



Q&A for journalists

Sustainable Products Initiative (SPI) – What to expect?

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What is the Sustainable Products Initiative (SPI)?

Falling under the European Commission's new Circular Economy Action Plan (CEAP) – a key building block of the European Green Deal – **the Sustainable Products Initiative (SPI) is a framework regulation comprised of a set of legislative files that aims to boost the circularity of the EU's single market.**

The SPI is set to be a game-changer. In contrast to traditional circular economy measures that focus on the end-of-life phase (e.g., returning products to the supply chain instead of the landfill), **the SPI aims at building in sustainability throughout the entire product lifecycle, starting at the design phase.**

Drawing on the success of the 2009 Ecodesign Directive, **the SPI will extend minimum sustainability requirements beyond energy-related products to a whole new array of sectors.** These rules will ensure that products on the EU market are designed to not only be energy-efficient, but also repairable, durable, recyclable and free of hazardous chemicals. In addition to product design, **the SPI should also foresee the introduction of digital product passports**, which will contain information on each product's composition, including material and chemical properties, as well as information on their circularity, such as guidance for reuse and repair operators.

Which products are covered by the SPI?

The Commission plans for the SPI to **apply to the broadest range of products possible.** Current priority sectors include **electronics, information and communications technology (ICT), textiles, furniture and high-impact intermediary products such as steel, cement and chemicals.** Further product groups will be identified based on their environmental impact and circularity potential.

The SPI will technically not apply to products already covered by existing legislation, such as batteries, toys, detergents, construction and packaging. **However, if these products' core directives and regulations do not sufficiently address sustainability, the SPI will be able to play an intervening role.** This means that the scope of the SPI is far-reaching. For instance, the SPI could potentially introduce ecodesign requirements to address certain types of problematic products, such as single-use packaging or single-use batteries.

How will consumers notice the impacts of this initiative?

While some changes in the appearance of products will be visible, for many products that fall into the scope of the SPI, **the changes in their substance or composition will not be noticeable to the consumer** (e.g. chemicals that are removed from certain types of furniture and that are replaced with less environmentally harmful ones).

Consumers should be able to see long-term savings. The predecessor of the SPI, the Ecodesign Directive, revealed major financial benefits for consumers, saving them an average of €285 per year on energy bills. The SPI is intended to build on this success, benefiting regular people and the environment through the provision of more reliable, longer-lasting and repairable consumer goods.

In addition, **consumers are likely to see a surge in the product-as-a-service business models** (renting, leasing, reuse and refill, community sharing...) on the market. Under the SPI, circular business models will become more available and competitive, **making sustainable living easier for people.**

Why do EU policymakers care about ecodesign in products – what is the need for the SPI?

For the EU to achieve its **climate-neutrality target by 2050**, the transition to a fully circular economy must be realised. The way products are currently designed does not support this goal, leading instead to wasteful and linear patterns of production and consumption ('take-make-use-dispose'). **The SPI will incentivise producers to make more sustainable products – and push the worst performing products out of the market.** In this way, the SPI is expected to substantially reduce the carbon and environmental footprint of various industries. Without such robust product policies, Europe will not meet its climate goals.

Why phase out unsustainable products – shouldn't consumers have the right to choose whichever product they like?

The SPI aims to **create a truly competitive market for sustainable products, while empowering consumers with more reliable information about products at the point of sale, including about their lifespan and environmental performance.**

Sustainable products are more durable, repairable, energy-efficient and free of hazardous chemicals. This means that consumers will not need to constantly spend a lot of money to make up for flawed everyday products, for example those that break instantly when they are accidentally dropped, those that need to be replaced too often, or those that contain toxic substances.

Ensuring an improved performance of products will not limit the choice of consumers. It will drive companies to provide them with improved choices. Better products or alternative solutions will benefit end-users and the environment.

Why do we need to get rid of hazardous chemicals to make products circular, and how will the SPI support this?

The current regulatory system does not sufficiently address hazardous substances in products. This is a serious concern. While such substances can be banned or limited in new products, they cannot be removed from the existing ones. As hazardous substances cannot and should not be reused or recycled into new products due to health and safety concerns, **the presence of hazardous chemicals in products impedes the transition to a fully circular economy.**

One solution under the SPI should be for **producers to build sustainability into the design of products**, making sure that their goods do not contain any substances of concern. The Chemicals Strategy for Sustainability has actually mandated the SPI to do so. This will inevitably lead to cleaner material cycles, fostering safe reuse, repair and remanufacture, as well as recycling at the end of life.

What kind of information could become available under the digital product passport? Who will be able to access it?

The digital product passport will give access to differentiated information to reuse and repair operators, recyclers, consumers, market surveillance authorities, producers and other stakeholders. For instance, consumers could see how long a product is expected to last or to which extent a product can be repaired. Circular economy operators could access more technical information relating to the composition of a product and determine whether a product is fit for reuse, repair, remanufacture or recycling.

The digital product passport is therefore a serious incentive to making more sustainable choices, starting at the manufacturing stage and finishing at the end-of-life. It is also a driver for making circular business models viable.

How will the SPI impact businesses?

The SPI's effects on EU businesses will depend on sector and scale, and will largely (as is to be expected) affect businesses that are less integrated into the circular economy. **Businesses with the foresight to focus their investments and innovation on the design, efficient production and after-sales services of more environmentally sustainable products will be best positioned to enjoy a higher market share.**

The repair and re-use, as well as remanufacture and recycling sectors should also see significant benefits under the SPI.

Finally, as the SPI is expected to introduce stricter rules on greenwashing and practices such as planned obsolescence, companies will be further incentivised to make meaningful changes to their business models and products.

What is the SPI's relevance at the global level?

If the SPI is applied across all relevant product groups, its impact will be reflected beyond Europe. The SPI's stated ambition is to improve the sustainability of value chains which are inherently global in today's world. **Minimum requirements will apply to all products entering the EU market, which means international manufacturers wishing to do business in the EU – including through online sales – will need to ensure their products comply with the SPI.** Given the attractiveness of the EU consumer market, the SPI is thus likely to have knock-on effects in how products are designed globally.

Furthermore, if the EU can demonstrate the effectiveness and viability of a truly circular economy, this model may be replicated in non-EU countries. As the world continues to grapple with the catastrophic effects of climate breakdown, it will become increasingly clear that urgent measures – including in product design – are necessary. **In short, if the SPI is successful, it could contribute to a significant global shift in the way we approach consumption, thereby reducing waste and emissions for the benefit of all.**

What do environmental organisations want from the SPI?

The SPI is a framework regulation. For it to deliver on its stated goals, **it needs to impact all product legislation (yes, Construction Products Regulation, this includes you too!) with its core objective: mainstreaming circularity in Europe.** Short lived, toxic, un-repairable items and consumption models based on these should become a thing of the past.

Furthermore, the EU must prioritise mandatory requirements under this framework. Drawing on past experience with the Ecodesign Directive, giving room for voluntary industry agreements or other self-regulation measures risks circumvention or the watering down of minimum sustainability standards. Additionally, **the role of market surveillance authorities will need to be reinforced to ensure effective enforcement of the rules**, helping to level the playing field among producers.

The success of the initiative will also depend on **the implementation pace.** Leaked versions include **an action plan that seems way too slow.** On paper, the ambition is very high and all-encompassing. However, the Commission plans to adopt four product regulations every year, starting in 2024. As a reference, the Commission regulated the same number of products a year (four) between 2009 and 2016, and that was only for energy-related products. With the SPI, many more types of products are in (textiles, furniture, means of transport, etc.). **Four regulations a year will not be enough to make sustainable products the norm** across all sectors in this decade.

Please find more information on the ECOS position on the SPI [here](#).