

Position Paper

A “Right-to-Repair” must apply for the broadest possible range of consumers products

This position paper responds to a call for evidence by the European Commission for an impact assessment (Ares(2022)175084) for the EU Directive on Sustainable Consumption of Goods Promoting Repair and Reuse.¹

Ecopreneur.eu - the European Sustainable Business Federation - and its seven member organisations welcome the European Commission’s “Right to Repair” initiative aimed at extending the lifetime of consumer products through improved quality and ease of repair while promoting the purchase of second-hand and refurbished goods. **We strongly advocate Option 3** from the call for evidence document, which is the most ambitious one with a high level of intervention, **along with all sub-options**: prioritising repair over replacement and obliging producers or sellers to repair goods beyond the legal guarantee period, extending the legal guarantee period beyond the current minimum period of 2 years, and enabling the seller to replace defective products with refurbished goods and not new ones.

Building on the announced minimum requirements for sustainable product design, an **ambitious regulatory framework for promoting the repair and reuse for the broadest possible range of consumer products** would strengthen the effectiveness of the Ecodesign for Sustainable Products Regulation (ESPR) and support both manufacturers and consumers in the transition to a low-carbon, circular and fair economy. As a matter of fact, despite the need for collecting, sorting and additional logistics, the inherent potential of repair and reuse schemes to bring down greenhouse gas (GHG) emissions during a product’s lifecycle is much higher than that of recycling because it saves the energy that comes with having to dismantle and re-manufacture products. For textile products, for example, the CO₂ savings potential is three times higher. This explains the higher ranking of reuse over recycling in the EU waste hierarchy and circular economy thinking.

From this perspective, Ecopreneur.eu shares the Commission’s view that the “Right to Repair” Initiative would prompt producers to design goods that last longer and are easily repairable, thereby preventing premature production of new products, postponing waste, creating additional jobs, reducing the negative impact from unsustainable consumption on the global environment and climate, thereby contributing to the transition to a low-carbon circular economy.

We encourage the Commission to **create synergies with the ESPR and other initiatives related to green claims and transparency** to empower consumers and financial stakeholders in making sustainable choices. At the same time, we emphasise the fact that even the most ambitious legislation will only drive behavioural change in terms of consumer demand, green investment and public procurement if the **sustainability performance of each product is being measured, assessed and communicated in a standardised manner**.

¹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13150-Sustainable-consumption-of-goods-promoting-repair-and-reuse_en

We also stress the fact that the shift from selling new products made from virgin materials to selling services like maintenance and repair can only take place if the EU goes **beyond regulation by implementing economic incentives** compensating for the linear economic forces that have led us to our current situation.

Crucially, Member States need to **reduce or even abolish labour taxes and VAT on maintenance and repair** as part of implementing a tax shift from labour to resources and implement **eco-modulated Extended Producer Responsibility (EPR)** schemes for all waste-intensive product groups with repair possibilities, such as **electric and electronic equipment, cars, caravans, textiles and furniture**.

In the opinion of Ecopreneur.eu and its sustainable member organisations, the EU Directive on Sustainable Consumption of Goods Promoting Repair and Reuse should **apply to the same afore mentioned product groups** and not only to those considered “energy intensive” in their utilisation.

According to Option 3, we call on the European Commission to consider the following specific policy measures - except for second-hand products - to make sure the “Right to Repair” initiative will yield the expected outcome:

1. Extend the longevity of new products by

- introducing eco-modulated EPR for all waste-intensive product groups,
- setting minimum design requirements aligned with Ecodesign rules to ensure easy disassembly and replacement of key components,
- extending the legal warranty period from currently 2 years to 4 years or more, depending on the type of consumer good,
- allowing the seller to replace defective products within that warranty period with refurbished goods instead of new ones, and
- banning and sanctioning the destruction of unsold goods, and
- making software updates backward compatible for a minimum period of time.

Instead of applying “the same legal guarantee period for new and second-hand goods and/or refurbished goods”, as suggested in the Commission’s draft proposal, the warranty period should be relative to the type and nature of the product. For Textiles, for example, an extended warranty period should apply for new products only, but not for second-hand clothes. The consumer should be informed by the producer about these rights and measures at the time and point of sale.

Instead of applying “the same legal guarantee period for new and second-hand goods and/or refurbished goods”, as suggested in the Commission’s draft proposal, guarantee periods for second-hand, refurbished and repaired products may be lower. Second-hand textiles should be exempt from an extended warranty period altogether.

2. Promote systematic maintenance and repair schemes by

- mandating producers to provide spare parts at a reasonable cost for a period of 10 years minimum,
- mandating producers to either make their products compliant with standardised repair tools or provide special tools for free, and

- o incentivising Member States to introduce lower labour taxes and VAT rates for maintenance and repair services, as well as other economic incentives for circularity. Given the choice between two otherwise equal goods or services, even a moderate VAT difference can effectively nudge consumers to purchase the circular option rather than the linear one. Member States' governments can already now set low VAT rates for certain repairs, second-hand goods and charities within the scope of the current VAT Directive.

The tax shift from labour to resources can and should be tax-income-neutral by increasing taxes on resources and pollution.

3. Promote sustainable purchasing decisions by

- o introducing a classification system or “repair score” indicating the level of sustainability and reparability like the energy label for electronic products, based on the warranty period and the availability of spare parts, repair tools and services, and software updates,
- o extending the implementation of Digital Product Passports to all waste-intensive consumer products, building on existing standards and tools such as the Environmental Product Declarations and the Product Circularity Data Sheet (PCDS) and
- o encouraging Member States to privilege durable, repaired and refurbished products in their Green Public Procurement (GPP) policies, based on the EU rules for mandatory minimum sustainability requirements.

The above measures should be supported by legal minimum requirements for sustainable design in a reviewed EU Ecodesign Directive. These minimum requirements should apply to all end products and services, including those entering the EU market, to help phase out the worst performers and promote those that are sustainable by design in terms of durability, longevity, ease of maintenance, reparability, reusability, upgradeability and recyclability, without substances of concern but with a high amount of recycled material and a low environmental footprint, also regarding packaging.

About Ecopreneur.eu

Ecopreneur.eu is the European Sustainable Business Federation of currently seven national associations representing about 3000 sustainable companies - mostly SMEs. A member of the Coordination Group of the European Circular Economy Stakeholder Platform, Ecopreneur.eu is the only cross-sectoral EU business organisation committed to ambitious measures, rules and regulations for a low-carbon circular economy. We advocate a new economic framework in which sustainability is promoted, the environment respected, and ecological principles are followed. Ecopreneur.eu and our members bring concrete experience from pioneering companies into the political debate, show best practice examples and represent the needs of green SMEs in a credible way.

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