Further comments and suggestions in the context of the public consultation on the Sustainable Products Initiative

The government of the Netherlands has the stated ambition to make the Dutch economy fully circular by 2050. This means that products and services offered in this economy need to be fit for such a system. Against this background, the Netherlands strongly supports the Sustainable Products Initiative (SPI) and its goals to make sustainable goods, services and business models the norm on the EU market, and to make consumption patterns more sustainable. We call on the Commission to deliver an ambitious SPI without delay.

The SPI can constitute a large step towards what we believe is ultimately needed: an overarching, integrated and gradually expanding policy framework to ensure that products are designed to be sustainable and marketing mechanisms are circular. This could be a mix of voluntary and mandatory instruments and various incentives. It should integrate all sustainability aspects:

• Environment: e.g. resource and energy efficiency, circularity, chemical safety;
• Social: e.g. standards on due diligence, in line with the SDGs and linking to the Sustainable Corporate Governance initiative;
• Prosperity: contributing to a sustainable and resilient economy and EU employment, *inter alia* by providing a level playing field for EU operators vis-à-vis third countries.

We believe a well-designed EU product policy framework can make a large contribution to the EU climate ambitions, by reducing the use of resources (mining of which is linked to CO_2 emissions and biodiversity loss), reduced material and energy use during the consumption phase and minimizing waste production and thereby emissions linked to waste management. We call on the Commission to monitor this contribution to the climate goals in implementing the SPI and related product policy initiatives.

Overarching product sustainability principles should play a fundamental role in clarifying that in general, products should be handled in the most circular way (i.e. high on the ' R-ladder', e.g. repair before discarding and recycling). they should also help ensure that initiatives, incentives and approaches towards sustainability are coherent and mutually supportive.

Furthermore, we raise the following more specific points:

• We emphasize the need to set high mandatory levels of recycled content of products in order to strengthen markets for secondary raw materials and to boost circular business models and innovative recycling methods, returning materials to manufacturers instead of allowing them to be 'downcycled' or wasted. The SPI should set progressively increasing mandatory minimum levels of recycled content in products, based on robust assessments of what levels are feasible without jeopardizing product availability, safety and functionality. Recycled material should of course replace virgin materials, not be applied as unnecessary additions to products just in order to meet the required recycled content percentage. Incentivizing recycling over activities higher on the R-ladder such as reuse or repair (just to meet recycled content targets) should be avoided.
• We call for a 'safe and circular design' approach, including the safety for human health and the environment of chemical content of products. The aim should be to design out waste and pollution, create new business models and adapt behavior for long-term value creation. Any assessment of chemical safety should help minimize harmful substances and avoid unnecessary delay and duplication of work by building on existing assessments (e.g. under REACH) and expertise (e.g. at ECHA). Such assessments should also include the potential presence of legacy substances of concern in secondary raw materials, and how to decide whether use of secondary material is still preferable over virgin material, based on the overall health and environmental impact.
• Green Public Procurement has an important role to play in supporting markets for sustainable products. We call for setting binding targets for circular procurement and exploring ways to strengthen reporting on this. Any mandatory criteria for public procurement should be developed in a way that avoids stifling innovation.
• We call for a wide scope of the revised Ecodesign directive, possibly even an open scope (all products). This would allow for both addressing the widest possible range of products with

overarching criteria, and progressively covering more and more specific product groups with more in-depth, tailor-made measures, achieving sustainability goals in a cost effective manner.

- The procedure for establishing Ecodesign measures should be streamlined to enable robust but timely decision-making. Member States' authorities should remain involved in decision making in a way that is at least equivalent to the current situation: voting in the Regulatory Committee on draft implementing measures under Ecodesign.
- We support applying the SPI to priority products as soon as possible, beginning with textiles, for which much data and studies are already available, and followed by other high-priority groups such as furniture.
- Implementing measures should support enabling optimal circular handling of the products they cover, i.e. their reparability, reusability and recyclability.
- To develop implementing measures, a comprehensive assessment methodology is needed that weighs different impacts of products (e.g. circular material use, energy efficiency, chemical safety, reusability) in a consistent manner, based on a life cycle assessment.
- We support implementing digital product passports. With stepwise and systematic integration of circularity elements (recycled content, information on intensity of use, repair history, recycling instructions) into a digital set of information, ultimately a product passport giving account of the product's circularity and steering its optimal performance could become the common standard. This would also enable disclosing the information in a comprehensible way to actors along the value chain, such as retailers, consumers (e.g. through labelling) and recyclers. Product passports could build on existing initiatives such as EPREL for EEE and B-LOG in the building sector.
- In addition to legal standards such as mandatory recycled content to restrict linear business models, financial and other incentives should reward circular behavior over linear. This should include:
  - o incentives for new business models which demonstrably outperform traditional models in terms of sustainability;
  - o eco-modulation of EPR fees, which should be implemented in a harmonized way across the EU for maximum impact and a level playing field.
- We support finding ways to reduce the negative impacts of products that (partially) end up in the biosphere, such as microplastics abrasion from car tires or textiles, chemicals in cleaning products, etc. Biodegradability should be carefully considered, ensuring that products indeed biodegrade under real-world conditions and without causing side effects such as microplastic pollution.
- Enforcement of regulations and policies is key, and increasingly challenging, in particular when it comes to e-commerce. Enforcement of the elements of the SPI such as requirements on the use of recycled content and the digital Product Passport could require supply chain controls beyond the jurisdiction of national Market Surveillance Authorities, in particular for products from outside the EU. This requires better cooperation among Member States enforcement and customs authorities. Options such as third party certification should also be taken into account.
- To achieve the policy goals set out above, we call on the Commission to aim for a coherent approach across sectoral and horizontal policy instruments.
- Coherence with policies addressing specific sectors (e.g. batteries, EEE, packaging, construction products, etc), is needed to avoid contradictory or overlapping terminology or requirements, which could hamper implementation, compliance and enforcement.
- Coherence with horizontal policies is also important, for example with consumer rights policies (e.g. the right for a consumer to receive a new product under warranty vs repair being the more circular option) and competition law (e.g. sector initiatives to achieve higher sustainability standards being seen as making pricing arrangements in the context of EU competition law).
- Standardisation could play an important role in conformity assessment and compliance with product policies. We call on the Commission to keep this in mind while developing policies and ensuring that any standardization requests needed to support policies are issued in a timely manner.