

EVIA position on the Circular Economy Action Plan and the Sustainable Products Initiative

Transitioning to a regenerative/circular growth model has been on the EU's agenda for at least the past decade. The European Green Deal (EGD) and the Circular Economy Action Plan are blueprints aimed at putting the EU on the path towards achieving a climate-neutral, resource-efficient, and competitive economy by 2050.

The Energy related Products (ErP) framework, comprising the Ecodesign Directive and the Energy Labelling Regulation is a success. It continues to deliver improvements in the energy efficiency of products, by pushing inefficient models off the market and driving manufacturers to bring the most efficient product designs to market.

EVIA would stress that a number of key principles must be safeguarded in the Sustainable Products Initiative's (SPI) revision of the Ecodesign Directive. Requirements must remain product specific and set in the product implementing regulations. Enforceability must be at the forefront of considerations, requirements must be enforceable by Market Surveillance Authorities (MSA) to limit circumvention, maintain a level playing field and deliver on sustainability objectives. Requirements should also be relevant and proportionate to the benefits pursued.

Sustainability is inherent in the very name of Ecodesign. ErP is a model that via the so called 'Brussels effect', ultimately provides a competitive advantage to EU industry. Using the framework to set material/resource efficiency requirements should therefore inculcate a circular competitive advantage to be added to the existing energy efficiency advantage. The long-term competitiveness of EU industry in the green transition must be at the forefront of planning. Having delivered successfully on energy efficiency, EVIA support the Commission's ongoing approach to integrate circular economy/sustainability into the ErP framework through the introduction of material/resource efficiency requirements¹.

EVIA recognises that material/resource efficiency is, however, a component of sustainability, which encompasses the entire 'life-cycle' environmental impact, in addition to the use-phase energy efficiency and carbon impact of a product, for example carbon emissions embedded in production and those related to end-of-life. Under the [Circular Economy Action Plan 2.0 \(Annex\)](#) the Commission indicated a range of possible legislative measures to deliver on sustainability:

- Legislative proposal for a **sustainable product policy initiative**
- Legislative proposal [empowering consumers in the green transition](#)
- Legislative measures establishing a new "right to repair"
- Legislative proposal on substantiating [green claims](#)

Providing the 'push policy' effect:

EVIA sees the 'Legislative proposal for a sustainable product policy initiative' as envisaging a horizontal legislative basis mandating the introduction of sustainability requirements based on calculation of the

¹ EVIA's position on material/resource efficiency under ErP for ventilation units and industrial fans have been submitted to the most recent review/revision of the respective implementing regulations.

'life-cycle' product performance, the broad parameters of which may be detailed in the initiative. We understand that delivery of the calculation methodology and the subsequent sustainability minimum requirements must be product specific. As such EVIA strongly supports the proposal to use the Ecodesign Directive implementing regulations for ventilation units and industrial fans to regulate the sustainability of the products, the legal basis for which should be set via a revision of the Ecodesign Directive.

Caution on expanding the scope of Ecodesign to non-ErP

However, EVIA has reservations as to whether revising the scope of the Ecodesign Directive to include non-ErP is the best approach to delivering sustainability requirements for non-ErP, but understand that this decision has been decisively taken politically in the Commission. We also caution as to the possibility of unintended consequences for the regulation of ErP under the Ecodesign Directive from this approach.

Considerations on sustainability calculation methodology

EVIA understands from comments made by a Commission representative at the 15 April 2021 Introductory Stakeholder Workshop on the SPI, that the parties in the Commission consider the body of work conducted by DG Environment on [Product Environmental Footprints \(PEF\)](#) to be "the best life-cycle assessment available today". It is important to note that Technical Building Systems (TBS) covered under ErP were not among the pilots developed and tested between 2013 and 2018. As such we would suggest that it should not be assumed that PEF methodologies are the "best life-cycle assessment available today" or that will be available in the future for TBS.

In this regard, EVIA note the consideration being given in the preparatory study for the Ecodesign & Energy Labelling Working Plan 2020-2024, to expanding the EcoReport Tool in respect to a number of "horizontal measures"² but in particular on the 'Ecological profile'. The EcoReport Tool makes use of the streamlined Life Cycle Assessment (LCA) and Life Cycle Cost under the Methodology for the Ecodesign of Energy related Products (MEErP), which could be successfully adapted to more thoroughly consider sustainability aspects. Allowing these discussions to mature and for the outcomes to be considered against PEF as options, would guarantee more informed decision-making on the parameters of sustainability calculation methodologies.

Phased approach to introducing sustainability requirements

EVIA supports a phased approach to the integration of sustainability considerations into ErP implementing legislation, including Regulation (EU) 327/2011 (Industrial Fans) and Regulation (EU) 1253/2014 (Ventilation units) and their successors in respect to their ongoing revisions.

On the review and revision of the implementing legislation immediately following the revision of the Ecodesign Directive rules will need to be developed for the product category as a basis for information requirements. In the subsequent revision of the implementing legislation, this could be used if feasible to set minimum life-cycle performance requirements for the product category.

² Scarcity and environmentally critical raw materials, Firmware and software, Lightweight design, Post-consumer recycled content, Durability.

To facilitate the phased integration of sustainability requirements the revision of the Ecodesign Directive will need to provide for a degree of flexibility in the application of sustainability methodologies that is sensitive to the differences between product categories, particularly between ErP and non-ErP products. EVIA would suggest that the revision of the Ecodesign Directive should have a separate methodology for ErP and non-ErP products. For ErP products the existing MEErP should be revised to integrate sustainability more thoroughly. It is an open question given the parallel developments on the SPI and the ongoing MEErP review, whether the ongoing MEErP review will be future proof in respect to the likely date of entry into force of the SPI.

Interface with the sustainability performance of buildings

Beyond the products covered by future sustainability requirements under the Ecodesign Directive for TBS and for construction products under the Construction Products Regulation (CPR) should be aggregated at the building/system level. As the construction products sector is covered by the CPR EVIA would suggest that sustainability requirements be mandated in the forthcoming revision of the CPR, rather than via their inclusion in the revised scope of the Ecodesign Directive.

The Commission should aggregate the environmental impact of TBS and construction products in the built environment using the [Level\(s\) framework](#). Minimum sustainability information and/or minimum requirements should eventually be set for buildings in a future revision of the Energy Performance of Buildings Directive (EPBD).

Such an approach would provide the ‘push effect’ to remove products, and in the future buildings, with high environmental impact from the market.

Providing the ‘pull policy’ effect:

Establishing a framework to determine further the sustainability of products and possibly to set minimum performance requirements, must be complemented by a policy designed to pull more sustainable products onto the market by providing information to consumers. EVIA see this objective as covered by the ‘Legislative proposal empowering consumers in the green transition’, ‘Legislative measures establishing a right to repair’, the ‘Legislative proposal on substantiating green claims’ and the plans for a Digital Product Passport.

Empowering and protecting consumers in the green transition will require an approach that avoids a proliferation of multiple labelling mechanisms. Providing information to consumers is only as powerful as it is understandable to the consumer. As such EVIA favour adapting established schemes to provide a single harmonised label as reference.

In this regard, the EU has a ready-made environmental labelling scheme in the shape of the EU Ecolabel. Whilst voluntary, the EU Ecolabel is widely used by economic operators across the Member States and is relatively well understood by consumers. Rather than develop a new labelling scheme for environmental sustainability, the Commission would potentially be better served by considering the amendment of the EU Ecolabel Regulation to adapt the label for products in the scope of the revised Ecodesign Directive where the sales channel is direct business to consumer (B2C), for example for ErP products already in scope of the Energy Labelling Regulation, i.e. residential ventilation units. However, the Ecolabel’s current

threshold approach to labelling may not be appropriate in conveying a sufficient granularity of information to consumers, i.e. on carbon content or on durability.

Such an approach would provide the ‘pull effect’ to incentivising the removal of products with weak PEFs from the market, by empowering consumers to make more sustainable purchasing decisions. Simultaneously, consumers would be protected as green claims would be substantiated by the PEFCR threshold value to qualify for the EU Ecolabel.

Material efficiency considerations:

It is important to note that EVIA consider material efficiency performance as a contributor to the environmental impact of a product alongside energy performance and wider sustainability performance. Material efficiency requirements should therefore continue to be regulated under the Ecodesign Directive, with minimum performance requirements to be set in the individual product implementing legislation, where relevant and enforceable by market surveillance. The revision of MEERp should also seek to provide a more systematic methodology for considering material efficiency in Ecodesign. Setting material efficiency requirements for repair, including on the availability of spare parts, the maximum delivery time for spare parts and access to repair and maintenance information (RMI), would give legislative effect to the ‘right to repair’ for products under ErP.

Labelling for material efficiency could be pursued by building on the Joint Research Centre’s (JRC) [study on a scoring system for repair and upgradability of products](#). However, the relevance of repairability scoring would need to be assessed for each individual product group and the criteria would have to be specific to each product group. As it stands the JRC report does not take into account the complexities of installed Technical Building Systems/HVAC products.

Consumer policy considerations:

To ensure consistency with the [Unfair Commercial Practices Directive \(UCPD\)](#), the UCPD should be revised to include green-washing as a mis-leading action that is ‘blacklisted’ under Article 6. Green-washing would constitute marketing a product as green when the product specific sustainability requirements under the revised Ecodesign Directive and its complimentary labelling scheme are not met. In the longer term, for additional consistency and in complement to the revision of the UCPD, the [EU Consumer Rights Directive](#) should be revised to stipulate that for products in the scope of the revised Ecodesign Directive the PEFCR value/Ecolabel for the product is considered as a “main characteristic” of the product and information must be provided to the consumer.

About EVIA:

The European Ventilation Industry Association (EVI)'s mission is to represent the views and interests of the ventilation industry and serve as a platform between all the relevant European stakeholders involved in the ventilation sector, such as decision-makers at the EU level as well as our partners in EU Member States. Our membership is composed of more than 40 member companies and 6 national associations across Europe, realising an annual turnover of over 7 billion euros and employing more than 45,000 people in Europe.

EVI aim to promote highly energy efficient ventilation applications across Europe, with high consideration for health and comfort aspects. Fresh and good indoor air quality is a critical element of comfort and contributes to keeping people healthy in buildings.