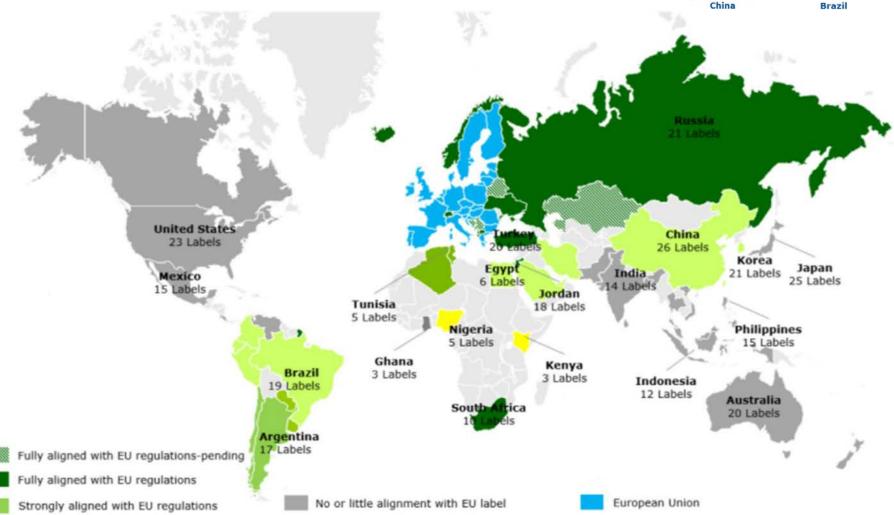
Regulations under development







Argentina



Country not analysed





How will ESPR work?

2. Extending the Ecodesign approach



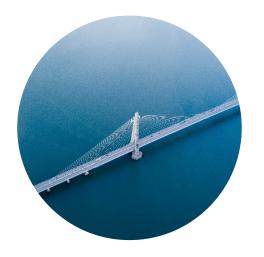
Scope extension

Moving beyond energy-related products to a wide product scope



New requirements

Plus clarification of existing requirements



Horizontal approach

Now allowed for in addition to product-specific requirements



Increased focus on product information

e.g. Digital Product Passport; Labels



Key product aspects under ESPR

- Durability
- Reliability
- Reusability
- Upgradability
- Reparability
- Possibility of maintenance and refurbishment
- Presence of substances of concern

- Energy use or energy efficiency
- Resource use or resource efficiency
- Recycled content
- Possibility of remanufacturing and recycling
- Possibility of recovery of materials
- Environmental impacts, including carbon and environmental footprint
- Expected generation of waste materials



Other tools provided by ESPR



Mandatory **Green Public Procurement**

ESPR will enable mandatory GPP criteria to be set in delegated acts for public contracting authorities



Prevention of destruction of unsold consumer goods

Transparency requirements for those choosing to discard unsold goods, and possibility to ban their destruction for relevant product groups.



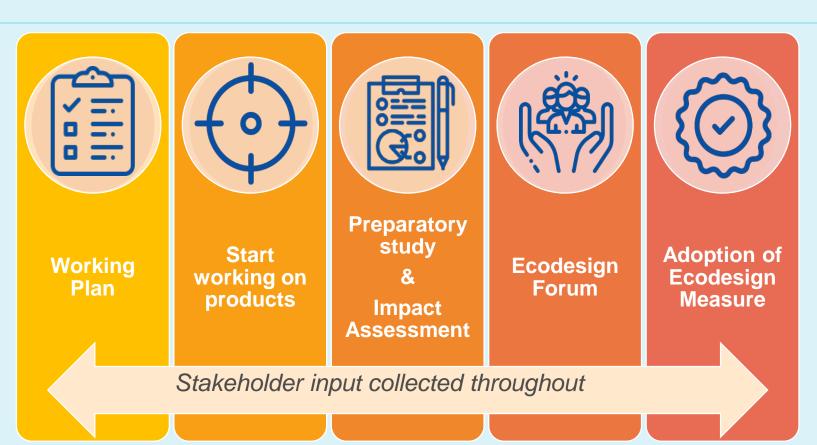
Market surveillance and customs controls

Reinforcing controls on regulated products, including market surveillance implementing plans, possible targets on checks, support to common projects and investments



Process under ESPR

Improved process for adoption of new Ecodesign measures







Digital Product Passport (DPP)

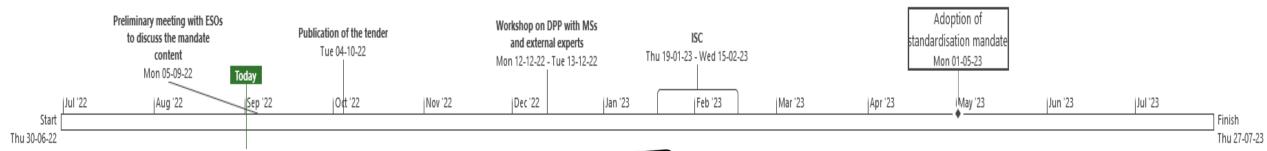
- A single, digital entry point to collect, store and access product specific information throughout the life cycle to improve circularity
- It will contain:
 - For **consumers**: data on e.g. environmental impact, circularity, substances of concern
 - For value retention: information to facilitate for reuse, remanufacturing or recycling
 - For authorities: **compliance information** (e.g. technical documentation)

Info available on a need-to-know basis



DPP Working principles

Manufacturing (preparing, weaving, etc) Manufacturing jeans Access to information is enabled through a data carrier and the corresponding unique identifier Cotton grower **Economic operator** placing the product on the market https://{domain}/identifier1 Local storage system Provenance/traceability DPP registry Labels Footprint Substances of concern Durability Classes of performance European Compliance Commission Warranty documents





Future milestones

- ✓ Adoption of the standardisation mandate: mid-2023
- ✓ Proof of concepts implemented for 3 value chains CIRPASS project (batteries, textiles, ICT): March 2024
- ✓ First products regulated at EU level with a mandatory DPP: 2025-2026



Where ESPR stands: the political process

- Inter-institutional process underway:
 - In the Council: regular discussions have taken place under CZ Presidency; set to continue under SE Presidency
 - In the **EP**: Committee reports currently being prepared; plenary vote scheduled in July 2023
- In parallel, technical preparations for ESPR continuing:
 - Public consultation on new product priorities under ESPR to be launched in January 2023

European Commission

Supporting businesses and SMEs in the green and digital transition

Transparency, adequate time and predictability for businesses: work
plans and full engagement with stakeholder along the way



- Proportionality: dedicated consultation and impact assessments before adoption of product specific rules
- Dedicated SME provisions and support: Art. 19 (e.g. financial support, trainings) and SME test in impact assessments



 Incentives: to steer demand towards sustainable product options (classes of performance for GPP and MS incentives)



The ESPR Economic and Business Case

GLOBAL

CHALLENGES

BUSINESSES

HARNESSING

SINGLE

MARKET

POTENTIAL

Ensure a level playing field

Strengthened market surveillance and custom checks

Harmonised rules to reduce admin. & compliance costs

An EU economy more resilient to external shocks

Reduce EU strategic dependencies and costs

New business opportunities and green jobs

Reputational benefits

Innovation and transparency along supply chains (via DPP)



ESPR is rooted in the Single Market

Proposal for a Green Claims Directive



Why set requirements on green claims?

- Announced in European Green Deal, Circular economy Action Plan & New Consumer Agenda
 - → Promote transition towards a climate-neutral and resource-efficient economy
- Reduce consumer confusion & build consumer trust
 - →Enable consumers to trust green claims and take informed purchasing decisions
 - → Not overlaps with existing and planned EU rules
- Level the playing field
 - → Set minimum requirements for B2C voluntary claims made by operators on their products and organisations

Aims at reliable, comparable and verifiable green claims across EU

Requirements for communication and labels

Communication of claims must not be misleading

- → allows for transparency towards consumers and other stakeholders
- → does not overstate benefits (claims must be rigorous and monitorable, not hidden trade-off)

Labels must be reliable, transparent & third party verified

- → Minimum requirements on substantiation, communication & verification
- →methodologies must be based on comparable information & data
- → Based on certification schemes with independent & transparent governance



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