DIGITALEUROPE's initial views on the Sustainable Products Initiative

Executive summary

The European Green Deal and the New Circular Economy Action Plan have set out a historically ambitious agenda for environmental policy. DIGITALEUROPE's members have long led the way with environmental progress, and many have put forward ground-breaking commitments and programmes to deliver innovative products and services in a sustainable way.

DIGITALEUROPE understands and supports the vision of the European Commission to address all products with regulation enforcing requirements regarding environmental and sustainability aspects. We support the European Commission's ambition to set "appropriate minimum sustainability and/or information requirements" at EU level and for specific groups of products. That offers manufacturers the design opportunities for products they wish to market, keeping the environment in mind.

Given the established presence of very effective sector specific instruments, we think the approach should be developing an instrument in which technology neutral overarching sustainability principles are laid down that should form the foundation of all sector specific product regulations in the EU. This instrument should serve as an umbrella for creating sector specific and aspect specific legislative measures that can serve as international standards.

We recommend to reference existing regulations in the ICT industry or new emerging regulations, such as the Sustainable Corporate Governance, to leverage sustainability aspects.

○ ◥ ⬝⬝ ◢ **Recommendations**

1. Policy principles for environmental product legislation

Based on our learnings from decades of engaging on environmental policy and implementing its requirements, DIGITALEUROPE has published a paper outlining principles for environmental product policy legislation in 2019[1]. Among the eleven principles we outlined:

- The Energy-related Products (ErP) Directive is the principle means to determine product design requirements.

- Use market access regulation to establish an environmental baseline and leverage incentive-based policy instruments to reward environmental frontrunners.

- EU RoHS is the regulatory standard at international level to evaluate and restrict the use of substances in electronics.

- Standardisation is the best tool to create verifiable, enforceable measurement methods and parameters for use across all policy instruments.

- Ensure that all requirements and incentives put in place are scientifically sound and follow better regulation principles.

In addition, we'd like to add today that DIGITALEUROPE has the following preferences for Sustainable Product legislation:

- Support for legal basis on Art. 114 TFEU to prevent a fragmentation of the internal market.

- Support for Regulations rather than Directives to ensure consistency and send a clear market signal across the EU.

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[1] DIGITALEUROPE: "A comprehensive product policy framework", April 2019 https://www.digitaleurope.org/wp/wp-content/uploads/2019/02/DIGITALEUROPE-position-paper-on-CPPF-principles-only.pdf

2. A coherent policy framework

DIGITALEUROPE is following the development of the Sustainable Products Initiative with interest. We consider our sector to be an example of successful environmental policy regulation. Our sector is regulated by the entire toolbox of environmental product policy, both legislative as well as non-legislative. Electrical and Electronic Equipment (EEE) forming the basis of Information and Communication Technology (ICT) products, is subject to a collection of established and effective regulations, each addressing specific phases of product lifecycles (see table) and we believe studying the ICT environmental regulatory landscape can be informative for broader policy making on products.

	WFD (SCIP)	WEEE	Batteries Directive	ErP	RoHS	REACH	Consumer Legislation	GPP, label	Harmonised standards
Durability	X						X	X	X
Re-use	X	X		X				X	X
Repair	X			X			X	X	X
Recycling & management		X	X	X	X			X	X
Substances	X		X	X	X	X		X	
Design		X	X	X	X	X		X	X
Energy efficiency			X	X				X	X
User information	X	X	X	X		X	X	X	X

In addition to the mentioned regulations, the EU directive on packaging and packaging waste obviously addresses packaging of EEE.

DIGITALEUROPE would like to point out that the recently published 2021 Work Plan for the European Commission has a strong focus on circular electronics, given the established presence of very effective sector specific instruments in our sector.

Regardless, DIGITALEUROPE supports adopting overarching product sustainability principles as indicated in the Inception Impact Assessment. The Inception Impact Assessment points to the ambition of increasingly more sustainable products.

We think it is wise to develop an instrument in which overarching principles (lifecycle thinking, system approach) are laid down that should form the foundation of all product regulations in the EU. This instrument should serve as an umbrella for creating sector specific and aspect specific legislative measures that can serve as international standards. Criteria with impact on product design or go-to-market

should be developed in close consultation with all stakeholders, e.g. criteria for durability, reusability, upgradability, repairability, recyclability. As the EU is moving towards new regulatory requirements with a number of potentially conflicting criteria, it is important to do so based on standardized performance methodologies and cognisant of the freedom market operators need to innovate towards solving the inherent trade-offs. Incentives should be aligned across different policy instruments.

DIGITALEUROPE notes the presence of a number of sector-specific regulations for our sector, and would like to comment on two specific examples in more detail.

▸ Ecodesign Directive

The main advantage of implementing measures within the Ecodesign Directive (2009/125/EC) is that energy-related products are addressed by vertical, product specific requirements. We consider this the most effective and robust approach to regulate environmental performance since it also ensures to avoid pitfalls of a one-size-fits-all approach to product policy. The nature of products, their use, type of user (B2B/B2C), quantities placed on the market, etc., all affect the level of environmental impact which needs to be addressed. Lifecycle thinking is a crucial part and advantage of ErP methodology and should be safeguarded.

Broadening the scope of the Ecodesign directive to all products may come with unintended consequences for the governance of the Ecodesign Directive:

- developing implementing measures will be more complex and so will take longer than for the current ecodesign implementing measures. The European Commission may wish to pro-actively address the increasing resource demand on its services that would come with such a move. Delays in adopting EU regulation may drive national regulators to develop their own laws. We strongly prefer harmonised EU measures over national regulations.
- many environmental/sustainability aspects are addressed by other directives and regulations, too. We encourage the European Commission to avoid over-regulation, double regulation or even conflicting regulation by making consistent, smart choices as to which regulatory vehicle should host which kind of requirements.

▸ RoHS Directive

Any changes to EU Chemicals Policy should be consistent with the Chemicals Strategy for Sustainability, and initiatives on Safe and Sustainable by Design in this context. The EU will best ensure a coordinated and consistent approach

by not distributing structurally related regulatory requirements across several regulations.

DIGITALEUROPE considers that any policy initiatives on avoiding certain substances in the electronics waste streams should be directed towards RoHS, rather than ErP, and to promote harmonization of EU RoHS globally. The proposed broadening of the scope of the Ecodesign Directive to restrictions of hazardous substances will jeopardize the effectiveness of the RoHS directive, which has become the international regulatory standard to evaluate and restrict the use of substances in electronics.

EU RoHS has well defined processes to add restrictions and request exemptions where needed. It articulates which chemical substances or substances groups are restricted, and to what level (Maximum Concentration Values), which is key for effective supply chain communication and compliance execution.

3. Supply chain transparency and information provision

DIGITALEUROPE members have a strong track record and are strongly committed in ensuring fair work and social conditions in manufacturing plants, in line with and often going beyond, local regulations. Our work on conflict minerals is regarded as exemplary, has preceded and is going beyond current regulatory requirements. The European Commission's intent to ensure transparency along the value chain is following many practices within the supply chain of DIGITALEUROPE members. We note that a wide variety of policy initiatives for extensive, diverse and sometimes inconsistent information provision and product labelling are being developed and implemented. We encourage the European Commission to review our sector's best practices on tracking presence of substances (e.g. I4R Platform, BOM project,), as well as the use of digital solutions (block chain[2]) in the management of supply chain issues. The European Commission has often cited the "product passport" idea in its policy documents recently but has not been defining it very clearly. We stand ready to inform the thinking of the European Commission.

In addition, DIGITALEUROPE has extensively commented to the empowering consumers consultation through its "Vision for sustainable consumers" (July

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[2] The use of block chain technology has become associated with energy hungry crypto currency mining. Note that block chain technology in itself has enormous energy saving potential, depending on its implementation. By limiting the validation, e.g. to a trusted set of authorities or by moving from "proof of work" to "proof of stake", it is possible to have a much more energy efficient block chain architecture. It is therefore important that energy efficiency forms a central part of the design and evaluation in the development of new block chain applications.

2020)[3]. This position paper includes our reflections about how consumer information can benefit from digitalization: we believe in empowering consumers by paving the way towards online information provision in the digital age, based on EU-wide harmonized methodology and product-specific standardization. We have also commented in the same paper on the need to protect consumers by defining "right to repair" as consumer access to high-quality, safe and secure repair options in all cases; as well as upholding existing legislation for consumer protection against premature obsolescence while unleashing competitive dynamics of the marketplace with regards to commercial extended warranties and reliability innovations.

DIGITALEUROPE is looking forward to further elaborate on the above recommendations and cooperate with the institutions to leverage the circular potential of the electronics industry.

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[3] DIGITALEUROPE: "Vision for sustainable consumers: consumer information, repair and product lifetimes", July 2020, https://www.digitaleurope.org/wp/wp-content/uploads/2020/07/DIGITALEUROPE's-vision-for-sustainable-consumers.-Consumer-information-repair-and-product-lifetimes.pdf

About DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

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National Trade Associations

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Belarus: INFOPARK
Belgium: AGORIA
Croatia: Croatian Chamber of Economy
Cyprus: CITEA
Denmark: DI Digital, IT BRANCHEN, Dansk Erhverv
Estonia: ITL
Finland: TIF
France: AFNUM, Syntec Numérique, Tech in France

Germany: BITKOM, ZVEI
Greece: SEPE
Hungary: IVSZ
Ireland: Technology Ireland
Italy: Anitec-Assinform
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Turkey: Digital Turkey Platform, ECID
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