

Brussels, 16 November 2020

Orgalim views and recommendations on the Sustainable Products Initiative

Introduction

Representing the technology sectors providing innovative solutions which can unlock a greener, healthier and more prosperous future for the EU and its citizens, [Orgalim thanks the European Commission for the opportunity to comment on the Sustainable Products Initiative](#) under the new Circular Economy Action Plan.

Note: the below content is an extract of Orgalim [Position Paper](#) on the new Circular Economy Action Plan.

[Orgalim welcomes the Commission's sustainable product policy legislative initiative](#) as a key measure to further optimise the way resources are used throughout the economy and society. This important European initiative is in line with the broader global UN Sustainable Development Goal 12 "Ensure sustainable consumption and production patterns".

[Clear and consistent objectives](#), combined with financial incentives (such as for example the EU Horizon 2020 Research and Innovation program and the European Regional Development Fund) and initiatives like the European Raw Materials Alliance, should be at the core of the EU's sustainable product policy framework.

The European technology industries represented by Orgalim stand ready to continue providing innovative, cutting-edge technology solutions and sustainable products. Continuously improving the performance and overall sustainability of products, striving for excellence and ensuring that consumers and businesses enjoy the benefits of competing, innovative, cutting-edge technology solutions targeted to their needs are the core commitments and competences of the European technology industries.

It is crucial for our industries that the sustainable product policy legislative initiative will provide a [stable framework](#), while upholding the basic principle of technology neutrality which is a key enabler of ensuring a variety of technology options applicable to sustainable design requirements and choices related to material efficiency.

Key principles

The product design which stands at the beginning of the product's lifecycle is essential for ensuring circularity.

Our industries see the sustainable product policy as an opportunity for a [win-win situation](#) for the environment and the economy [provided that the key principles described below are respected](#) when developing product and information requirements:

- First undertake an [impact assessment](#).
- Apply the "SMERC" principle:
 - [Specific](#) – requirements must be considered on a product group-specific basis. Even within the same product group and within individual categories of equipment in our sector, the products and their environmental impact differ significantly, especially depending on ambient and operating conditions.
 - [Measurability](#) – the parameters must be clearly determined and measurement methods must be accurately defined.

- **Enforceability** – it must be possible to verify and enforce requirements through market surveillance.
- **Relevance** – new parameters and corresponding requirements must be relevant for the environment, the users and applicable even within the specific life cycle phase(s). There must be evidence of clear and significant potential for improvement.
- **Competitiveness** – there must be no significant negative impact on the industry’s competitiveness and the competition must be fair.
- Ensure that the product sustainability requirements will be **harmonised at EU level**.
- Product requirements (for example information requirements) should be technology neutral and not hinder the development of new innovations, business models and products.
- Policy makers should focus on products that taken together stand for a great environmental impact so that the effect of the measure is **proportionate** (Article 15 Ecodesign Directive).
- When designing products, many aspects are taken into consideration by manufacturers, such as **product safety and quality**, material and energy efficiency, and above all the benefits for the customer. Due to the intended use and end user preferences, the product portfolio of the technology industry is very heterogeneous and consequently there are very different approaches to making products even more efficient in terms of environmental impact. The safety, quality and performance of products and proprietary product systems must always be guaranteed.
- **Effective market enforcement and surveillance** are needed to ensure a level playing field.
- Establishing requirements for products requires a high level of responsibility. Requirements need to be specific for corresponding defined product groups.
- The product requirements developed by the policy makers must be **based on** science and lead to clear goals and targets.
- We also wish to highlight the **responsibility of politicians towards companies**. Politicians decide on the political objectives, which need to be clear, and their decisions need to be transparent. However, decisions on the technology development, product design and technical requirements must be left to the manufacturers who are the technical experts. Therefore, the cooperation between policy makers and the industry is fundamental for the success of the measures.

Ecodesign

Over a decade, the **Ecodesign Directive** 2009/125/EC has been the policy makers’ preferred tool to define sustainability characteristics and requirements. The Ecodesign Directive is fit for purpose as the core policy tool for the technology industries’ sector and has been proven successful.

We strongly support the Ecodesign instrument which has delivered for the consumer, the industry and the planet through its holistic approach of minimising life cycle impacts, based on scientific evidence, at the least life cycle cost – setting measurable, enforceable requirements case by case in big saving areas.

We support the Ecodesign Directive since it provides an EU harmonised framework in accordance with the New Legislative Framework for setting the Ecodesign requirements on energy related products, and as such ensures the functioning of the EU internal market for these products. Since the Directive entered into force in 2005, our sector has fully embraced the Ecodesign policy, by implementing concrete sustainable product measures and therefore contributing to EU’s wider climate and resource policy agenda. The Ecodesign and Energy Labelling measures have been the tools to enhance energy and resource efficiency of products and to realize almost half of the EU’s 2020 energy efficiency target according to the Commission.

Should the scope of the existing Ecodesign Directive be extended to non-energy related products:

- We recommend maintaining the existing framework of the Ecodesign Directive for energy related products to guarantee legal and investment certainty, confidence and trust in the market in the ongoing implementation.
- Adding new products within the scope of Ecodesign should be proportionate, and we defend the method of establishing implementing measures in the existing Ecodesign Directive as stipulated in its Article 15.

Regarding the **review of the Ecodesign Directive** which is proposed to build, where appropriate, on criteria and rules established under the EU Ecolabel Regulation, the Product Environmental Footprint approach and the EU Green Public Procurement criteria:

- We do not recommend building the review of the Ecodesign Directive on criteria and rules established under the EU Ecolabel Regulation. Specifically, the use and relevance of the Ecolabel for professional products is very limited because it applies only to a selected number of product groups.
- It is important that the Ecolabel remains a voluntary product specific tool and continues to apply as a complementary instrument to the activities under Ecodesign and Energy Labelling Directives.

As for the links between the Ecodesign Directive and the criteria and rules established under the Product Environmental Footprint (PEF) approach:

- Life cycle assessment (LCA) is an excellent tool for understanding what is environmentally large and small in a product life cycle, e.g. the use phase and the manufacturing phase. However, LCA should be used with caution to generally assess products from multiple producers, since the input data may vary between different producers. Hence LCA is a good tool for a company to assess its products, but the impact values should not be used to compare different producers or as a basis for legislative requirements.
- We recommend policy makers to rely on internationally recognised methodology since our industries are often global. Changes to the methodology should be made cautiously so as not to undermine current and past developments or Ecodesign investments.
- We support the use of LCA for companies to internally assess the environmental impact of their products and acknowledge that the use of the environmental footprint of products or components for the LCA of a larger system needs to provide transparent, objective and verified information.
- However, the PEF method is not suitable for all enterprises, especially not for SMEs, and many factors prevent a strict comparability between LCA results.
- We recommend the PEF to remain voluntary. PEF is a very complex tool and it should be used carefully.
- We recommend that the PEF should not be used for any labelling.

Related to the links between the Ecodesign Directive and the Green Public Procurement (GPP) criteria:

- We do not recommend building the review of the Ecodesign Directive on the EU Green Public Procurement criteria.
- We recommend to focus on product regulation and Green Public Procurement to be linked to internal market requirements and standards. See below our recommendations on sustainability criteria for public procurement.

Differentiating consumer and industrial goods in the context of material efficiency is crucial. Incentive structures, customer behaviour, customer relations, pricing, material composition and market dynamics distinguish both sectors. To carry forward the success of the Ecodesign Directive, case-by-case assessment remains of high importance.

The ongoing development of material efficiency standards by European [standardisation](#) organisations is also actively supported by our industries. Product-specific EU standards are highly relevant for a successful implementation.

Sustainability principles

As to the Commission proposal to consider establishing [sustainability principles](#), we call on the Commission to:

- [First undertake an impact assessment](#).
- [Apply the "SMERC" principle](#) in all considerations regarding the impact assessment and discussion about the possible extension of product-related sustainability requirements:
 - [Specific](#) – requirements must be considered on a product group-specific basis. Even within same product group, and within individual categories of equipment in our sector, the products and their environmental impact differ significantly, especially in relation to the ambient and operating conditions.
 - [Measurability](#) – the parameters must be clear to determine. High demands must be placed on the measuring methods. Parameters must be reliable and lead to reproducible, comparable results. They should reproduce actual user behavior as accurately as possible, but also be easy to apply in practice. Legislation may only be adopted if the necessary harmonised standards are available, at least in draft form (CDV).
 - [Enforceability](#) – it must be possible to verify and enforce requirements through market surveillance. The measuring methods must not entail a disproportionately high effort for subsequent verification. At present, market surveillance performs very few checks for cost reasons.

- **Relevance** – new parameters and corresponding requirements must be relevant for the environment, the users and relevant even within the specific life cycle phase(s).
There must be evidence of clear and significant potential for improvement.
- **Competitiveness** – there must be no significant negative impact on the industry's competitiveness (see Directive 2009/125/EC, Art. 15(5)d) and the competition must be fair.
- Ensure that the product sustainability requirements will be **harmonised at EU level**.
- Product requirements (for example information requirements) should be **technology neutral** and not hinder the development of new innovations, business models and products.
- Policy makers should focus on products that taken together stand for a great environmental impact so that the effect of Regulation is **proportionate**.
- **Energy efficiency** remains a key sustainability principle for energy related products.
- **Resource efficiency** requirements under Ecodesign are ambitious but appropriate.

We have the following further **general comments and recommendations related to the proposed sustainability principles**:

- We would welcome more information about what the proposed sustainability principles could look like and how they would be applied in practice within the Ecodesign Directive.
- A holistic view: all proposed product sustainability requirements must be evaluated through the whole lifecycle to ensure they will lead to more sustainable products and should also be analysed in the product usage environment. This will enable the identification of the sustainable impact of the product, provided that the boundaries for the lifecycle assessment are similar for all products.
- The relevance and effectiveness of the various proposed circular economy and product sustainability requirements should be analysed in comparison to other policy tools and design parameters. For example: to what extent it is possible to repair a product, and how this reparability parameter will affect other design parameters that might result in increased environmental impact must be assessed.
- In addition, when developing product policy, it is important that the political ambition is transformed into measurable design requirements for a specific product.
- The role of public procurement is important. Public authorities need to act in a responsible way by, for example, replacing or upgrading the installed base of products using LCA as a guiding principle. Sustainability requirements should be as important as price when choosing products in competition. Taking these elements into account in public procurement will support the European industry which is providing modern and efficient products. It is important for public authorities and industries to develop together such sustainability requirements and for the Commission to ensure that GPP criteria are effectively implemented in GPP.

We recommended the following **sustainability criteria for public procurement**:

- The starting point of the procurement will be sectorial standards and, when relevant, EU's green procurement criterion, established on the basis of reliable and verifiable methodologies, objective and measurable criteria relevant for the different product categories, based on the overall life cycle of products, and consistent with applicable regulations. For example, the requirements for quality labels such as the EU-Ecolabel could be used when relevant.
- The procurement will be based on total cost including product lifetime and operating cost.
- The procurement includes consideration of relevant concrete requirements for the product's post-consumption phase and the initial input of materials producing a new product. In addition, significant efforts should be demonstrated by the industry to include information as far as improvements on life cycle and to the post-consumption phase. These efforts should be supported, recognised and valued.
- The offers will be evaluated with priority given to quality parameters such as durability, sustainability or security of supply, and not only the lowest price.
- The contract includes a provision of innovation to encourage partnership on continuous improvements of the operation and the green profile of the procurement.

We call upon the Commission to take into account the following remarks when considering the establishment of the following proposed sustainability product aspects:

- **"Improving product durability, reusability, upgradability and reparability, addressing the presence of hazardous chemicals in products, and increasing their energy and resource efficiency";**
When policy makers develop new product requirements it is essential that they follow the New Legislative Framework (NLF). Product requirements must be based on applicable internal market regulations, to ensure a level

playing field and to adjust relevant provisions to specifically solve uncertainties related to definitions, requirements and responsibilities of the different actors.

Further points:

- The Ecodesign preparatory studies will have to identify which circular economy criteria are relevant for what product categories and identify the best tool to improve the environmental impact of the product in relation to the end users' expectations and behavior.
 - As mentioned earlier, energy efficiency remains a key sustainability principle for energy related products and resource efficiency requirements under Ecodesign are ambitious but appropriate.
 - Product requirements (e.g. "right to repair" or availability of spare parts) must always be considered product-specific and carefully checked based on life cycle analysis and market analysis.
 - The importance of developing material efficiency standards (Mandate 543). All the concepts of circular economy are defined and test methods are detailed (Mandate M543). These standards must be the basis for any further regulation and must be adapted and applied in practice to the different product categories when relevant.
 - For Europe and European technology industries, high quality products are a core competitive argument, which goes hand in hand with sustainability.
 - Durability includes robustness, reparability, and upgradability.
- **Addressing the presence of hazardous chemicals in products:** our industries are fully committed to reducing the content of hazardous substances in their products to support a more circular economy and achieve sustainability goals. A meaningful exchange of information between partners in the value chain, focusing on substances of very high concern, can improve the product life cycle footprint, from design to recycling and therefore contribute to a circular economy. When looking at legislation to achieve these goals, our industries believe that any proposal should be evaluated on the basis of its demonstrable and real improvements for the environment. However, we would like to highlight that (hazardous) substances in products often have an essential function (e.g. fire and corrosion prevention) which cannot always be fulfilled by an alternative substance.

REACH is the main instrument to evaluate and identify substances of very high concern (SVHC) with the goal of restricting or authorising them. Based upon the evaluation in REACH, the effects of SVHC can be regulated in for example the RoHS Directive to minimize the effects on the waste from Electrical and Electronic Equipment (EEE). REACH information also influences the choices companies make for the use of chemicals when they develop and manufacture their products (Ecodesign Directive).

We recommend that the different legal instruments (REACH, RoHS, Ecodesign, etc) are used only for their intended goals. For targeted, and thus mostly efficient, regulation, the differentiated but harmonised legal instruments are preferable. Consistent application can therefore also avoid contradictory double regulation.

- **"Increasing recycled content in products, while ensuring their performance and safety";**
- We support the efforts of the Commission to strengthen the role of plastics in the circular economy and are therefore working with other stakeholders within the [Circular Plastics Alliance](#) (CPA). The share of plastic in EEE amounts to 16% and these industries represent 6,2 %¹ of the total amount of plastics in Europe. The current problem is that today there is only a small amount of materials being recycled and reused in new products. For example, plastics need a value that makes them attractive to collect and recycle. As long as the quality, quantity and the price of primary plastics is significantly lower than that of secondary plastics, we oppose a mandatory use of recycled plastics in products. At present, however, there is still a lack of a sufficiently available supply of high-quality, certified recyclates that are capable of meeting the regulatory, technical and material requirements of the many different product applications over their service life. The development of product-specific standards for quality criteria of plastics recyclates as well as the promotion of (basic) research in the field of plastics recycling (independent of a specific recycling technology) are therefore important steps for a practice-oriented implementation of a circular economy for plastics. Only in this way can the performance and safety of products containing recycled plastics be ensured.

¹ Datas PlasticsEurope – Facts 2018

Furthermore, there is no economic incentive to use recyclates. It is very important that policy makers concentrate on the greater barriers – aiming at decreasing the price for secondary plastics. Since there is an issue with the quality and quantity of recyclates available on the market, the industry faces problems sourcing recycled material.

We want a circular economy for plastics:

- Where the potential of the material is recognised and where recyclates acquire a value that makes them an important resource for our economic and social activities;
- Where recyclates make an ecological contribution to the circular economy, and where they are economically viable and thus become a solution and a model for success;
- Where the right qualities and quantities are available and traded at competitive prices on the European internal market.
- Where it is prohibited that significant plastics quantities are landfilled or incinerated without recovery status.

We have the following other comments:

- There is no “one-size-fits-all” approach. We need differentiation at product level in order to apply individual solutions. Broad product range: the wide variety of products and materials in our industries has to be taken into account.
- We therefore suggest concentrating first on increasing the recycled content of plastics materials (non-food). To stimulate secondary raw material markets, quality criteria for plastics with clearly specified uses should be developed. A legal level playing field created under REACH for primary and secondary raw materials should be implemented more stringently.
- Differences between packaging and product: any regulations regarding packaging materials made of plastics should always be considered detached from guidelines for engineering plastics in products. The latter are certified plastics which – given their long operational lifespan (up to 50 years) and the required product safety – have to conform to the highest technical standards, in order to guarantee the product’s safe use.
- Standards for recycled materials and research: developing product-specific standards for quality criteria for recycled plastics (secondary raw materials) as well as the promotion of (basic) research in the field of plastics recycling (independent of any specific recycling technology) are key elements in a practice-oriented implementation of the concept of a closed cycle for plastics. Research should focus on developing better and more efficient measuring techniques. Recycled plastics must meet the specifications and prerequisites of industries when developing their products as it is the case for new plastics.
- We stress the necessity to take into account the interface of chemical, product and waste legislation and the importance of coherent objectives. If this is not the case, we will not be able to increase the share of recycled plastics in our products.

➤ **“Enabling remanufacturing and high-quality recycling”;**

The Ecodesign life cycle approach is supported by our industries because it is fundamental for defining the requirements and should be a guiding principle for authorities.

Existing as well as new business type models such as servitisation incentivise the extension of product lifecycles through durable design, repair, refurbishment and [remanufacturing](#). It is a desirable development that products, as long as they are economically and environmentally beneficial, and respect product safety requirements, are used for as long as possible through good maintenance, repair, service and also through upgrading. Some of these business models have already existed for a long time, others are ongoing through new business concepts within the industry.

It is important that legislation provides a stable and coherent framework for those existing and future business models – safeguarding end users, providing legal certainty to actors and ensuring that these actors (manufacturers, remanufacturers, repair industry, distributors, etc.) bear the corresponding responsibilities. In the construction of such a framework, it is important to identify and address any conflicting requirements between different policy objectives and the different obligations in the legislation. The internal market is also of great importance for the development of circular business models.

To turn these approaches into a functioning business model, it must be economically viable to extend the lifetime of products and to purchase remanufactured or/refurbished products.

We strongly support proposals enabling [high-quality recycling](#). Not only quantities of secondary raw materials matter for a circular economy to develop, but also their quality in order to meet the regulatory obligations and technical specifications of industrials. Operators should not be allowed to undertake ‘lower quality recycling’ activities depending on the Member State where they operate. Regarding the waste from electrical and electronic

equipment (WEEE), all WEEE should be properly collected, transported and treated regardless of the Member State or operator (working on behalf of producers or not). Please see details in the [Orgalim Guide on WEEE](#). Furthermore, the incorporation of recycled content as well as the use of spare parts, in new or repair products, must benefit from exemptions when there is no risk to the environment or health.

Our recommendations for proper quality treatment of Waste Electronic and Electrical Equipment (WEEE) contributing to improved quality waste management and harmonisation of treatment practices throughout Europe are available [here](#).

➤ ***"Reducing carbon and environmental footprints";***

With regard to [carbon footprint](#), we would like to draw the Commission's attention to the difficulty in obtaining comparable, verifiable and reliable data necessary for calculating carbon footprint. Material footprint calculation methods have to be used with caution to reduce actions, as there are flaws in various indicators. We have commented on this issue before in the Orgalim [Position Paper](#) on resource efficiency indicators and in the [Position Paper](#) on the monitoring framework for circular economy.

As for [environmental footprint](#), we support the use and development of reliable, coherent, understandable, and verifiable environmental information, as stated in our [Position Paper](#) Product and Organisational Environment Footprint methodologies. However, the existing situation, with more than 100 active environmental labels in Europe alone, seems far from ideal or efficient to advance common EU policy measures – which is why more development is needed in this area. Furthermore, the Commission's product environment footprint methodology, as now also confirmed by the completed pilots, does not represent a reliable tool for creating demand for 'better and greener products' in the EU. A label made from a PEF for complex products in a global supply chain will display historical data and therefore risks that consumers base their buying decisions on old and misleading information and that companies are exposed to unfair competition and market distortion.

➤ ***"Restricting single-use and countering premature obsolescence";***

We support the principle of countering premature obsolescence on the condition that premature obsolescence is defined and that the EU standards and guidelines are applied. Planned ageing is not, and cannot be, a long-term sustainable business model. European technology companies, nurturing a long-term reputation and credibility, simply avoid designing products of short durability.

➤ ***"Introducing a ban on the destruction of unsold durable goods";***

We support introducing a ban on the destruction of unsold durable goods as long as the conditions necessary to achieve the reuse or recycling of unsold durable products do meet the objective of sustainable development. For products whose reuse involve serious health or safety risks we recommend strongly applying existing product safety measures.

➤ ***"Incentivising product-as-a-service or other models where producers keep the ownership of the product or the responsibility for its performance throughout its lifecycle";***

We would value a cooperation between policy makers and industry to create a sound framework, preferably a harmonised EU one. If not, barriers for more circularity beyond manufacturers' control will continue to exist and doubts will block further market introduction. Policy makers should not develop business models, but they need to promote the development of such models and adjust legislation if it hinders new business models that are decreasing the environmental footprint. In addition, in some areas, service companies for maintenance exist. New business models must take into account these sectors which may be relevant: for example, in complex system where the ownership of each component through the life cycle by the manufacturers may not be relevant when the components are interdependent and thus the system as a whole needs to be addressed to extend the life span. In such a case, the involvement of all actors, including the users, is needed, each bearing a specific responsibility.

Our recommendations:

- Policy makers should accommodate both existing and new business models in terms of placing products on the market and in terms of service activities.
- Product policy should be stable and support the product as a service business model.
- A level playing field must be secured. Manufacturers want to see that if they are following rules on circularity, there should be an incentive for people to choose these products. Otherwise, less reputable manufacturers may not follow the rules.

➤ **"Mobilising the potential of digitalisation of product information, including solutions such as digital passports, tagging and watermarks";**

Applying digital solutions for product information, such as **digital passports**, could have benefits for some end users such as consumers provided that it is properly designed, has a clear purpose and an improvement potential from a sustainability perspective. In general, product passports would have less impact on B2B products, since environmental, and sustainability related information is already currently provided from producers to professional users. Policy makers, but also the value chain of the digital industry, should promote digital sobriety.

Industry needs to be an active part of the development of a **product passport**, given its considerable knowledge about information in value chains, existing systems and what is required for a product passport to work in practice. A digital product passport can be beneficial as long as it does not become a bureaucratic burden for manufacturers and it should not duplicate already existing information requirements. The purpose and the recipient need to be clearly established and strictly respected (e.g. raising consumer awareness on a specific issue, comparing the products, providing detailed information on specific legal requirements which could not be given by another means, or providing data for professional users) and as long as the measure is proportionate to the expected benefits and that the data is based on scientific assessment methods recognised through international standards, and is reliable and verifiable. A product passport should not only provide information to the end-user but should be used in a truly circular way - meaning that information on changes to the product like upgrades, repairs or refurbishment should be included and help to make the life cycle of the product more transparent.

Other associated challenges include issues such as the protection of intellectual property. The number one concern of producers is that their confidential business know-how and trade secrets could be served on a plate to their competitors. The principle of 'freedom of contract' will remain relevant for organising the data exchange and flow of data between companies also when mobilising different digital solutions for circularity.

It is essential that the standardised knowledge and data models of the product and associated properties (data) reflect the mechanism defined by the experts (terminology, performance, physical interdependencies, ...).

We call on the Commission:

- To ensure that information on product characteristics is **meaningful, easy to understand, reliable and comparable** and that the burden put on companies is proportionate.
- To **apply the "SMERC" principle** (see details on page 3) in all considerations regarding the impact assessment and discussion about possible extension of product-related sustainability requirements.

Our recommendations on product passports:

- The purpose of a product passport needs to be defined by the policy makers together with the industry and justified by in-depth studies on expectations and issues to be addressed, but also through an impact analysis between costs and benefits.
- The introduction of a product passport must take place at EU level.
- Again there is no one-size-fits-all approach: product passports should be established on a sector basis.
- A product passport needs to be based on harmonised regulations within the EU and should not duplicate other specifications already existing.
- Standardisation bodies and global standards should be used in the design.
- Business participation in the design of the product passport is essential as well as the design of the digital infrastructure
- There must be clear responsibilities for accessing and sharing information for the product passport.
- The recipient of the information, and how the information is used, must define the design and content of the passport.
- The appropriate and reasonable level of detail of information needs to be determined.
- The information in a product passport needs to be adapted to the product type and synchronised with existing systems.
- Effective supervision, monitoring and control is justified by in-depth studies on expectations and issues to be addressed.
- The EU should identify financial resources to help the European companies to put in place these new measures and also the EU Member States to control these measures.

- **"Rewarding products based on their different sustainability performance, including by linking high performance levels to incentives".**

Important barriers for more circularity beyond manufacturers' control continue to exist and impact making further progress.

We recommend retail markets to **better promote circular products and solutions** and contribute when possible to facilitate circular activities (such as the existing take-back obligation). Retail markets have a key role to play in order to better inform consumers on the proper way to use their products.

European data space for smart circular applications

Concerning the proposal from the Commission to establish a common **European data space for smart circular applications** with data on value chains and product information to support the effective and efficient application of the new sustainable product framework:

- We very much support digitalisation as enabling technology for a circular economy and the transition to a data-driven economy will be crucial for our sector's sustainability, growth and competitiveness. We believe that the new EU data strategy should support the further strengthening of a Common European Data Space for smart manufacturing. See our detailed recommendations in our [Position Paper](#) "Towards a Common European Data Space for Smart Manufacturing".
- We value the principle of the proposed European data space for smart applications with data on value chains and product information which could boost circularity if well designed.

It is important to well define the framework of this proposed European data space for smart circular applications to understand its intended objectives, added value compared to already existing databases and reporting requirements, usefulness of information, proportionality of the efforts for companies, potential link with digital product passports and how data will be processed and used. The management of data, and in particular the protection of intellectual property rights, will be crucial as companies need legal certainty and a trusted market environment to share, transfer and access data to enable them to innovate in new data-driven business models.

To make sure the framework will be well defined and the approach will be balanced, we call on the Commission to conduct an impact assessment before the proposed European Data Space for Smart Circular Applications is considered to be rolled out and that it should be based on a bottom-up approach.

We very much support the proposal from the Commission to step up efforts, in cooperation with national authorities, on enforcement of applicable sustainability requirements for products placed on the EU market, in particular through concerted inspections and market surveillance actions. Ensuring effective enforcement and market surveillance will be of the utmost importance for the success of the application of the new sustainable product framework.

Orgalim looks forward to cooperating further with the European Commission and other European Institutions on this Sustainable Products Initiative.

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of over €2,100 billion, manufacturing one-third of all European exports and providing 11.5 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

Orgalim aisbl
BluePoint Brussels
Boulevard A Reyers 80
B1030 | Brussels | Belgium

+32 2 206 68 83
secretariat@orgalim.eu
www.orgalim.eu
VAT BE 0414 341 438