### Baker McKenzie.

### **Product Risk Radar**

### EU Ecodesign for Sustainable Products Regulation

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#### What is it?

Following its promise to deliver more environmental sustainability and circularity in its European Green Deal, on 30 March 2022 the European Commission published an expansive package of proposals aimed at making sustainable products the norm in the EU. A key element of the package is the <a href="Ecodesign for Sustainable">Ecodesign for Sustainable</a>
<a href="Products Regulation">Products Regulation</a> ("ESPR"). The ESPR significantly extends the scope of the existing EU Ecodesign Directive regime, which has to date focused on energy-using products, to cover the broadest possible range of products, meaning that product categories such as furniture, mattresses, tires, detergents, paints and lubricants, as well as intermediate products like iron, steel and aluminium, are in line to become subject to ecodesign requirements in the future. The ESPR came into force on 18 July 2024.

#### What types of sustainability requirements does it impose on product manufacturers?

The ESPR empowers the Commission to establish ecodesign requirements for specific product categories with the aim of improving the 14 aspects listed below:

- 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;

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- possibility of remanufacturing and recycling;
- possibility of recovery of materials;
- · environmental impacts, including carbon and environmental footprint; and
- the expected generation of waste materials.

This is in keeping with the recent trend of expanding ecodesign requirements to go further than simply ensuring products are using energy efficiently.

Further, digital product passports will be the norm for all products regulated under the ESPR, enabling products to be tagged, identified, and linked to data relevant to their circularity and sustainability. Digital product passports will need to provide information on:

- the performance of the product in relation to product parameters;
- how to install, use, maintain, and repair the product;
- how to return or dispose of the product at its end-of-life stage; and
- treatment facilities on disassembly, recycling, or disposal at its end-of-life stage.

The ESPR also provides for the creation of an 'Ecodesign Forum', where a wide range of stakeholders can consult with an expert group on the preparation of ecodesign requirements under the ESPR and the Commission's working plans. These working plans will set out the list of different product groups and measures that will be assessed under the ESPR.

The ESPR identifies the following product groups as a priority for inclusion in the first working plan:

- iron and steel;
- aluminium;
- textiles, in particular garments and footwear;
- furniture, including mattresses;
- tyres;
- detergents;
- paints;
- lubricants;
- chemicals;
- energy related products; and
- information and communication technology products and other electronics.

#### What does it say about the destruction of unsold consumer goods?

The ESPR creates a general obligation for businesses to take all necessary measures to prevent the destruction of unsold consumer products, including surplus stock, excess inventory and deadstock, and products returned by a consumer. Specific categories of products (including certain types of clothing and footwear) are additionally subject to an outright prohibition on destruction. This prohibition will apply to large and medium enterprises from 19 July 2026 and 19 July 2030, respectively, and is not contingent on secondary legislation being adopted.

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Further, economic operators will be required to report on (amongst other things) the number and weight of unsold consumer products discarded (either directly or through third parties) per year on an easily accessible page of their website. Further information on the details and format for the disclosure of such information (including the delimitation of product types or categories) will be set out in secondary legislation.

#### Why is this important?

The ESPR is intended to have a transformative effect on the EU market, significantly curtailing the use of the "take, make, break and throw away" model across almost all product categories. Businesses need to start thinking now about how they will be able to adapt and modify their products to make them more sustainable.

#### **Next Steps**

As is the case under the previous Ecodesign Directive, now that the ESPR has been adopted, the detailed requirements pertaining to each product group will be published in separate delegated acts. The Commission has advised that the Ecodesign Forum will meet for the first time to consult on the first working plan in Q4 2024. The first ESPR working plan must be published by 19 April 2025, within 9 months of the ESPR's entry into force. It will cover a minimum of 3 years.

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#### **Contacts**



Kate Corby
Partner
London
+44 20 7919 1966
kate.corby
@bakermckenzie.com



Ulrich Ellinghaus
Partner
Frankfurt
+49 69 2 99 08 251
ulrich.ellinghaus
@bakermckenzie.com



Joanne Redmond
Senior Associate
London
+44 20 7919 1067
joanne.redmond
@bakermckenzie.com



Phoebe Bruce
Associate
London
+44 20 7919 1117
phoebe.bruce
@bakermckenzie.com



Graham Stuart
Partner
London
+44 20 7919 1977
graham.stuart
@bakermckenzie.com



Andreas Neumann Senior Associate Frankfurt +49 69 2 99 08 310 andreas.neumann @bakermckenzie.com



Rachel MacLeod
Senior Associate
London
+44 20 7919 1364
rachel.macleod
@bakermckenzie.com