

# Proposal for a Regulation on Ecodesign for Sustainable Products

European Commission 15.12.2022

### 3 major interrelated ecological crises



We are encountering three major interrelated ecological crises...



**Biodiversity loss** 



**Climate change** 

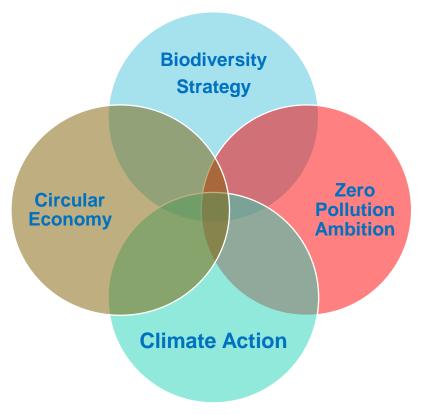






... and our **unsustainable use of resources** is a key driver for all of them.

# ... and the EU is responding with interrelated solutions!



#### The European Green Deal





# Circular Economy Package of 30 March 2022

- Proposal for a Regulation on Ecodesign for Sustainable Products (ESPR)
- Ecodesign and Energy Labelling Working Plan 2022-2024
- EU Strategy for Sustainable and Circular Textiles
- Proposal for a revision of the Construction Products Regulation
- Proposal to Empower Consumers in the Green Transition



# Circular Economy Package of 30 March 2022

#### Making sustainable products the norm in a more resilient Single Market



# Why an initiative on Sustainable Products?



- Global extraction of materials tripled since 1970; waste generation set to increase 70% by 2050;
- Over 90% of biodiversity loss and water stress from resource extraction and processing



#### **Planetary boundaries** exceeded

EU has less than 10% of world population, yet its consumption-based impacts are close to or exceed boundaries for climate change, particulate matter, land use and mineral resources (Sala et al, 2020)

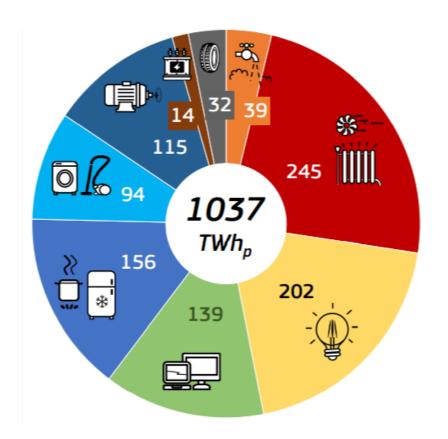


#### **New business opportunities**

- Better functioning of the **Single Market**
- Reduce material use and expenditure
- Level playing field



### Existing Ecodesign and Energy Labelling Legislation



#### **Current status (existing measures):**

50 measures covering products that consume almost 50% of EU final energy, and emitted almost half our GHG in 2020

- About 3 billion products in scope sold in 2020
- Energy saved in 2020 comparable to energy consumption of Poland

More than € 60 bn estimated reduction in annual consumer energy expenditure in 2020

About 1 MWh annual electricity savings per household (27%)

All savings for 2020 vs BAU



#### **How** will ESPR work?

#### - By extending the Ecodesign approach



#### **Scope extension**

Moving beyond energy-related products to a wide product scope



#### **New requirements**

Plus clarification of existing requirements



#### **Horizontal approach**

Requirements in addition to product-specific requirements



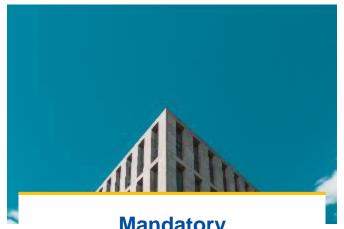
# **Increased focus on product information**

e.g. Digital Product Passport; labels



#### **How** will ESPR work?

### - By adding new tools



Mandatory **Green Public Procurement** 

ESPR will enable mandatory GPP criteria to be set in delegated acts for public contracting authorities



Prevention of destruction of unsold consumer goods

Transparency requirements for those choosing to discard unsold goods, and possibility to ban their destruction for relevant product groups.



Market surveillance and customs controls

Reinforcing controls on regulated products, including market surveillance implementing plans, possible targets on checks, support to common projects and investments



# Key product aspects under ESPR

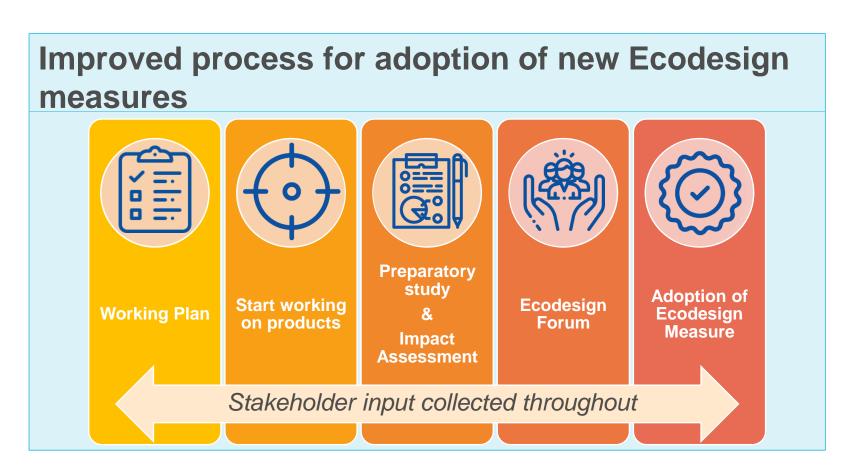
- Durability
- Reliability
- Reusability
- Upgradability
- Reparability
- Possibility of maintenance and refurbishment
- Presence of substances of concern

- Energy use or energy efficiency
- Resource use or resource efficiency
- Recycled content
- Possibility of remanufacturing and recycling
- Possibility of recovery of materials
- Environmental impacts, including carbon and environmental footprint
- Expected generation of waste materials

#### **Process** under ESPR

ESPR = framework legislation

i.e. does not set specific measures. Rather, it enables their later adoption





# **Digital Product Passport (DPP)**

- the concept
- Will allow access to product information throughout the product life cycle, on a need-to-know basis
- Should contain, as relevant to the product:
  - For consumers: **data** on e.g. environmental impact, circularity, substances of concern
  - For value retention: information to facilitate for reuse, remanufacturing or recycling
  - For authorities: **compliance information** (e.g. technical documentation, DoC)

### DPP design

**DPP-system** 



(to be developed before DPP deployment)

- All standards and protocols related to the IT architecture, like standards on:
- The DPP registry







DPP-data

(to be identified when developing productgroup specific secondary legislation)

#### **Possible Track & Trace identifiers**

- Economic operator's name, registered trade name
- Global Trade Identification Number or equivalent
- TARIC code or equivalent
- Global location number or equivalent
- Authorised representative
- ...

#### **Example of potential attributes**

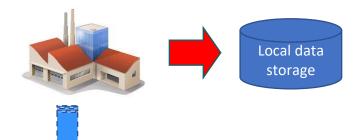
- Description of the material, component, or product
- Recycled content
- Substances of concern
- Environmental footprint profile
- Classes of performance
- Technical parameters
- . . . .



#### **DPP** architecture

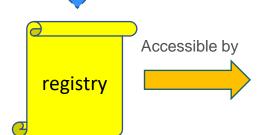
#### **Decentralised system (information stays where it belongs)**

#### **Economic operator**



- Product related data
- · Circularity/sustainability information
- Supply-chain related information
- Certificates/manuals
- Identifiers (these go also to the registry)

- Better protection of confidential and sensitive information
- Size of a central database would be enormous and very difficult (and costly) to set up and manage
- Dynamicity of product-specific information can be better managed locally



- Market surveillance authorities
- Customs authorities via the EU Single Window Environment for Customs
- EC and Member States (statistical analyses)

- Unique product identifier (what)
- Unique operator identifier (who)
- Unique facility identifier (where)
- · Additional information (when relevant)

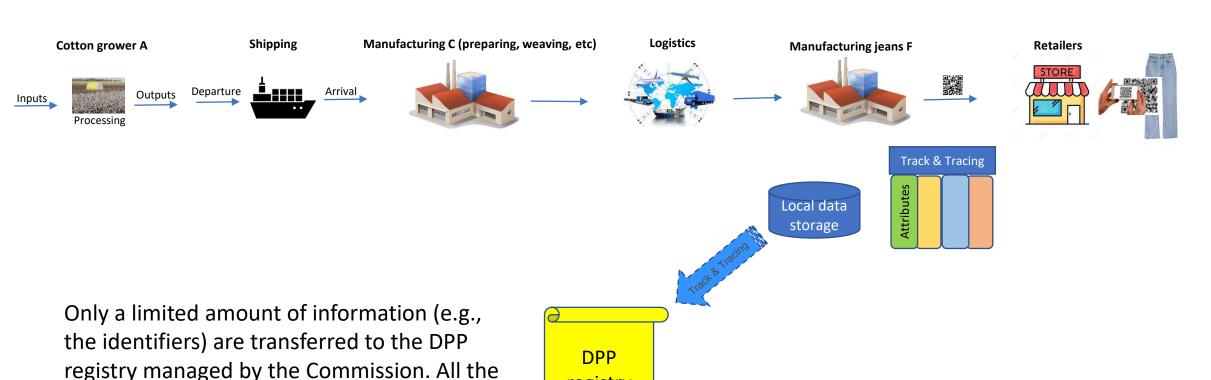
## Working principles

attributes (including the more confidential

information) remains with the economic

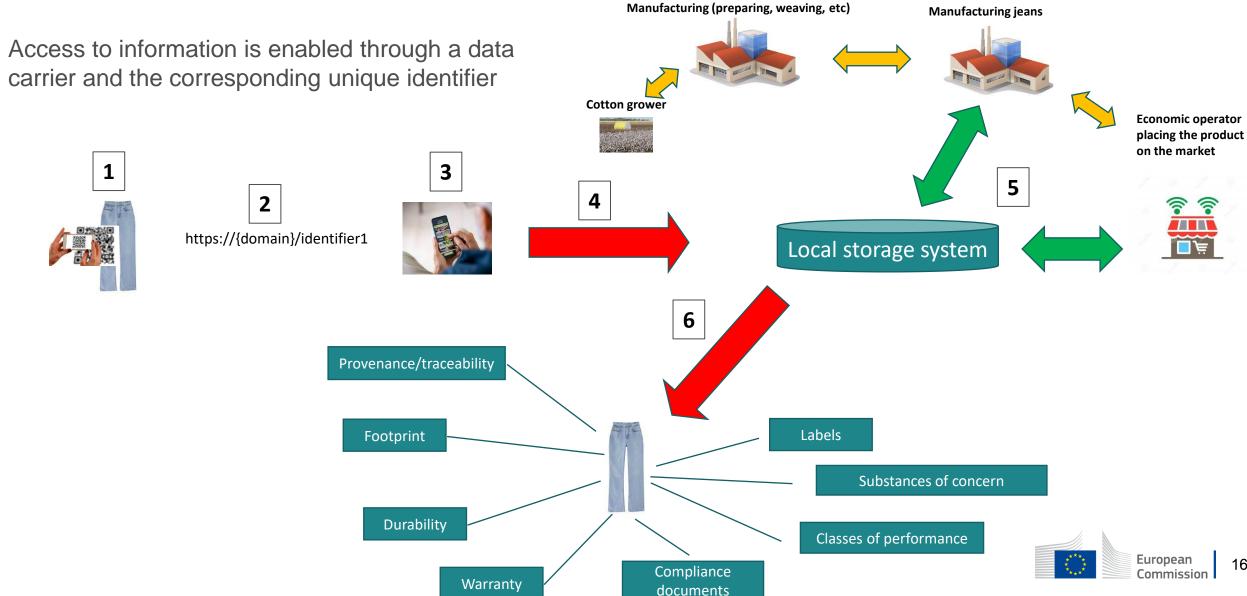
operator.

The economic operator organise the information in his/her own web-page and store it on an own server or through an external service provider



registry

# Working principles



## Legal 'architecture' of the DPP in ESPR

There are 3 'milestone' introduced ahead of the full operationalisation of the DPP:

- 1. Introduction of the **concept**, description of the **scope**, identification of some **key features** already in the ESP Regulation (art. 2, 8, 9, 11, 12, 13)
- 2. Identification of **essential technical requirements** to be developed through <u>standardisation</u> process. A safety clause is introduced in case of delays or quality of the standards not 'fit for purpose'. In such case the Commission shall adopt **common specifications** with the technical requirements needed (art. 10, 35).
- 3. Identification of the **specific information** to be included in the DPP for each product regulated when developing the corresponding Delegated Act (art. 7, Annex III)

# DPP – article 10: technical design and operation

**DPP-system** 

(to be developed before DPP deployment)

- All standards and protocols related to the IT architecture, like standards on:
  - Data carriers and unique identifiers
  - Access rights management
  - Interoperability (technical, semantic, organisation), including data exchange protocols and formats
  - Data storage
  - Data processing (introduction, modification, update)
  - Data authentication, reliability, and integrity
  - Data security and privacy

#### DPP main characteristics

- ✓ Interoperability should be the driving design criterion. This requires, amongst other things, the DPP to rely on global open standards (no proprietary solutions). Interoperability is meant both along one value chain and between different value chains (art. 9, 10)
- ✓ Information included in the DPP should be specific to a product group (art. 8)
- ✓ Technical solutions should be developed in close collaboration with stakeholders through a standardisation process (art. 10)
- ✓ The DPP should rely, to the maximum extent technically possible, on information already provided and included in other databases (e.g. EPREL, SCIP, etc) (art. 8, 10)
- ✓ Access to information should granted depending on different "access rights", depending on the role of each stakeholder in the product value chain (need-to-know principle) (art. 8)

## **Expected outcomes** of ESPR



#### **Environment**

- Help achieve EU's environmental goals and SDGs
- Target product-related environmental impacts



#### **Consumers**

- Improved product performance and longer lifetimes
- More informed decision making
- Financial savings (longer life and less energy)



#### **Supply chain actors**

- Reduced material costs
- Reputational benefits
- Increased transparency across supply chain



# International aspects

- Internal market legal basis (TFEU Art. 114): rules will be applicable to all products placed on the EU market, whether produced in the EU or imported.
- **Impacts** on third countries and on international trade covered by the impact assessment for each delegated act with ecodesign measures
- Wide consultation of stakeholders foreseen during the preparation of of all measures, as well as notification of WTO under the TBT procedure before adoption
- Public consultation on new product priorities under ESPR: in coming weeks

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