

# RREUSE response to the consultation on an EU Sustainable Product Initiative

As the network of social enterprises active in re-use, repair and recycling, RREUSE is expecting the implementation of the SPI with anticipation. We believe that developing resource efficiency requirements for products through ecodesign will be a milestone in the development of products that are fit for a circular economy. To ensure that products still hold value when reaching the second-hand market, the first step is to make them durable and repairable.

However, RREUSE would like to raise the Commission's attention towards the risks of developing solutions wherein independent operators and consumers are excluded from the process. The social impact of developing a circular economy can only be positive if all actors work in a symbiotic way.

RREUSE would, therefore, like to make the following recommendations:

- Ensure that new circular business models truly implement the waste hierarchy and do not encourage the development of repair/maintenance monopolies by producers/importers
- Develop the product passport with relevant maintenance and repair information, making it available on the product itself to ensure the information is available on the second-hand market
- Ensure that the product passport not only contains information on how the product should be recycled at the end of life, but also on how the product can be repaired/reused
- Lower the cost of repair/re-use (eg. through the use of repair vouchers or lower VAT) while driving up the price of new products
- Lower the price of spare parts or make producers/importers commit to maximum prices for the spare parts that are associated to their products (and make that information accessible on the product passport)
- Develop minimum average lifetimes, determined by categories of products, that, if not respected by producers/importers, will result in sanctions
- Tax the advertisement of new products

In addition to these recommendations, RREUSE would like to give more details on the logic behind its responses to the consultation. Indeed, it was often difficult for RREUSE to express its views through a rating system or through agreeing or not to statements made in the questionnaire. Please find these recommendations on the following pages with references to the questions and statements made in the consultation.

## 1.A To what extent do you agree that the following market-related statements explain why products sold in the EU are not more sustainable?

RREUSE agrees that ***“b. Products such as electronics become obsolete quickly because of technological innovations”***, but fear that such an affirmation justifies the argument that technological innovations are good enough reasons to encourage the early replacement of functioning products. Innovation, instead of driving up consumption, must now be used to improve the design of more durable and repairable products.

RREUSE is also not comfortable with agreeing to the following statement: ***“i. The cost of repairing a product is too high, in comparison with buying a brand new product”***. RREUSE would, however, strongly agree with the following statement: ***“The cost of repairing a product is high, in comparison with buying a brand new low-quality product”***. Even though the first statement is sometimes true if repairing a product or buying it second-hand is compared with purchasing a low-quality product, it is not the case if it is compared to the purchase of a new product of an equivalent quality.

RREUSE also disagrees with the following statement: ***“j. For electronics, as well as for fashion products, there are not enough places where products can be repaired”***. Even though this might be true in certain regions, we think that access to repair services is still available for people who actually wish to have access to these services. It is the strong competition with new products that is the issue for this sector.

## 2.A Design for sustainability - sustainability requirements for products

***As set out in the CEAP, the Commission intends to set product design rules and general product requirements to foster the overall sustainability of products in the EU. Among other aspects, these rules should cover:***

- ***improving product durability, reusability, upgradability and reparability, addressing the presence of hazardous chemicals in products, and increasing their energy and resource efficiency;***
- ***increasing recycled content in products, while ensuring their performance and safety;***
- ***enabling remanufacturing and high-quality recycling;***
- ***reducing carbon and environmental footprints;***
- ***restricting single-use and countering premature obsolescence.***

***In your view, how effective would the following measures be in achieving these objectives? Please rate the choices below from 1 to 5, with 1 denoting low preference and 5 high preference.***

RREUSE strongly supports the following measures: ***“e. Require producers/importers to ensure information on reparability is provided on or with a product”***; ***“f. Require producers/importers to ensure information on access to repair services is provided on or with a product”***; ***j. Require producers/importers to ensure information on a product’s average expected lifespan is provided on or with a product”***; ***“k. Require producers/importers to ensure information on the chemical content of a product is provided on or with a product”***. However, the decision of making the information available ***“on or with the product”*** should not be left to producers/importers. It must be clear that,

for certain types of products (e.g. EEE, textiles, furniture, toys and every product that has value on the second-hand market), the information has to be accessible on the product itself. This would facilitate access to this information for second-hand operators.

In addition, RREUSE only partly agrees with the following measure: ***“g. Require producers/importers to offer product guarantees, which could include "commitment to free repair as first remedy" in case of failures and a "commitment to upgrade the product periodically”***. RREUSE believes that this requirement could be more inclusive for independent professional repairers and re-use operators. If third parties replace or repair failing products still under guarantee, there will be a reduction in the amount of time needed to give consumers access to a functioning product. This would also avoid the development of repair/maintenance monopolies by producers/importers. This would also trigger the creation of partnerships between the producers/importers and the repairers/refurbishers. RREUSE, therefore, suggests the following measure instead: ***“Require producers/importers (P/Is) 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”***.

***2.D.1.a The ways in which businesses operate strongly influence how products are produced and consumed. The table below presents several (non-exhaustive) categories of circular business models, together with a brief description of them. How effective do you think these models can be in terms of encouraging more sustainable production and consumption patterns? Please rate from 1 to 5, with 1 denoting low impact and 5 high impact.***

***a. Product-service systems (i.e. users do not buy the product from manufacturers/owners but rather the service associated with the product, e.g. car leasing. This means that the manufacturer/owner is responsible for repairing and maintaining the product, thus incentivizing better reparability and potentially longer lifespan of the product)***

RREUSE fears that the development of 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.

In addition, product-service systems’ sustainability still needs to be demonstrated. In a context where the price of raw materials and wages in manufacturing countries are low, it is not impossible to see providers of these services favouring the replacement of products instead of repairing/maintaining them. The providers might also offer services where the user can frequently replace/exchange their products (this can be expected in the fashion or high-tech sector), risking putting even more stress on the use of resources.

***b. Collaborative and sharing economy (i.e. where sharing of products replaces purchasing, e.g. for power tools or other products that consumers use only occasionally. As a result, less resources are used to satisfy the same needs)***

The collaborative and sharing economy can serve as a tool ensuring the use of certain products is more circular. However, it needs to be regulated in order to avoid unintended consequences or rebound effects. Shared products will still need to be designed to be durable and repairable, and access to these products must be supervised by operators who will repair/maintain them. To put it shortly, these models should be designed based on the model of public libraries and not on the model of shared e-scooters.

***c. Reverse logistics (i.e. where the reverse transport of products, from consumer to producer, is arranged in view of repair or reuse. e.g. beer bottles or old phones)***

Reverse logistics models can help collect unused but valuable products, though 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.

***RREUSE SUGGESTS ADDING ANOTHER BUSINESS MODEL: Second-hand shops (i.e. where used products are collected through direct donations or other means of collection and tested, cleaned, repaired by skilled operators in order to make these products available again on the market)***

RREUSE is highly concerned by the omission of a circular business model that has proven effective and successful, though it still needs support to improve its availability, quality and professionalism. Second-hand shops, especially when held by social enterprises, help create inclusive, local, durable and quality jobs in the EU whilst helping low income households access low-priced and quality goods. If products are made to last and be easily repaired by third parties, second-hand shops and independent repairers might be enough to significantly improve the sustainability of the EU's consumption model.

## ***2.E Incentives for circularity***

***Regulatory, market and reputational incentives are necessary to encourage more sustainable production and consumption patterns. The Commission is examining what the most effective measures in this respect are, and how products can be rewarded based on their sustainability performance.***

***In your view, how important are the following measures? Please rate the choices below from 1 to 5, with 1 denoting low preference and 5 high preference.***

Financially rewarding the most sustainable products is commendable, but these products also have an environmental impact. Financial incentives supporting the purchase of sustainable products might have the unintended consequence of encouraging the purchase of products that are not necessarily needed by consumers. Even through improved product sustainability, the price of new products should rise rather than decrease in order to redirect consumers towards more sustainable consumption patterns. Activities preventing the purchase of new products (repair and re-use) must, therefore, be incentivised in priority, for example through the use of reduced VAT or repair/re-use vouchers.



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RREUSE is a non-profit network organisation representing social enterprises active in the circular economy, notably in re-use, repair and recycling. RREUSE currently has 30 members from 26 countries in Europe and the USA, federating a wider network of approximately 850 individual social enterprises. These organisations collectively handle 1 million tonnes of goods and materials annually through which they provide job and training opportunities to over 100,000 individuals, many of whom are at risk of social exclusion. RREUSE's mission is to ensure that policies, innovative partnerships and exchange of best practices promote and develop the role of social enterprise and local inclusive jobs in the circular economy.