Position Paper on the Circular Economy Act

A selection of our policy recommendations

Extended Producer Responsibility (EPR): Introduce a harmonized and digitalized infrastructure

- **Establish an EU One-Stop-Shop (OSS) for EPR schemes:** Create a single, multilingual digital gateway for EPR registration, reporting, and data exchange to reduce fragmentation across the 27 Member States.
- **Centralised EU-wide registration**, with a single authorised representative for EU-based operators.

EPR requirements must be proportionate and deliver a level playing field

- **Standardise reporting to a single annual cycle and give groups of independent retailers an OPTION to jointly report sustainability targets on behalf of their member retailers** (like integrated chains do).
- Require that **secure payment processes** are integrated into the EU's digital EPR platform.
- **Require online marketplaces to verify EPR registration** (Unique Identifiers) from non-EU sellers.
- Include in **minimum requirements for EPR systems** that
  - **retailers as a minimum need to be fully compensated** for the costs of collection, sorting, handling and storage;
  - groups of independent retailers and franchises are given **an option** to pool and jointly report on EPR;
  - **all parties need to be involved** in the development of EPR systems **and that retailers need to be properly represented in the Boards of national EPR systems**;
  - **small retailers** occasionally selling cross-border low numbers of products **for which EPR was already paid in the country of the retailer are exempted from EPR in the country they sell to;**
  - operators selling occasionally small volumes cross-border are exempted from EPR obligations in the Member States they sell to;
  - **non-EU traders continue to be obliged to appoint an authorised representative** in each Member State;
  - revenues from state-run EPR systems are strictly used for objectives set in EPR legislation.

Waste Electrical and Electronic Equipment (WEEE) Directive

- **Harmonize** calculation methods, collection rules and safety requirements and ensure that collection is remunerated or that, as a minimum, costs are properly covered, in particular for retailers.
- **Establish a single, centralised EU-wide registry** for EPR of WEEE and require **online marketplaces to verify WEEE compliance/registration of non-EU sellers**.
- **Ensure a level playing field between online and offline retail:**
  - **online platforms** facilitating sales from non-EU traders **must offer free means to return WEEE**;
  - extend take-back obligation (Article 5(b) to **third-party delivery services** acting on behalf of sellers.

Digital Product Passport (DPP) and labelling

- **Build the DPP on existing data systems** to avoid duplicating reporting obligations and keep the scope of mandatory information limited and tied to compliance and circularity.
- **DPPs must be set at model level, not item nor batch level,** to enable retailer compliance in online sales.
- **Integrate digital labelling** as an alternative to physical labels for non-safety information.

Alignment of EU legislations

- **ESPR:** To prevent regulatory contradiction, the CEA must be aligned with the ESPR destruction ban.
- **Empowering Consumers for the Green Transition Directive:** Ensure that manufacturers remain the sole responsible economic operator for claims on their products.
- **Medical Devices Regulation:** Ensure that circularity obligations under the CEA can also apply to **durable**, **non-single use medical devices**.

Transitional period and stock exhaustion

- **Allow exhaustion of stocks and transition periods following new eco-design/labelling requirements.**

Incentivise reuse and repair

- **Incentivise circularity by – *inter alia* –** modulating EPR fees based on product performance.

Introduction

Recent conflicts in the world (e.g. Ukraine, Middle East and the DR Congo) have shown that a circular economy and circular waste streams are essential to improve our resilience towards resource scarcity thus securing the EU's self-sufficiency. Independent Retail Europe therefore welcomes the announcement of the European Commission to publish a Circular Economy Act in Q3 of 2026. The Act should accelerate transition towards a circular economy by

- promoting practices such as recycling, repair, and remanufacturing;
- establishing a Single Market for secondary raw materials; and
- removing barriers to the Single Market for waste, particularly through a harmonized approach towards EPR schemes, and a revision of the WEEE Directive;
- reducing unnecessary and disproportionate burdens on operators in relation to EPR schemes.

Such a harmonized overarching framework in the form of a Circular Economy Act (CEA) can bring consistency in the circular strategy of the EU, and help operators to implement the vertical legislation that will remain necessary for an efficient, sector-specific approach on time-bound targets for waste reduction, reuse and recycling across the key sectors (textiles, electronics, packaging), minimum standards for durability and repairability as well as the phasing-out of certain single-use products. In our view, **the CEA, the Product Act, the Empowering Consumers for the Green Transition Directive, and the Ecodesign for Sustainable Products Regulation should together form an aligned, effective and efficient legal framework** for a sustainable, circular Internal Market and competitive EU businesses.

Independent retailers and their role in the circular economy

Independent Retail Europe is the oldest multi-sector European retail association which represents the interests of the independent retail sector. Our direct membership represents over 479.000 independent store-based retailers, mostly SMEs and family businesses, who manage more than 708.000 sales outlets in the food and non-food sector and are deeply embedded in their local communities: supermarkets, electronic and electrical equipment stores, sports equipment, textiles and leather products, etc. This represents a total employment of more than 6.306.000 persons in the EU.

To remain fully independent entrepreneurs operating competitive businesses in the modern retail market, many independent retailers have become members of cooperative groups of independent retailers, responsible for joint purchasing and the provision of a support network to the member retailers. Each retailer is responsible for meeting his own Extended Producer Responsibility (EPR) requirements, even though they may operate under a common brand name.

Retailers in the independent retail sector face both opportunities and challenges in advancing sustainability and circularity. As consumer-facing actors, they are uniquely positioned to broker circular solutions between manufacturers and consumers, and can support reuse, repair, and take-back systems. While repair and some reuse models can be economically viable, waste collection for recycling or disposal imposes significant costs on retailers, including staffing, infrastructure, safety, and hygiene. Their ability to run effective collection schemes therefore depends on adequate financing through EPR systems.

EU Retailers cannot manage collection alone. A level playing field is needed so that e-commerce and non-EU operators active in the EU market meet the same EPR obligations. Other private actors – service providers, charities, petrol stations, festival organisers – should also be included, as they can play an important role in collection.

The success of circular collection systems, such as reusable packaging at fresh counters or in-store containers for small electronics, also hinges on consumer behaviour, which is often unpredictable and slow to adapt to new solutions.

EPR systems must be fair and convenient for all operators and consumers, and Member States must actively promote them. We therefore call on the Commission to adopt the following measures:

1. Extended Producer Responsibility systems require simplification and modernisation

EPR schemes are pivotal for waste management in the EU, but their fragmentation across Member States, regions and waste product categories lead to significant costs. In addition to the difference in product categories, operators placing products on the market in several Member States, face divergent information and data requirements and associated administrative steps with regards to the registration and reporting processes.

Examples of complexity:

- A company operating in all **27 Member States** with products that fall under only three EPR schemes, would have to **manage 81 – often different – compliance processes**.
- A small retailer selling only a few textile products cross-border to **4 Member States** already has to comply with **8 EPR systems** for the textile product and for the packaging and it has to install authorised representatives in each of these Member States.

Moreover, as EPR was already paid by the suppliers of these products who first placed them on the Market when selling them to the retailer, this also requires that the retailer takes measures to ensure that EPR fees are not paid twice for the same product and packaging, entailing a burdensome information process with each supplier. For store-based independent retailers in particular, these requirements constitute a disproportionate burden. In addition, it puts cross-border sales at a disadvantage compared to domestic sales for EU-based retailers.

The CEA should therefore modernise the general minimum requirements by reducing market fragmentation, ensuring fair and proportionate involvement of operators (including retailers for collection services), ensuring remuneration or fair compensation as a minimum for collection, reducing burdens, exempting EU-based operators placing only small volumes on the market from EPR requirements (in particular when EPR was already paid), improving transparency and oversight, and requiring Member States to actively promote circular systems (reuse, repair).

- **Towards a harmonised and digitalised EPR infrastructure that delivers a level playing field between online and offline retail**

Harmonisation and digitalisation of EPR schemes across Member States and within national schemes is vital to reduce administrative burdens and costs. The CEA should allow for central registration and the appointment of one single EU-wide authorized representative, which, for EU-based operators could be the headquarter of the company.

Since national EPR systems will likely be maintained, we would welcome a **One-Stop-Shop (OSS) for EPR schemes**. The OSS should funnel administrative requirements of EPR schemes into a single digital gateway and reduce administrative processes for operators, PROs and authorities. This will make compliance easier and allow for better traceability for entities running EPR schemes (such as PROs) and better monitoring of EPR compliance and enforcement by authorities.

The OSS should be a multilingual, digital platform that:

- connects producers, PROs, national registers and authorities EU-wide;
- acts as gateway to securely transmit information between producers, authorized representatives, online marketplaces, PROs, auditors, national registries and authorities via standardized data formats;
- allows producers to register on and report across EU Member States, and update them on latest official information on EPR schemes;

- issues a single EU-wide EPR registration ID mapping of all national registration numbers;
- helps producers understand and meet their EPR obligations to ensure compliance;
- is developed, with the involvement of stakeholder organisations, and financed by the EU.

The minimum requirements for EPR systems should require that obligations under EPR systems for different products are harmonised across the EU. I.e. the same obligations across the EU on operators for EPR systems for collection of textiles, and different, but also the same obligations across the EU on EPR systems for WEEE, etc.

At the moment, the EU is witnessing a major surge in imports of cheap, low-standard, often non-compliant products sold by non-EU traders to EU consumers through online marketplaces. This has driven packaging, textiles and electronic and electrical waste far faster than collection and recycling rates. Currently, online marketplaces and delivery service providers are not required to contribute to or participate in EPR schemes, and many non-EU sellers do not contribute either, which creates unfair costs for compliant EU producers and retailers.

Overall, the EPR infrastructure should allocate to online marketplaces a more prominent role in limiting possibilities for non-EU sellers using their platform to freeride on EPR systems and compete unfairly with EU-based retailers.

Recommendations:
- Harmonise and digitalise EPR systems across the EU;
- Harmonise operators' obligations for each EPR system across the EU;
- Enable central EU-wide registration and one single authorised representative for EU-based operators;
- Create an EU One-Stop-Shop (OSS) for EPR, streamlining all registration, reporting and data-exchange processes through one digital gateway;
- Ensure the OSS is multilingual and interoperable, connecting producers, PROs, national registers and authorities with standardised data formats;
- Require online marketplaces to request evidence of registration of their non-EU sellers in the EPR schemes of the Member State(s) where these non-EU sellers intend to sell their products (including the name/country of the EPR scheme and their Unique Identifier);
- Require online marketplaces to cross-check the Unique Identifier of their non-EU sellers with EPR databases to verify (automatically) that the unique identifier of their non-EU seller matches an entity registered in the EPR scheme.

- **Proportionate EPR obligations for retailers**

The CEA should establish as a general rule that regulatory requirements with regard to circularity (e.g. reporting, take-back schemes, contributions, EPR) must be proportionate to the size and the sales area of retailers (e.g. for take-back schemes) and the frequency and volume/quantity of products placed on the market (e.g. for EPR requirements).

Retailers can have a wide variety of products on their shelves, they are therefore subject to various EPR schemes, often several more than manufacturers. This should be taken into account in the establishment of the level of the fees and retailers' involvement in EPR schemes.

With regard to EPR requirements for cross-border sales, we welcome that, as an important first step in reducing EPR burdens, particularly on EU store-based SME retailers that sell only small amounts of products cross-border, the Commission's Environment Omnibus proposal suspends the obligation on EU-based operators to appoint authorised representatives in every Member State where producers sell products subject to EPR requirements.

However, this exemption alone is not sufficient for small enterprises occasionally selling only small amounts cross-border, particularly when EPR was already paid by the operator who first placed the product on the market in the Member State of establishment of the small enterprise. To avoid double payment of EPR fees, these small companies, when selling products cross-border, would have to ensure that the supplier can recuperate his EPR fees, which is unnecessary burdensome for just a low number/volume of products.

To stimulate growth of small enterprises through cross-border sales and enable them to benefit from the Internal Market **we propose that**

- **small retailers** that occasionally place only a small number of products on a market other than the market where they are established **be excluded from all EPR requirements on that market, when EPR fees were already paid by the operator who first placed the products on the market in the market where the retailer is placed** or that, alternatively;
- **all small operators** that occasionally place only a small number of products on a market other than the market where they are established, be excluded from EPR requirements in those Member States.

However, given the vast flow of products entering the EU daily and the need to avoid circumvention of EU requirements and unfair competition, we agree that non-EU companies should continue to appoint an authorised representative in each Member State where they place products on the market in order to ensure traceability and effective enforcement.

Recommendations:
- Suspend the obligation to appoint an authorised representative **for EU-based companies, or at least for small companies based in the EU under the Environment Omnibus**;
- **In EU Minimum requirements for EPR:**
  - Ensure proportional EPR obligations by linking requirements to retailers' size, sales surface and the actual volume of products placed on the market;
  - Reduce burdens for very small **operators** by allowing low lump-sum EPR fees for those placing occasionally only small quantities on their own market;
  - Exempt small **operators** selling occasionally only small volumes cross-border from EPR requirements in the Member States of sale;
  - Exempt small **retailers** from EPR obligations in other Member States when they occasionally sell only small volumes cross-border for which EPR fees were already paid upon the first placing on the market;
  - Maintain the authorised representative obligation for **non-EU** companies in every Member State where they place any number of products on the market, safeguarding traceability and preventing circumvention of legal obligations.

- **Minimum requirement: Compensation/Remuneration for collection**

Collection and temporary storage of waste are often loss-making activities for retailers. The EU minimal requirements for EPR systems in the Waste Framework Directive should clearly state that collection services carried out by retailers should be *remunerated* by the EPR system, making collection a profit-making exercise, to incentivise collection and repair, or, that they should stipulate that retailers should "as a minimum be fully compensated" for collection, storage and H&S equipment, opening the door to remuneration for collection of certain specific types of waste.

Remuneration/compensation fees should be defined transparently – based on discussions with retailers – before an EPR scheme enters into force. It should be possible to adapt the remuneration/compensation if required because of evolvement of the EPR system or the market.

- **Minimum requirement: Guarantee adequate representation of retailers in Boards of national EPR initiatives**

There should be a general requirement that where retailers play a role in national EPR initiatives, retail should be adequately represented in the national Boards of those initiatives to be able to ensure that the system takes into account the interests of not only retailers but also of consumers, and benefits circularity. At the moment, this is often not the case.

Recommendations:
- **In EU minimum requirements for EPR systems:**
  - Ensure remuneration of retailers or at least "as a minimum full compensation for retailers' collection services, covering staffing, infrastructure, handling, sorting, and temporary storage";
  - Include an obligation that retail needs to be adequately represented in the Boards of national initiatives to ensure interests of all operators and consumers are taken into account.

- **Payment of fees and allocation of funds**

Payment should be part of the digital platform allowing for secure processing in compliance with PCI standards and GDPR.

Funds or revenue from state-run EPR systems should remain solely dedicated to the specific objectives set by the law underpinning the system: e.g. waste prevention, collection, recycling, littering, reuse or upscaling. Funds generated by an EPR system should only be reinvested in that system to improve it and to fairly remunerate operators participating in it. Payments should be part of the digital platform allowing for secure processing in compliance with PCI standards and GDPR.

Here also, we recommend that retail should be represented in the national board of the initiative that supervises this process.

Recommendations:
- Integrate secure payments processes into the EU's digital EPR platform;
- **In EU minimum requirements for EPR systems:**
  - Ensure that revenues from state-run EPR systems are also strictly dedicated to the EPR objectives defined in the legislation.

- **Reporting under EPR schemes and level playing field across retail business models**

Operators, especially retailers, are often subject to various EPR schemes. Reporting and reporting frequency on EPR schemes should therefore be kept to a necessary minimum. We welcome the proposal of the Commission under the Environment Omnibus, to limit the reporting interval under EPR schemes to 12 months.

However, EU legislation in this field does not treat equally the different business models in the retail sector, and structurally favours integrated retail chains to the detriment of groups of independent retailers (and franchise networks) operating under a common brand name.

Groups of independent retailers are cooperative/associative structures. In practice, this means that these groups, which usually operate under a common brand, consist of legally independent retailers (who each operate independently their brick-and-mortar shops) and a central service organisation, which is a legally independent company, tasked *by the members* to support and coordinate the cooperative group as a whole.

As the legislative framework ignores this – in the EU widespread – business model, the central organisation of a cooperative group, **and** every single independent retailer member of the group must reach any given

target (for instance the reuse targets set in the PPWR), as the independent retailers are legally NOT a subsidiary of the central service organisation. The same situation applies to franchises networks. On the other hand, an integrated chain, which is one single company consisting of many stores (each being run by the integrated chain itself), only has to report once. It can thereby pool the results from its stores into one figure for the whole chain.

In order to create a level playing field between integrated chains and groups of independent retailers and franchises, and to avoid unnecessary burdens on the SME members of these groups, the CEA should contain a general requirement for EPR systems that groups of independent retailers (and franchise networks) should always be granted **an option** to pool and jointly report on EPR systems (on behalf of their member retailers) or on any other sustainability targets, as currently proposed in the PPWR. This possibility was also explicitly recognised by the EU implementing act on Article 24 of the EU Ecodesign for Sustainable Products Regulation, which should serve as an example. **It is essential that this remains an option, as not all groups can establish centralised internal reporting systems.**

Recommendations:
- **In EU minimum requirements for EPR systems:**
  - Reduce and standardise EPR reporting to a single annual cycle across all Member States, ensuring that national schemes adapt their current monthly or quarterly systems to align with the 12-month interval proposed by the Commission;
  - Ensure a level playing field across all retail business models by giving groups of independent retailers and franchises **an option** to pool and jointly report on EPR and sustainability targets on behalf of their (independent) retailers (like integrated retail chains already do).

- **Involvement of all parties in the development of EPR systems**

Recommendation:
- **In minimum requirement for EPR systems:**
  - Require that the development of EPR systems requires the involvement of all parties concerned: e.g. EU-based producers (manufacturers, importers and distributors, and farmers when relevant), platforms, delivery service providers, municipalities, social enterprises, reuse organisations and recyclers…

2. Comments specific to the Waste Electrical and Electronic Equipment (WEEE) Directive

The 27 divergent national regimes for the collection, financing and management of WEEE remain one of the main barriers to competitiveness for retailers operating across the EU. Differences in registration requirements, reporting obligations, collection targets, producer responsibility schemes and enforcement mechanisms generate unnecessary administrative costs and legal uncertainty for cross-border operators.

We propose that the WEEE Directive be revised as follows:

- **Fully harmonise the WEEE Directive**

Recommendation:
- In line with Article 114 TFEU, the CEA should deliver genuine harmonisation of WEEE implementation across Member States, establishing a real level playing field between operators, eliminate free-riding and reducing regulatory fragmentation.

- **Establish a harmonized and digitalised EPR infrastructure for WEEE**

Recommendation:
- Establish a single, centralised EU-wide registry for EPR data to harmonize the 27 parallel national compliance models. This would streamline declarations and enable automated compliance checks through a harmonised minimum dataset, significantly reducing the administrative burden on SMEs.

- **Harmonise collection rules and ensure that collection costs are covered, and that retailers are adequately remunerated for their collection services**

Retailers serve as critical collection points for e-waste, incurring significant operational costs related to staffing, infrastructure, worker safety, and hygiene. In most countries, retailers' costs are not adequately covered by the EPR system; in certain countries retailers receive no compensation at all for the efforts they make to meet their legal obligations.

The future WEEE Regulation must mandate that retailers be remunerated for collection services or, as a minimum be **"fairly compensated for the actual costs of collection sorting, handling, and temporary storage of WEEE"**, thus also opening the door to making collection a profit-making exercise for retailers, in order to incentivise collection.

The approach on calculation methods should be revised and harmonised. However, compensation based only on collected volume only is unlikely to cover retailers' costs.

Member States operate different safety standards and requirements that stores collecting WEEE have to comply with. For the collection of WEEE, in view of their hazardous parts and elements, certain Member States require electronics retailers to invest in a separate, fire-proof storage rooms and the use of special equipment for the health and safety of their workers. This is cost-intensive and difficult to comply with for smaller retailers, in view of limited space and, even if a retailer collects only a small volume of WEEE, he will still have to comply with all the safety standards. **This means that for EPR systems to work properly, retailers have to receive support with/for cost-intensive compliance measures, and the compensation of retailers has to be full, guaranteed, and little burdensome**.

Retailers with less than 400 square meters of EEE sales surface should remain exempted from obligatory collection as they will not be able to handle the WEEE efficiently as they will have to store the WEEE for too long. This exemption also reduces burdens on WEEE collecting organisations.

We therefore propose that **health and safety requirements are harmonised across the EU, on the condition that the rules also require that retailers be adequately remunerated or at least compensated by the system for their collection cost, including investment in H&S requirements, in a little burdensome, straightforward manner**. The remuneration/compensation should envisage: rent of the space, compensation of the labour (half a day per week for average Point of Sale), administration cost...

Members States should provide support with cost intensive investments.

Importantly, and to further incentivise circularity, **retailers should receive a higher fee for taking back products that can be reused than for products that go to waste**. This is a system that is already in use in France, where the distinction is made at reception of the product and then validated (or not) by the central body.

- **Ensure retailers are adequately represented in all Boards of national EPR schemes for WEEE**

Retailers are willing to comply with harmonised collection and H&S requirements if they are adequately compensated, which is generally totally underestimated by the national initiatives that are currently governed exclusively by the industry. Therefore, in it is essential to have a solid representation of retail in the governing bodies of national EPR initiatives for WEEE. For example, one country where the EPR system for WEEE works better is in France, because at least the big retailers, as manufacturers of private label products, have a seat in the board of the national initiative. The compensation for retailers in France is therefore

correct. **Retailers should be represented in all Boards of national EPR schemes in their own right, not only when they are private label manufacturers of EEE.**

Recommendations:
- To incentivise collection and repair, guarantee remuneration or "at minimum full and fair compensation for retailers' WEEE collection costs, covering staffing, infrastructure, handling, sorting, and temporary storage";
- Revise and harmonise the approach on calculation methods;
- Harmonise health and safety standards and requirements for collection;
- Provide support for cost-intensive compliance measures, such as fire-proof storage or specialised equipment;
- Continue to exclude retailers with an EEE sales surface smaller than 400 square meters from obligatory collection of small WEEE;
- Introduce higher fees for take-back of reusable products, rewarding retailers for enabling reuse and strengthening circularity.

- **Close the enforcement gap benefitting online sales and non-EU traders**

The rapid growth of e-commerce has exposed significant enforcement gaps in EPR obligations that benefit non-EU sellers and pure online players to the detriment of brick & mortar shops.

Many non-EU traders selling through online marketplaces do not comply with WEEE registration and financing requirements, while EU-based retailers need to fully comply with these obligations. Moreover, pure online sellers easily circumvent their take-back obligations. This creates an unfair advantage to the detriment of brick & mortar retailers, while undermining the financing of national collection and recycling systems.

Recommendations:
- Require online marketplaces to verify WEEE compliance of non-EU sellers, including mandatory submission and automatic cross-checking of valid EPR Unique Identifiers before any product is listed;
- Require online platforms facilitating sales from non-EU traders to ensure that consumers are provided with accessible and free means to return their WEEE, equivalent to the physical collection points maintained by brick-and-mortar retailers;
- To prevent circumvention of the WEEE, the take-back obligation under Article 5(b) of the WEEE Directive should be extended to third-party delivery services acting on behalf of a seller (to ensure online players effectively take back WEEE, as do brick & mortar retailers);
- Require online marketplaces to ensure that sellers on their platforms comply with EU environmental legislation, including WEEE obligations, and to assume that responsibility themselves where a seller fails to do so.

3. Ecodesign Directive

- **Improve access to repair information and spare parts**

Horizontal Ecodesign requirements for reparability represents an important opportunity to increase product lifetimes and promote repair services. To deliver a meaningful effect, access to repair information (repair manuals, software updates, diagnostic tools) and spare parts must be drastically improved.

Spare parts should be available for a minimum period of time (depending on the category of products), e.g. major domestic appliances = 8 years, small domestic appliances = 6 years, TV = 8 years, IT equipment = 5 years, mobile phones = 3 years.

Recommendations:
- Guarantee broader access to spare parts, repair information and diagnostic tools alongside any reparability scoring measures; make the market for spare parts more competitive to enable market forces to lower the costs of repairs;
- Set minimum periods of time for the availability of spare parts per product category;
- Give retailers that conduct repair services access to the same repair manuals, software updates, diagnostic tools and spare parts available to manufacturers' authorised networks. Such measures will strengthening local repair ecosystems and improving consumer access to affordable repair;
- Enable 3D printing for spare parts to improve the availability of replacement components, particularly for older products (e.g. when manufacturers are not required anymore to produce them under eco-design requirements) or for parts that are no longer economically viable to manufacture or stock.

- **Spare parts pricing**

The ongoing discussion on introducing a 30% price threshold for spare parts aims to discourage repair costs that are disproportionately high compared to product replacement. However, a rigid price cap risks overlooking the practical realities of the market and the lack of competition for spare parts. In uncompetitive markets price caps rapidly become price targets and lead to a broad price increase for spare parts currently cheaper than the cap.

Recommendations:
- Rather than imposing fixed price limits, the Commission should require manufacturers to publish clear, accessible spare parts price lists. This would improve market transparency, facilitate price comparison and encourage fair pricing, while preserving the commercial viability of repair services across the market;
- Similarly, enabling wider access to spare parts and unlocking 3D printing of spare parts would make that market more competitive and deliver lower prices, without the unintended market effects of price caps.

- **Incentivise repair and reuse**

The EU has introduced several initiatives to extend product lifespans and improve repairability. Many retailers have piloted repair hubs in stores, but consumer uptake varies widely across regions. While eco-design is important, most consumers still prioritise low prices over durability or reparability.

To establish a well-functioning reuse and repair market for durable products, we suggest that

- the CEA support measures for reuse explicitly also cover reconditioning operators as well as the retailers who collect, supply and distribute reconditioned products, or products directly for reuse;
- to reduce prices of ecologically friendly products, EPR fees be linked to product performance. This would mean that durable products would receive the highest reductions, repairable products a moderate reduction, and recyclable products the standard fee;
- part of the EPR revenues be ring-fenced for repair. In Austria, this permitted that part of the fee for repair can be covered, e.g. the labour cost of repairman/woman, according to tile brackets. This resulted in more repairs;
- fiscal levers are activated for repair and reconditioning: Encourage Member States to apply reduced VAT rates to repair services and reconditioned products, within the flexibility already offered by the VAT Directive as an immediate competitiveness lever for circular business models, requiring no new public spending;
- align the Medical Device Regulation (MDR) in regard of durable medical devices with the CEA by:

- clarifying the legal status of reconditioning for durable, non-single-use medical devices (spectacle frames, hearing aids, mobility equipment), which currently fall in a grey zone between the MDR and the EU circularity objectives;
- ensuring that take-back, repair, reuse and other circularity obligations under the CEA are not rendered inapplicable in practice by regulatory uncertainty under the MDR. Optics retail is a concrete example: Frames are durable, collectable at the point of sale and technically reconditionable, yet the sector is held back by legal uncertainty rather than for economic reasons.

For certain materials however, the associated environmental impact of the transport and cleaning process before reuse may outweigh the environmental. Reusable packaging, for instance, requires the development of sustainable reverse logistics systems, cleaning systems and digital tracking of products over their lifetime. Food retail based on reusable food packaging has been tested, but not yet proven successful. Our members are willing to engage in reuse initiatives for packaging, but incentives are required. This can be done by providing retailers with funding for initial investments in reuse systems and for the training and hiring of additional staff.

Ultimately, the success of all reuse hinges on consumer acceptance. Awareness raising is therefore pivotal but often insufficient without additional incentives such as consignment fees and vouchers.

Recommendations:
- To reduce prices of ecologically friendly products, EPR fees should be linked to product performance. This would mean that durable products would receive the highest reductions, repairable products a moderate reduction, and recyclable products the standard fee;
- A share of EPR revenues should be ring-fenced to promote repair;
- Ensure that the CEA support measures for reuse explicitly cover reconditioning operators as well as the retailers who collect, supply and distribute reconditioned products;
- Introduce fiscal levers to stimulate repair and reconditioning;
- Support the development of reuse systems for packaging with targeted funding, enabling retailers to invest in reverse logistics, cleaning infrastructure, digital tracking, refill stations, automated sorting equipment, and the training or hiring of additional staff;
- Create meaningful incentives for consumers to increase uptake of reuse, combining awareness-raising with practical motivators such as consignment fees, deposit-return schemes, or vouchers to make reuse more attractive and convenient;
- Ensure that take-back, repair, reuse and other circularity obligations under the CEA can also apply to durable, non-single use medical devices.

- **Enforce consistent standards and enforcement of the current rules**

Recommendations:
- Stricter market surveillance is essential to ensure every product entering the Single Market, regardless of origin, meets the same repairability and durability standards;
- Better alignment and coordination among customs and control authorities (the creation of an “internal market for controls”) should lead to better enforcement of circularity rules.

4. Digital Product Passport (DPP)

The Digital Product Passport (DPP) has the potential to become a key tool for improving product transparency. However, its implementation should avoid creating disproportionate administrative burdens for retailers, particularly SMEs.

The Commission should keep the scope of mandatory information reasonable and directly tied to compliance and circularity, rather than including an open-ended or indefinite list of requirements.

Moreover, DPP requirements shall be set to ensure they do not prevent retailers from fulfilling their obligation to display the DPP for online sales. When consumers are visiting online interfaces or at the moment when they place an online order, retailers cannot know which specific unit or batch of a product will ultimately be delivered (only the product model is known). Stocks may be sourced from multiple warehouses, drop-shipped, or shipped directly by the manufacturer to the consumer (long after the consumer visited the retailer's website where the DPP is supposed to be accessible). Linking the DPP to the model of the product (rather than the individual item or the batch) ensures the general sustainability data it contains, such as durability or recycled content, which applies to all units of that model, can reliably be displayed online. Additional information that leads to an individualisation of the DPP beyond model information makes it impossible for retailers to fulfil their legal obligation to display the DPP on online sales channels.

Recommendations:

- Build the DPP on existing data systems to avoid duplicating reporting obligations, ensuring interoperability across EU legislation;
- Keep information responsibilities proportionate, with manufacturers retaining primary responsibility for generating and maintaining product-level technical data;
- Make the DPP machine-readable and fully interoperable with existing retail inventory and Point of Sale (POS) systems, using standardised data formats, to avoid high fixed costs;
- Implement with clear technical guidance and sufficient transition periods to ensure effective uptake across the retail sector while minimising compliance costs;
- Clarify that, for sales and marketing purposes, transparency requirements are met by making the DPP available at product-model level rather than batch or individual-item level;
- Recognise that item-level data, such as an individual product's repair or refurbishment history, should remain accessible via a physical scan of that specific item, rather than being required in online listings in the DPP. Since retailers cannot predict in advance which physical unit a customer will receive, requiring item-specific history to be displayed at the point of sale would be technically and logistically unfeasible;
- Allow retailers to sell off products that were legally placed on the market before DPP requirements applied, even if they do not hold a DPP.

5. Digital Labelling

The CEA should integrate digital labelling as a reliable, future-proof alternative to physical labels. Essential safety information should remain on-pack, but other product information should be digitalised (e.g. via QR codes). This would allow manufacturers to update information swiftly in response to new data or regulatory changes, and would also ensure that consumers always have the access to accurate, sustainability information. It also enables consumers to view information in their own language, which is often impossible with limited physical label space.

Recommendations:

- Respect the roles of each economic operator in the supply chain. Manufacturers must remain solely responsible for the accuracy of any label they display on their products;
- Digital labelling should be incentivised.

6. Alignment with Empowering Consumers for the Green Transition Directive

The CEA should align with the Empowering Consumers for the Green Transition Directive to ensure a coherent and workable framework for sustainability information across the Single Market.

The ECGT Directive prohibits generic environmental claims, such as “green”, “eco” or “environmentally friendly”, unless they can be substantiated, and bans claims about future environmental performance unless they are supported by clear, objective and publicly available commitments. The CEA should clarify that manufacturers remain the sole responsible economic operator for the claims on their products, including the information contained in the DPP.

At the same time, the CEA should ensure that new sustainability information or labelling requirements do not lead to the unnecessary withdrawal of products that have been legally placed on the market. Retailers should be able to sell off existing stocks during appropriate transition periods, avoiding unnecessary waste, legal uncertainty and disproportionate costs.

A similar approach is reflected in the General Product Safety Regulation (GPSR), under which the primary responsibility for providing technical documentation and ensuring compliance with applicable safety and environmental requirements lies with manufacturers rather than distributors. Retailers, acting as distributors, generally lack the technical expertise and means to verify manufacturers' sustainability claims and should therefore not be held liable for information or claims originating from manufacturers. This allocation of responsibilities is also recognised in Recitals 19 and 20 of the ECGT Directive and is further reinforced by the Commission’s guidance on the Unfair Commercial Practices Directive (UCPD) concerning dual quality of products.

Recommendations:

- Align the CEA with the Empowering Consumers for the Green Transition Directive to ensure a consistent framework for environmental information and claims;
- Clarify that manufacturers are responsible for generating, substantiating and updating product sustainability information, including data contained in the Digital Product Passport;
- Explicitly confirm that retailers are not liable for environmental claims made by manufacturers, as per the classical EU approach to the allocation of responsibilities along the supply chain (see in this sense the various product safety legislation’s allocation of responsibilities, as well as Recitals 19, 20 and 24 of ECGT Directive);
- Ensure that changes to sustainability information or labelling requirements do not prevent retailers from exhausting lawfully placed products.

7. Allow retailers to sell off old stocks after new eco-design/labelling requirements to avoid conflicts with the ESPR destruction ban

A transition to a circular economy should not result in the unnecessary destruction of safe, functional products that have been legally placed on the market.

This issue may potentially arise every time new eco-design requirements for specific products enter into force or new requirements on claims or labelling comes into force. If the CEA does not allow for the exhaustion of existing stocks (placed legally on the market before update of eco-design requirements), retailers could face a regulatory contradiction: Products lawfully placed on the market might become unsellable once new design, labelling or technical requirement take effect, while remaining legally impossible to destroy under the ESPR framework.

This issue is particularly relevant as retailers manage large, diverse inventories with long sales cycles. Allowing to sell off existing stocks, that were legally placed on the market, avoids waste and disproportionate costs on

businesses along the supply chain. Adequate transition periods shall systematically be set following new product/labelling requirements.

Ultimately, if any stock proves unsellable, we suggest that unsold stock be channelled towards reuse before destruction; i.e. in coherence with the ESPR destruction ban, make donation, reuse or reconditioning the default route for unsellable products, ahead of any destruction or recycling option.

Recommendations:

- Include clear legal provisions guaranteeing retailers the right to sell off existing stocks legally placed on the market before entry into force of new legal requirements on ecodesign/labelling/claims for the products concerned;
- Adequate transition periods must be foreseen: Transition periods for new requirements should be no shorter than 24 months, giving businesses enough time to adapt and manage existing stocks;
- Make donation, reuse or reconditioning the default route for unsellable products.