

Brussels 28<sup>th</sup> of April 2023



## Joint business statement on safeguarding the environmental and climate benefits of the ESPR

The signatories of the statement welcome the objectives of the proposed new Ecodesign for Sustainable Products Regulation (ESPR) to support and improve the circularity, energy performance and other environmental sustainability aspects of products. However, the signatories caution against certain proposals made in the European Parliament to include product requirements on ‘social sustainability’ in the ESPR. This would dilute the effectiveness of Ecodesign and limit manufacturers’ ability to comply quickly. The current Ecodesign framework is a precise mechanism targeting products with energy and environmental efficiency requirements. Expanding this focus will create significant overlaps with existing and upcoming legislation dedicated to address social sustainability and due diligence of value chains, as well as jeopardise the main objective of the ESPR framework to enable environmental improvements at the level of product design.

The proven success of the Ecodesign framework stems to a large extent from its precise focus on requirements to improve the design and performance of products from an emissions reduction, energy and resource efficiency perspective. Caution should be applied in extending this scope. Including social sustainability as a parameter for Ecodesign requirements would undermine this successful framework for several reasons.

Most importantly, **it would create significant overlaps with legislation dedicated to address social sustainability and due diligence of value chains.** Several upcoming and existing EU regulatory frameworks address supply chain transparency and due diligence with strict and robust requirements at the company level. Introducing an additional layer of social sustainability requirements at the product level would inevitably create overlaps (and potentially conflicts) with those rules and would thereby **seriously complicate the design and placing on the market of more efficient and environmentally sustainable products.** When considering the life-cycle performance of a given product against a wider set of objectives at the company level, the weight of the individual objective will inevitably be diluted. Reducing the ESPR’s clarity of purpose in this way would therefore also undermine its main

objectives of enabling climate neutrality and environmental sustainability through product design.

**The signatories** support and engage constructively with the development of workable EU legislative frameworks to improve social sustainability across industry. Real progress could be made with upcoming EU legislation, such as the **Corporate Sustainability Due Diligence Directive (CS3D)**, the Regulation banning products made with forced labour, and the **Corporate Sustainability Reporting Directive (CSRD)**, complementing other existing and emerging laws such as the responsible minerals and batteries regulations. If these initiatives provide a good level of legal certainty, uniformity and workability they will be conducive to having verifiable, reproducible, standardized and harmonized approaches to assess social sustainability across different industries.

Improving the social sustainability performance of economic operators means supporting them to achieve broadly shared social objectives in a realistic way. From the perspective of manufactured/tangible products in scope of the ESPR, company-level requirements set in the CS3D, CSRD, and forced labour regulation will inevitably have to be implemented at the operational level, by delivering improvements in social sustainability across the life-cycle phases of a product. Social sustainability of a company goes beyond the product-level, and should be covered by legislation that can give due consideration to the complexity of global supply chains. **It is clear that product Ecodesign legislation cannot deliver on horizontal/company-level social sustainability objectives** to the extent dedicated corporate sustainability legislation can.

Finally, **current mechanics of Ecodesign** foresee requirements are not given effect until they are first impact assessed in a preparatory or review study before being included in a vertical product-specific ecodesign implementing regulation. Considering social sustainability issues are generally addressed at the level of company processes and due diligence measures, not at the level of product design, there is a clear risk of overburdening and delaying the established regulatory and implementation process with an element foreign to Ecodesign. This is exacerbated by the lack of verifiable, reproducible, standardised and harmonised approaches to assess social sustainability at the product level.

The ESPR sets out a ground-breaking framework for product policymaking and can be an important enabler for the EU's climate and environment objectives. The signatories strongly encourage the European Parliament and the Council to enable this by safeguarding clarity of purpose in the ESPR.

## Signatories



APPLiA – Home Appliances Europe



Business Europe



Ceemet European Tech & Industry Employers



Comité Européen des Fabricants d'Appareils de Chauffage et de Cuisine Domestique



DIGITALEUROPE



European Infrared Heating Alliance



European Partnership for Energy and the Environment



Eurochambres



Eurocommerce



Electric Underfloor Heating Alliance



European Ventilation Industry Association



Federation of the European Sporting Goods Industry



IPC - Build Electronics Better



Orgalim – Europe's technology industries



Toys Industry of Europe