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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT

Accompanying the document

**Proposal for a Directive of the European Parliament and of the Council on
on common rules promoting the repair of goods and amending Regulation (EU)
2017/2394, Directives (EU) 2019/771 and (EU) 2020/1828**

{COM(2023) 155 final} - {SEC(2023) 137 final} - {SWD(2023) 59 final}

Executive Summary Sheet
Impact assessment on the initiative on Sustainable consumption of goods – promoting repair and reuse
A. Need for action
What is the problem and why is it a problem at EU level?
<p>The initiative delivers on the Commission priority of the green transition, specifically the European Green Deal and its objective of sustainable consumption. When consumer products become defective, consumers often do not seek to repair or reuse them, but discard them prematurely, although the products could be repaired and reused. This happens when consumers choose replacement instead of repair under the legal guarantee of the Sale of Goods Directive (SGD) and outside the legal guarantee when consumers do not choose to repair. This leads to an increase of generated waste and unnecessary CO2 emissions as well as a waste of valuable resources.</p> <p>The problem of premature disposal of repairable consumer goods exists across the EU and a wide range of consumer goods. More than two thirds of the respondents to the public consultation (65-74%) supported to solve the problem at EU level.</p>
What should be achieved?
<p>In order to promote sustainable consumption through repair and reuse of viable consumer goods, this initiative aims to increase repair of defective consumer goods and reuse of goods within and beyond the legal guarantee.</p> <p>The Commission is pursuing the Green Deal objective of sustainable consumption in a holistic manner. On the supply side, the Ecodesign for Sustainable Products Regulation proposal (ESPR) promotes the reparability of products. On the demand side, the proposal for a Directive on Empowering consumers for the green transition (ECGT) enables consumers to take informed purchasing decisions. As both proposals do not lead on their own to more repairs in the after-sales phase, this initiative adds a third dimension. It promotes repair as a remedy during the legal guarantee and provides new tools to consumers and businesses promoting repair beyond the legal guarantee.</p> <p>All these three measures are aiming at achieving more sustainable consumption. They are designed to have a cumulative effect and together they cover the entire lifecycle of a product. Accordingly, they have to be seen together.</p>
What is the value added of action at the EU level (subsidiarity)?
<p>The SGD has already fully harmonised remedies for defective consumer goods. If these rules are to be changed in order to promote repair and reuse of goods within the legal guarantee, it needs to be done at EU level. Furthermore, national measures promoting repair and reuse of consumer goods outside the legal guarantee would create or increase fragmentation in the Single Market.</p>
B. Solutions
What are the various options to achieve the objectives? Is there a preferred option or not? If not, why?

The options to promote repair and reuse of goods **within the legal guarantee** are: prioritising repair within the remedies system of the SGD whenever it is cheaper than replacement; making repair the primary remedy; prolonging the liability period in the context of repair; aligning the liability period of refurbished goods with new goods and replacing defective goods with refurbished goods.

The options to facilitate and encourage repair and reuse of goods **beyond the legal guarantee** are: providing information on repair by producers and by a matchmaking platform on repair and refurbished goods at national or EU level; enhancing transparency and conditions for repair by voluntary commitments; obliging repairers to issue a repair quote on price and conditions for repair, and obliging producers to repair goods subject to reparability requirements under EU law or all products against a price.

The **preferred options package** includes elements from both clusters, with a focus on addressing repair beyond the legal guarantee as the largest share of defects appears in this scenario and hence the potential to increase repair is the highest. The preferred option consists of the following options:

- Prioritising repair whenever it is cheaper than replacement during the legal guarantee.
- Obligation on producers to inform if they offer repair and on their possible obligation to repair.
- A platform at national level, matchmaking consumers with repairers of key consumer goods, and promoting refurbished goods.
- Voluntary commitments to an EU easy repair standard.
- An obligation on those offering repair to issue a quote on price and conditions for repair in a standardised form.
- Obligation on producers of goods subject to reparability requirements under EU law to repair outside the legal guarantee against a price.

What are different stakeholders' views? Who supports which option?

A clear majority of stakeholders responding to the public consultation agreed with the problems identified.

An option of prioritising repair whenever it is cheaper than replacement was found effective by a slight majority of all stakeholders, including a majority of responding EU-citizens, business stakeholders and public authorities. A majority of consumer and environmental organisations found the measure ineffective. Several MS supported this option.

Half of all responding stakeholders supported the effectiveness of voluntary commitments promoting repair. Especially business stakeholders found this measure effective, while a majority of responding environmental organisations and half of consumer organisations found the measure ineffective.

On the producer's obligation to repair against a price, a slight majority of respondents considered this should apply where defects result from wear and tear, and half considered that it should apply where defects occur after the legal guarantee expires. Business stakeholders had a different view: only a minority considered that defects resulting from wear and tear should be covered.

C. Impacts of the preferred option

What are the benefits of the preferred option (if any, otherwise of main ones)?

The environmental impact of the preferred option has to be seen together with those of the ESPR and the ECGT, as they are designed to have a cumulative effect. In 15 years this initiative will save 18.4 million tons CO₂, while the ESPR will save 471 million tons and the ECGT 0.33-0.47 million tons. The combined

environmental impact is therefore very significant. The ESPR CO2 savings are much higher since the ESPR is aiming for far-reaching changes in product manufacturing, but at the same time this initiative saves considerably more CO2 compared to the ECGT. The initiatives also help each other to generate their impact.

Businesses will face losses due to forgone sales and reduced production of new goods. The very significant consumer savings (EUR 176.5 billion in 15 years) exceed the costs on businesses. The preferred option package changes consumers' consumption patterns towards sustainability in the long term so the consumers spend less money due to less consumption. The losses of businesses therefore reflect a transfer from businesses' revenues to consumers' welfare and the consumers are likely to invest the saved money in the overall economy, which in turn will lead to growth and investment.

What are the costs of the preferred option (if any, otherwise of main ones)?

EU traders and producers will have losses in GVA due to reduction of sales and production of new goods and as they have to comply with new information requirements and the obligation to repair. The business adjustment costs are high but not inadequate given the substantial impact of the initiative.

What are the impacts on SMEs and competitiveness?

SMEs will also incur business costs mentioned above. Although adjustment and administrative costs relative to business revenues are disproportionately higher for SMEs, the overall balance of costs and benefits under the preferred option is expected to be slightly beneficial for SMEs as a whole. The reason is that SMEs in the repair sector will benefit, while the manufacturing and retail sector, including the SMEs in this sector, will be somewhat disadvantaged by the initiative.

Will there be significant impacts on national budgets and administrations?

Public authorities are not expected to encounter significant enforcement costs. The national platform will cause some costs for IT development and maintenance of the platform, as well as awareness raising.

Will there be other significant impacts?

Third-country producers may lose due to a decrease in sales of new imported goods. However, this impact may also have a longer-term positive global impact as those producers may gain an incentive to switch to production of more durable goods.

Proportionality?

The preferred options package puts forward a balanced approach respecting the principle of proportionality. For promoting repair in the context of the legal guarantee, national laws are amended only to the minimum extent necessary to achieve the objective. The option does not interfere with well-established national arrangements on liability periods. For other options falling outside the legal guarantee, harmonisation at EU level is limited only to those options, notably the quote and obligation to repair, which have an internal market dimension. Where a national level solution is effective, i.e. the repair platform, this is the preferred choice. In the context of the 'easy repair standard', the design of the option is shaped as a voluntary commitment to avoid far-reaching interference into national laws regulating services.

D. Follow up

When will the policy be reviewed?

The initiative will be evaluated 5 years after its entry into application.