



## ESPR and circularity – What's next?



Tuesday 27 June 2023, 11:15 – 12:30 CEST

Hybrid Event (Brussels, Belgium & Online)

### Hosted by MEP Maria Spyra

Moderated by Régine Roncucci – EU Affairs Officer for the Secretariat of EP Intergroup on  
“Climate Change, Biodiversity and Sustainable Development”

Speakers:

**MEP Ms. Maria Spyra**

**Mr. William Neale**, Adviser for Circular Economy, Dir. B on ‘Circular Economy’, DG ENV, European Commission

**Mr. Cameron McKinnon**, Head of Sustainability, Innocent Drinks

**Ms. Anna Papagrigoraki**, Sustainability Director, Cepi

**Mr. George Karkampasis**, Senior Manager Regulatory Affairs – Circular Economy & Raw Materials, European Aluminium

**Mr. Jean-Benoit Bel**, Senior Project Manager, Association of Cities and Regions for sustainable Resource management (ACR+)

## Welcome Remarks

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*MEP Ms. Maria Spyraiki*

***“Now is the time for all of us, businesses, governments, policymakers and society to collaborate and transform the global economy for the benefits of all and starting with the European economy”***

To begin the event, **MEP Ms. Maria Spyraiki** explained that the Ecodesign for Sustainable Products Regulation (ESPR) is setting the next steps of core sustainability requirements across all industries, with the exception of food and pharma. Ms. Spyraiki emphasized that beyond the products, **also the business models that deliver them play a critical role**. She also elaborated on the fact that we have to **get advantage of the transition period** as time is one of the key parameters and we cannot afford to lose anymore. She talked about the added value of incorporating renewability and the need for more communication between suppliers and manufacturers. She also addressed circularity and said that the aim should focus on the creation of a **discussion on sustainable industries** based on examples of European businesses that have operated innovative green industrial transformation. At the end of her speech, she addressed the Regulation concerning Packaging and Packaging Waste (PPWR). Ms. Spyraiki concluded by saying that now is the time for all of us, businesses, governments, policymakers and society to collaborate and transform the global economy for the benefits of all and starting with the European economy.

## Panel Discussion

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*William Neale, Adviser for Circular Economy, Dir. B on “Circular Economy”, DG ENV, European Commission*

***“The scope of the existing eco-design directive was covering about 14% of the climate impact of products the new ESPR covers 65%.”***

**Mr. William Neale** mentioned that what is significant about the eco-design approach is that sustainable products should be the **norm**, so it is a powerful instrument and they will also be helping some of the top runners through taxonomy. He also said that the historical relevance is great. Environmental policy was built from the 1970s on **as reactions to accidents and catastrophes**, it was based on punishing polluters and setting limits. In 2012 the European

Resource Efficiency platform was created, including 4 MEPs that actually started talking about eco-design and using a digital product passport. He explained that the **European Green Deal opened the window** and it is very significant that the single market is used to ensure that products are designed in sustainable ways, as **design defines 80% of the lifecycle impact of a product**. The scope of the existing eco-design directive was covering about 14% of the climate impact of products the new ESPR covers 65%.

*Cameron McKinnon, Head of Sustainability, Innocent Drinks*

***“The digital product passport provides the supply chain transparency that is needed not just for the supply chain itself but also for regulators and consumers”***

Mr. McKinnon started out by introducing Innocent Drinks as a company that started in 1999 with a core business in juices and smoothies, operating in 18 markets across Europe. He emphasized that the ESPR requirements align well with their sustainability view in the sense that it incorporates all stages in the lifecycle of a product, such as ensuring the sustainability of its ingredients, using ethically sourced fruits and vegetables, supporting local farmers, and promoting fair trade practices. They are also aligned with the digital passport aspects of the ESPR, as it provides the **supply chain transparency** that is needed for the supply chain itself but also regulators and consumers to make informed choices. Innocent Drinks has been measuring its carbon and environmental footprint for a long time and has a science-based target in place as a challenge to decarbonize the business. They are going forward with **reducing packaging waste and improving the recyclability of their products** and support DRS to increase recycling and make more high quality Rpet available for food and drinks manufacturers. They use recycled and plant-based materials in their portfolio, design packaging for easy recycling, and are exploring innovative packaging solutions for **safe packaging** in reuse formats – which is a key challenge for the juice sector leading up to the requirements of the PPWR by 2030. Mr. McKinnon ended by stating that the whole lifecycle approach to their products was a key driver to becoming their own manufacturer, so they consolidated their supply chain around one factory, which made their operations more sustainable.

*Stéphane Arditi, Director for Climate, Circular Economy and Industry, EEB*

***"Some people are oversimplifying the situation and pitting the environment against the economic competitiveness of the industry. If these views are not addressed, it could have negative consequences for European citizens and the whole economy."***

Mr. Arditi started by saying that the ESPR is not just important for specific organizations but especially for European citizens as well. He said if we think about the past eco-design on which the ESPR is now building on, it is really about expanding and intensifying the success story, as it provided savings for consumers on their energy bill and notably contributed to half of the energy efficiency target by 2020. It also provided additional revenue opportunities for businesses and created job opportunities. For EEB, the ESPR is fundamental to progress several priorities of the Green Deal, not only on circular economy. It is also a key opportunity to **have high quality debates between different stakeholders** from the industry including SMEs, from civil society organizations and of course European commission services. Mr. Arditi commented that there are voices trying to oversimplify things and trying to play the environmental voice against the economic competitiveness of the industry, but they are wrong and obsolete and if these voices are not properly challenged, including by industry itself, it could be bad for European citizens and our whole economy.

*Anna Papagrigroraki, Sustainability Director, Cepi*

***"The ESPR can be called a "weapon" to make European sustainable products competitive, as it applies to imported, as well as EU products."***

Ms. Papagrigroraki said the ESPR could be called a **"weapon" to make European sustainable products competitive**, as it applies to imported, as well as EU-grown products. She explained that during the life cycle assessment one must not omit the end of the life cycle of a product, including if it goes to waste. She went on by stating that not all sectors and all materials should be treated in the same way. **Renewability is applicable where relevant**, so it might not work or be relevant in all sectors, but it is relevant for bio-based products and it also links with the taxonomy regulations. This discussion is also going on in the PPWR where obligatory recycled content might not be suited for certain types of application including food contact. She concluded by saying that Cepi will certainly see ESPR as an opportunity but will be interested

to know how the **prioritization list** was adopted and how **intermediate products** could also be rewarded for their sustainability performance under the secondary legislation.

*George Karkampasis, Senior Manager Regulatory Affairs – Circular Economy & Raw Materials, European Aluminium*

***“The ESPR shifts the discussion from the waste phase to the design phase.”***

**Mr. Karkampasis** introduced European Aluminium explaining that they cover the full aluminium value chain within their Member States, from the production of primary over the manufacturing of intermediate products all the way to recycling. He explained that aluminium is a material that can be **recycled multiple times without losing its inherent properties** and when recycling aluminium it **saves 95% of the energy** needed compared to the production of primary aluminium. European Aluminium is really happy with the ESPR as it is a proposal that finally changes the discussion from the waste phase to the design phase. Mr. Karkampasis sees the ESPR as the central tool to develop a faster transition to a circular and resource efficient economy. He mentioned that they are happy that aluminium is being scrutinized, as the development of the ESPR together with the digital product passport can give a better information flow throughout the value chain and can highlight the benefits but also the changes that need to be done.

*Jean-Benoit Bel, Senior Project Manager, Association of Cities and Regions for Sustainable Resource Management (ACR+)*

***“The impact of the end of life is really insignificant compared to all the impact from the upstream processes.”***

**Mr. Bel** explained that ACR+ has a wide variety of members, some of them big regions that can support local companies and SMEs to work on the eco-design but for the most part their members have little possibility to act on the ESPR but are really **impacted by the lack of eco-design**. As an illustration he mentioned that cities and regions deal with waste and often it can't be dealt with in a satisfying way. He said that it is not only about the impact of the end of life but also about how much carbon emissions are thrown away when waste is produced. They found that the impact of the end of life is really insignificant compared to all the impact from the upstream processes. What they say to their members is that they have to **prevent waste** and then **reuse** and do **quality recycling**. But for many products like textiles, this is more difficult. Right now the business model for used textiles is to reuse. Other alternatives are

export, which is questionable, and recycling which is limited to downcycling. Other possibilities are blocked by the lack of eco-design. Mr. Bel also mentioned that the ESPR is a **positive signal to send to consumers** to show that we are making an effort.

**Question to William Neale: How does ESPR align with the overall objective and targets of the European Green Deal in promoting circular economy and what are the core sustainability requirements set by the ESPR across industries?**

Mr. Neale answered by stating that we have to understand that circular economy is really all about delivering on Green Deal goals but also delivering competitiveness through efficiency and opportunities for business. It is necessary to reduce the amount of virgin materials used in Europe. It is not just about recycling but about prolonging product life. By using a single market tool, we are harnessing the collective consumer power of 450 million consumers. He went on by emphasizing that what is most groundbreaking is having the data requirements, the digital product passport, as it is something that follows the product through its whole lifecycle. The idea of physical requirements is to take the worst off the markets (choice editing), with data requirements we are talking about an enabler so making data available through this scannable tag.

**Question to Cameron McKinnon: Innocent Drinks has opened a factory in Rotterdam which is packed with great technologies. What are the key innovative approaches and best practices that you have implemented so far in this regard?**

Mr. McKinnon answered that a key design challenge of the factory (called the Blender) opened in 2021 was providing the heating and cooling needed by only using renewable energy. The site runs on a fully electric heat pump and has a vast energy management system, eliminating the need for fossil fuels. Currently they have 6-10% on site renewables using solar panels, the rest comes from off-site wind energy. Eventually the factory will have its own wind turbines that will produce most of the energy needed. He said that their factory is the future of sustainable drinks manufacturing. They use an air cleaning system to reduce the amount of water used on site by 50%. They use pre-molds and blow bottles on site to reduce wastage and road miles, they reduced the amount of packaging needed for their raw materials, and transport products and ingredients to and from the Blender using electric trucks. To sum it up, the blender is a factory that has thought about sustainability at every step of the design process but it has been

a long journey with many challenges. Partnerships and collaboration are very important in this process, and they will be sharing their experience in a white paper to help others make the green transition that we need.

**Question to Mr. Arditi: What are the significant opportunities and gaps within the ESPR that require attention and action to fully realize its potential in achieving the objective of the European Green Deal?**

Mr. Arditi said that the idea of guidance to set the regulation of specific products at the right level was really important, as quantifiable goals are crucial to set the right level of stringency. He added that an aspect where there is no time to waste is the call for an immediate ban on destruction of unsold textiles and electronics. One of the gaps the EEB has identified is the lack of social lifecycle assessment as well. Secondly, there is the risk of a loophole for products entering the market online, that has to be closed. Thirdly, if we do not consider the idea of being able to set some rules for a group of products that can have some similar patterns in terms of resource consumption, we might miss an opportunity. Some individual products might not have the significance to be created as a specific category, but if we group they represent a huge potential and we should not lose this opportunity. At the end Mr. Arditi emphasized the importance of taking the ESPR to the national level as well.

**Question to Ms. Papagrigoraki: How does the ESPR align and interact with other EU legislation such as the Packaging and Packaging Waste Regulation and in what ways do these regulations complement each other in promoting sustainable product design, circularity and waste reduction inside the EU?**

Concerning PPWR, Ms. Papagrigoraki stated that for moment the regulation is that all packaging has to be reusable or recyclable by 2030. ESPR is about making sustainable products the norm, but packaging is not a separate category under ESPR. This was done on purpose as packaging is covered in the PPWR. However, a product is not just the content, it has components and packaging is one component of a product. In order for a product to be placed on the market under ESPR, it has to come with a product passport. When it comes to the information of the digital product passport, it would include information about every component, including packaging. So suddenly, you find that the packaging becomes very relevant in the ESPR and it links with the PPWR in the way that the parameters such as

recyclability, recycled content and the choice of packaging would become relevant because the information on the performance, the origin and the sourcing of the packaging could also make the trader or producer make a choice towards more sustainable packaging.

**Question to Mr. Karkampasis: How can the aluminium industry optimize product design and circularity to minimize its environmental impact and contribute to the goals of the European Green Deal? Are there any specific sustainability requirements in the ESPR that might influence the industry's practices?**

Mr. Karkampasis answered this question by pointing out, that recycling is nothing new for the sector. He said that many of their members are in a continuous dialogue with downstream OEMs to make sure that they can help them improve the design of their final products as much as possible. The ESPR can amplify the benefit here and extend it to companies that perhaps do not have the resources to engage constructively in such discussions. He thinks that the requirement that will help the full value chain will be the one on reporting and the digital product passport. It will improve the quality of recycling at the end of life but also the design of products from a B2B perspective. It would even help to switch the mentality of the part of citizens that still consider end of life as waste. He said there is the PPWR that has a lot of sustainability requirements. The ESPR should come in and cover the gaps where there is no legislation in place today.

**Question to Mr. Bel: In the context of the ESPR, what are the key challenges faced by cities and regions in implementing sustainability requirements and promoting circular practices within their jurisdictions and how can local governments collaborate with other stakeholders to overcome these challenges and ensure effective implementation of the regulations?**

Mr. Bel answered the question mentioning that one key challenges is about knowledge. It is difficult for end-users to know what is circular, so it is necessary to make it easier for consumers to understand this. When it comes to help with implementation, support for SMEs is important, but even here it is difficult to find the right criteria to understand what they should support. It is difficult to have a sustainable business as it is clashing with sustainable business models. An obvious aspect is public procurement. Green and circular public procurement is taking off but it is something very challenging to change it, as there are many habits and little knowledge of what is circular. So we should use this opportunity to streamline green public procurement and



use all the work done here to make it accessible to the public and make sure that we avoid greenwashing. Local and regional authorities can support this transition with their power of purchase.

## Q&A

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A question from Construction Products Europe was asked about market surveillance and enforcement. **Mr. Arditi** said that the EEB is working on a joined paper on that topic as they are scared that the Council's position is watering down some of the provisions proposed by the European Commission to ensure a proper market surveillance. He also noted a new provision about self-declaration of products and said that self-declaration could create a sound basis for market surveillance activities. He also talked about enforcement beyond the market surveillance authority, as very often the expertise to check if a product is compliant also exists within the industry. **Mr. Neale** also commented that the question of online market places and market surveillance are quite connected. He said that there are provisions on market surveillance in the commission's proposal which would oblige member states to come up with action plans for market surveillance every two years including the nature and the number of checks.