



## Boosting the Sustainable Product Initiative (SPI) in the EU



1 December 2021, 12:00 – 14:00 CET

Online Event

### Hosted by MEP Maria Spyra

Co-Chair of the European Parliament Intergroup on 'Climate Change, Biodiversity & Sustainable Development'

#### Speakers:

- **MEP Maria Spyra**,
- **Matjaž Malgaj**, Head of Unit, DG ENV, European Commission
- **Anna Papagrigori**, Sustainability Director, CEPI
- **Hans Craen**, Secretary General, EPBA
- **Jean-Pierre Schweitzer**, Senior Policy Officer for Circular Economy and Product Policy, EEB
- **Emmanuel Katrakis**, Secretary General, EuRIC
- **MEP Sirpa Pietikäinen**

## Opening Remarks

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*MEP Maria Spyra*

**“The SPI aims to establish the circularity criteria; to broaden the scope of the Ecodesign Directive, and to improve reliable information on sustainability across the value chain.”**

**MEP Ms Spyra** initiated the event by explaining that the **Sustainable Product Initiative (SPI)**, expected for the first quarter of 2022, will introduce **important changes** for companies placing products on the EU market. Currently, the **production, consumption and waste linked to products** are responsible for overexploitation of natural resources, pollution and around **40% of global greenhouse gas emissions**. In this regard, the SPI aims at correcting some related market and regulatory failures, by **promoting the internalization of externalities; extending the lifespan** of many products; and **increasing their durability and resilience**. The initiative, she continued, will uphold the principles of the **2020 European Green Deal** and the **Circular Economy Action Plan**. The SPI aims to establish the **circularity criteria; to broaden the scope of the Ecodesign Directive**, and to **improve reliable information on sustainability** across the value chain. MEP Ms Spyra highlighted that this will be a **legislative initiative**, intending to make products fit for **resource-efficient, climate-neutral, and circular economy** as well as to **reduce waste** and **support sustainability** initiatives. Moreover, SPI will also **address the presence of harmful chemicals** in products like textiles, electronics & ICT equipment, furniture, steel, cement & chemicals. Furthermore, the Initiative calls for companies to implement **Life Cycle Analysis (LCA)** and **trace the environmental impact** and production process of their products through their whole life cycle. Besides, the SPI will also **ban the destruction of unsold goods** to limit overproduction and set out clear criteria for classification and waste shipment. As final remark, MEP Ms Spyra reminded the importance of **raising awareness** on the SPI among consumers, who are crucial players in the race towards the achievement of EU climate goals.

## Keynote Intervention

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*Matjaž Malgaj, Head of Unit, DG ENV, European Commission*

***“The SPI brings together the urgent need to cope with environmental challenges and the need to modernize EU industry.”***

**Mr Malgaj** introduced the topic as part of the wider **Green Deal**: the SPI brings together the urgent need to deal with environmental challenges and the need to modernize the EU industry. Overall, Mr Malgaj explained, the SPI aims at coping with the consequences of unsustainable production and consumption of products. In this regard, he specified that **80%** of products’ environmental impacts are **determined in the design phase**: this is why, among others, improvements of the Ecodesign Directive are needed. The public consultations, he disclosed, showed that most of the participants strongly agree on many points: **products do not sufficiently cover the costs of the harm** that their production and use cause to the environment; **many of them are not designed to be easily repaired** or upgraded; materials used in products are more and more **complex and difficult to recycle**; **consumers and businesses lack adequate and reliable information** on products’ sustainability characteristics; and finally **having repairability information would allow everybody to foster sustainability** of the products. To sum up, Mr Malgaj explained the aims of the Commission behind the SPI: extending and strengthening the application of the Ecodesign Directive; widening minimum sustainability requirements for products; enhancing sustainability information requirements for consumers and business to business (including a Digital Product Passport); and rewarding more sustainable products through incentives.

## Panel Discussion

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*Speakers that took part in the panel discussion:*

- **Anna Papagrigoraki**, Sustainability Director, Cepi
- **Hans Craen**, Secretary General, EPBA
- **Jean-Pierre Schweitzer**, Senior Policy Officer for Circular Economy and Product Policy, EEB
- **Emmanuel Katrakis**, Secretary General, EuRIC

To open the discussion, panelists were asked which are in their opinion the **key areas of interest** of the Sustainable Products Initiative (SPI), and which are the main **challenges** related.

**Ms Anna Papagrigoraki** reported Cepi's optimistic expectations towards the adoption of the SPI, as she defined the Initiative as "perfect for paving the transition" toward a more circular, low-emission and resources-efficient economy. Cepi is looking forward to knowing the implementation of the textile strategy; and in particular to see how the recycling of mixed textiles will be further supported. The main **challenge**, according to Ms Papagrigoraki, is that while the SPI contributes to achieving a low-carbon economy, efforts on **de-fossilising and shifting towards renewable materials are missing**. She then suggested the institution of **mandatory recycling content** to be applied when there is a low demand for recycled materials. Communication to consumers, she continued, is also important to support sustainable products in the market. In this context, **traceability** promoted by the Digital Product Passport will be essential throughout the value chain. Ms Papagrigoraki also identified a potential challenge related to the Digital Product Passport, that is, the **need to apply it also to imported products**, to **guarantee a levelled plain field in EU market**. To conclude, the need for overarching sustainability criteria is obvious according to Ms Papagrigoraki, but it is also important to understand that **it does not fit all products and purposes**: this is why single use and reusable products, for example in packaging, will have to be used **in complementarity** with each other.

**Mr Hans Craen**, representing EPBA, emphasized that SPI should be centred on a **Life Cycle Analysis approach (LCA)** and on **scientific evidence**, in order to permit to measure and understand at best the environmental impact of products. Secondly, he found that communication to consumers is essential: according to EPBA, **information** should be effective and understandable, but also **proportionate** and avoid duplication of information. In practice, this would mean to include only the essential information on the packaging, while using QR codes as vehicles to give more details and technical information. Finally, Mr Craen recognized that a lot of initiatives have been taking place at national level especially in relation to labelling requirements, making it difficult for producers to place products in the EU market. This means that, concerning the market requirements, there should be no room for national law imposing additional requirements, but instead that a **EU harmonised approach** should be preferred.

**Mr Jean-Pierre Schweitzer** shared the EEB perspective, which supports the adoption of the SPI. In order to reach EU climate goals, **a lot of materials and resources need to be redirected**: it is in this context that Mr Schweitzer highlighted that **circular production systems** are needed. As a matter of fact, he emphasised that in several reports, and many working documents of the Commission, **a comprehensive product policy framework is missing**. Consequently, the above-mentioned principles apply inconsistently to the sectors of the economy, in particular to those with biggest impacts on the environment — such as of buildings and textiles. The SPI represents in this regard an **awaited initiative** able to develop a more **holistic product policy framework**. Mr Schweitzer concluded by saying that what is needed to move forward is a combination **of regulatory, market based and information sources**, where **Ecodesign requirements** should be the key of the process.

According to **Mr Emmanuel Katrakis**, it is not possible to move towards a climate neutral and circular economy **without a clear robust circular products initiative**. He also highlighted that lots of products' environmental impacts are depending entirely on the design of the products that have been placed on the market. From the **recyclers' perspective**, Mr Katrakis highlighted three main points which the SPI must add value to. First of all, it should **effectively bridge the design and the end of products' life phase**: as he explained, there are endless of examples of products placed in the market which are not possible to recycle today; and for which reason it is important to ensure robust sustainability criteria, while also allowing for the products to be assessed on a stream basis. Hence, **binding targets** are needed, but the essential requirements have to take into **consideration the specificity** of the different types of products placed in the market. **Internalising those parameters**, he continued, is essential to reach a high recovery target. Secondly, SPI should **give incentives and recycled content targets** for a much broader range of materials in end-products than solely plastic packaging. It means that, according to Mr Katrakis, it is necessary to **put a price on externalities** and to grant bonuses on sustainable products in the market, so that both the industry and consumers get benefits from choosing sustainable products. Finally, he agreed on the need to **empower consumers' sustainable choices** to support the SPI.

At this point, the floor was given to **Ms Papagrigoraki**, who stressed that within Cepi there are concerns regarding the horizontal sustainability principle and the “one size fits all approach” as it is not possible to apply every principle (durability and reusability among others) to each

product because not all products are produced for that purpose. Then, while she agreed with the fact that what is single use also needs to be recycled, an identified **challenge** ahead will be to establish **separate collection and sorting systems** to avoid contamination with other materials and give recycled packaging the same level of safety than single use ones. In order for packaging to serve the functionality of the product and at the same time not hampering the recycling process, Ms Papagrigroraki called for **innovation** to overcome the barriers and simplify the design. She deemed it necessary to **improve collaboration across the value chain**. Secondly, she highlighted the importance of **traceability**, possibly improved by the **Digital Product Passport**, and emphasised the importance of certification **schemes** for Sustainable Forest Management: she suggested to include these latter within the Digital Product Passport, in order to address the source of the material used as well. This strategy would enforce the “Made in EU” and increase European resilience. Overall, Ms Papagrigroraki agreed on the importance of the **reward system**.

Following, **Mr Craen** commented specifically on the **proposal for batteries**, already within the scope of the Circular Economy Action Plan. From the ongoing discussion, he emphasised some lessons to be learnt according to EPBA. First of all, in order to have an effective implementation, it is important to **make distinctions** among types of batteries. In this regard, according to Mr Craen a **“one size fits all” solution does not work**. He expressed his concern about the current discussion at the EU Parliament and the Council about expanding to portable batteries specific requirements of the proposal which are initially targeting the larger battery segment such as industrial and automotive batteries. According to EPBA, this discussion does not take into account that the **technology of different batteries is completely different**, and that a simple **“copy paste” does not work** for addressing the portable battery segment. Mr Craen stressed that the scope should be established based on sound scientific evidence. Secondly, a **pragmatic balance** between **quality** and **administrative burden** of the proposal on the portable battery industry should be considered. A challenge related to its legal status is the transformation of the Battery Directive into a regulation, which on the one hand will imply a more uniform approach at EU level, but which on the other will make it more difficult to have a national specific approach especially in relation to the end-of-life management of batteries. Finally, **the findings of impact assessments** done in preparation to the Commission’s proposal should be taken into consideration by the EU Parliament and the Council, he believes.

**Mr Schweitzer**, replying to Mr Craen, explained that the EEB has been working on portable batteries extensively in the last years. Regarding Ecodesign, he emphasised the role of **common minimum requirements** as the pillars of SPI; and of changes in governance to regulate Ecodesign in a more streamline way.

**Mr Katrakis** joined the discussion on batteries to provide an example of some aspects of SPI which are necessary in order to achieve EU climate goals. He did so specifically by focusing on the **lack of anticipation of problems coming from the changes in society** created by the multiplication of batteries in the market. The inability to foresee consequences lead to problems in the collection, transportation and recycling of batteries, other than to the occurrence of fires in e-waste facilities. In this regard, EuRIC agrees to adopt a **holistic approach** which would address products throughout their entire life-cycle with a vision to promote sustainability and anticipate consequences in the production and use of batteries. Secondly, Mr Katrakis expects the SPI to make a step forward with regards to **incentives and targets**. According to him, both **voluntary approaches** and **binding targets** are needed. Lastly, he considered the need to respect sustainability criteria in targets to reduce the **consumption of primary raw materials** as well.

At this point of the session, panelists were asked to give some **take-aways** to the audience and to define the **top priorities of SPI**.

**Ms Papagrigraki** took the floor by restating that it is necessary to look at the products' specificities in order to improve different product categories' sustainability and by restating the dangers of a "one size fits all" approach. Hence, she called for **collaboration within the value chain**. She also reminded that carbon neutrality and the need for material substitution to replace fossil-based materials have to be undertaken while ensuring the **functionality of the product**. Then, she reminded the importance of implementing a **levelled playing field** between imported and European products; and the need for it to be reflected in the Digital Product Passport. Finally, agreeing with Mr Katrakis, she stressed the fact that voluntary approaches and binding legislation need to be **implemented together** to create a meaningful framework.

**Mr Craen**, from EPBA, had three take-aways for the audience. First, he supports the need for a **product specific policy**, which he also considers realistically achievable. Secondly, he shared

EPBA's supports on an approach that combines both **ambition and achievability** of targets. Lastly, being the Battery Proposal very detailed, he highlighted the important role of the enforcement phase.

**Mr Schweitzer**, from EEB, focused on the overall discussion on binding targets and voluntary measures. Concerning voluntary agreements, he believes that they should allow companies to go beyond what the minimum requirements set, otherwise companies are led to underperform. Hence, according to EEB, genuine Ecodesign measures are needed, since they can go beyond voluntary measures and ensure better performance. Nonetheless, Mr Schweitzer expectation for the SPI is the necessity to **address the overall level of consumption in the economy**. Then, concerning green claims, EEB supports the need to **reduce unsubstantiated green claims**.

Finally, according to **Mr Katrakis** the first top priority for SPI is to have a **robust framework** to put **circularity at the center of products' design**. According to him it is important to adopt an approach which addresses the specificities of different product categories. Following, products which are difficult to repair, reuse and recycle, and so critical for sustainability, should **not be placed in the market**. While he stressed the need for complementarity of voluntary and binding approaches, he emphasized that **voluntary measures often lack the time pressure** needed now. Lastly, he stated that another hope for SPI is to effectively target externalities, to be **"implemented at all levels"**.

## Q&As session with the audience

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The panel discussion was followed by a Q&A session in which the speakers answered some questions from the audience.

Firstly, they were asked about the potential of the SPI within the circular economy future-oriented agenda. **Mr Schweitzer** stressed the huge potential that the SPI will have in reducing emissions: **as much as 30% by 2030**, while **Ms Papagrigoraki** talked about the SPI as potential **facilitator for the resilience** of the EU economy.

Concerning a question on **green claims**, according to **Mr Katrakis** a **clear and robust scheme to communicate green requirements** to consumers is necessary in order to **empower them** to make sustainable purchases. This requires working **on objective criteria**. Nonetheless, he did not deny that there are challenges related to details, which need to be addressed



specifically. **Ms Papagrigoraki** agreed that there is a proliferation of unsubstantiated green claims and green washing and that a **green claim legislative proposal** would address the problem. However, she warned that the method needs to be robust: she stated that there are some methodological challenges such as accounting for land use, circularity and end of life, which need to be considered before the proposal turns into legislation. In her view, **systems boundaries are needed** in order to allow the products to be comparable, considering especially **primary data**.

**Mr Craen's** final comment was a reminder of the need for a **product specific approach** for the battery proposal reflecting the differences among portable, industrial automotive and e-vehicle batteries.

Finally, from **Mr Katrakis'** perspective, a successful SPI shall in this regard **not be a derogation to EU law and should also be enforceable**, in order to leave no room for "free riding". Hence, he supports a much more **restricted and circular framework**.

## Closing remarks

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*MEP Sirpa Pietikäinen*

***"We can all agree on two things: both indicators and binding targets are needed and must be based on scientific evidence"***

In the closing remarks, **MEP Ms Sirpa Pietikäinen** highlighted the major elements of the discussion. Firstly, she emphasized that **indicators and binding targets based on scientific evidence** are needed. She added that in the longer run these indicators should be based globally on the same system. Moreover, she highlighted the need to define in the product initiatives and regulation that all products are **designed to be durable and fit for purpose**. Then, she continued, it is necessary to extend producers' liability and respective rights. Additionally, she emphasized the need for **the Digital Product Passport** to be tailored in order to give customers all information depending on their interests and needs. Furthermore, she recognized the challenges related to a "one-size-fits-all" legislation, and to the differences among products and products' industries. This is, according to **MEP Ms Pietikäinen**, an obstacle that requires the whole system to change. However, she believes in the need to

choose an “**as mainstream as possible**” regulation, with exceptions for those products’ categories that need to be addressed differently. She closed her remarks emphasizing the importance of a **lively discussion** between academics, industries, forward looking companies, consumer organizations, municipal waste management people, NGOs and politicians. She believes this would allow for a **360-degree perspective** and make the **adoption of regulation** workable. She also highlighted the **criminalisation of the obsolescence of goods** as an EU and international principle to be applied to all products.