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# The Future of Ecodesign

How can Ecodesign continue to deliver and provide benefits to the environment, consumers and industry in Europe?

Thanks to the Ecodesign Directive 2009/125/EC (“the Directive”), energy efficiency requirements for more than 30 energy related products have been effectively implemented over the years, some complemented by energy labelling requirements. Ecodesign has been a successful tool to reach significant energy savings. Driven by the circular economy agenda, the Ecodesign measures have recently started to include material efficiency requirements for product groups.

DIGITALEUROPE continues to be a committed stakeholder to the Ecodesign process, with considerable technical expertise we remain strongly committed to move towards more sustainable products. Digitalisation provides a unique opportunity and is a key enabler to increasing energy efficiency in support of decarbonisation and facilitating a circular economy.

With the new European Commission taking office this year, the next Ecodesign Working Plan and the upcoming study on ICT products (including system approach), as well as the evaluation of the Methodology for Ecodesign of Energy-related Products (MEErP), DIGITALEUROPE would like to reaffirm its position as a central stakeholder in these developments and to share its recommendations on how Ecodesign can continue to deliver and provide benefits to the environment, consumers and industry in across Europe and influence further afield.

For the future of Ecodesign under the next term, DIGITALEUROPE therefore calls upon European policymakers to:

1. Be forward looking and adopt a system approach
2. Promote standard-based and coherent material efficiency requirements
3. Ensure transparency and inclusiveness
4. Guarantee robust market surveillance
5. Promote global convergence



## 1. Be forward looking and adopt a system approach

- ▶▶ Ecodesign has regularly expanded its scope to cover additional product groups with untapped efficiency gains. Recent Ecodesign lots (for example Building Automation and controls, motors, smart appliances etc.) have however showed the technical limits and difficulties of looking only at energy efficiency of standalone devices. The biggest energy efficiency potential lies in focusing on the cumulative points of various energy consumption loads, and not only on product efficiency. This explains why Ecodesign product policy should be embedded in a system approach and in the context of the revision of the MEErP, the system approach should be included.
- ▶▶ Digitalisation is a key enabler of this system approach and by using smart controls in systems (“intelligent efficiency”) the energy consumption at system level can be brought down even further.<sup>1</sup> The challenge however remains to better understand the quantification of such savings. Performance indicators are important in measuring achievements enabled by digital technologies. More research is needed to gain a better understanding of the opportunities of a system approach and the implications for the Ecodesign framework. Public private partnership initiatives such as the initiative led in the US by the ‘Alliance to Save Energy’ are very important as they aim to better understand the opportunities<sup>2</sup>.

### Recommendations

- Invest in more research, as part of future eco-design actions, to further develop opportunities of a system approach, focusing on building systems as a test case. Other sectors can also demonstrate similar opportunities to save energy through a system approach.
- Develop performance indicators that measure decarbonisation and sustainable achievements enabled by digital technologies.

<sup>1</sup> As an example, one of the largest impacting sectors is commercial buildings and traditionally there has been a focus on individual building components (ErP products) or on the whole building performance (building energy performance, LEED etc). There are significant opportunities to achieve additional energy savings by focusing on the building systems.

<sup>2</sup> To seek to address the US ‘Alliance to Save Energy’ launched the Systems Efficiency Initiative (SEI)—a collaboration of more than 50 private sector partners, utilities, government agencies, and research organizations. The goals of the initiative are to better understand opportunities for improving systems-level energy efficiency in commercial buildings, make the case for investing in new approaches, and develop an action plan for incorporating systems-level efficiency in policies and programs. The initial focus was on technical and policy assessments on mechanical systems, lighting systems, and multisystem integration. [https://www.ase.org/sites/ase.org/files/sum\\_of\\_its\\_parts\\_-\\_full\\_report\\_final\\_v3\\_-\\_111416.pdf](https://www.ase.org/sites/ase.org/files/sum_of_its_parts_-_full_report_final_v3_-_111416.pdf); [https://www.ase.org/sites/ase.org/files/ase-sei\\_going\\_beyond\\_zero-digital-vf050317.pdf](https://www.ase.org/sites/ase.org/files/ase-sei_going_beyond_zero-digital-vf050317.pdf)



## 2. Promote standard-based and coherent material efficiency requirements

- ▶▶ In December 2015, the European Commission mandated CEN/CENELEC to prepare standards for material efficiency aspects for energy-related products (JTC10 project). All generic standards are now planned to be published end 2019 or beginning 2020. DIGITALEUROPE supports this move towards a more circular economy and considers standardisation the best tool to create verifiable, enforceable measurement methods and parameters.
- ▶▶ While all standards have not been published yet, we already see recently adopted Ecodesign regulations (e.g. servers and electronic displays) containing ad-hoc material efficiency requirements that risk being counterproductive. Additionally, the strength of Ecodesign has been to elaborate energy performance requirements specific to product groups. Thus, CEN-CENELEC standards that are in the process of finalisation should not be used as such but first need to be verticalized.
- ▶▶ The European Commission is also studying how to integrate circular economy aspects in the MEErP and to possibly modify it accordingly. It is important to remain cautious on possible modifications since the principles of design for circularity still have to mature significantly beyond the stage of general deliverables (recyclability, reparability, durability, ability to remanufacture etc.). The MEErP review study will need to build carefully on the work of JTC10 in order to ensure a robust methodology and at specific product group levels. There might be trade-offs between material efficiency requirements and energy performance. This needs to be included in the analysis and there should be careful consideration to identify the best environmental options and what can ultimately be tested and regulated. While it is estimated that the energy efficiency rate should double from now to 2050 in order to decarbonise the European economy, energy performance of products should remain a priority under Ecodesign.
- ▶▶ The EU product policy framework has the potential to facilitate the transition towards a circular economy. However, for this framework to work efficiently, policy coherence of requirements under Ecodesign with other European environmental legislations is crucial. It is important to ensure that EU policies are not conceived in isolation because this could lead to overlaps or even contradictory measures.

### Recommendations

- Standardisation before regulation: product assessment, methodology for measurement (qualitative or quantitative) and classification of performance with

associated limits should first be made by standardisation bodies, and not set in regulation.

- Keep vertical product specific requirements: European Standard Organisations should be required to develop product-oriented standards, on the basis of horizontal standards. For any material efficiency or performance requirements, a product-specific approach should always prevail, as the most effective and robust approach to avoid pitfalls of a one-size-fits-all approach to product policy. Standardisation should also be extended to the integration of product in a system.
- Energy Efficiency first: in the case of energy efficiency vs. material efficiency requirements, priority should be given to energy performance, in line with EU's decarbonisation objectives.
- Considerations about the review and restriction of substances should always take place in the context of the EU chemicals legislation framework. Specific initiatives concerning legal requirements in relation to certain substances, particularly restrictions, in electronics should be directed towards RoHS. RoHS provides the appropriate process and methodology to consider substances present in electronics, to assess risk to human health and the environment, as well to consider any exemptions which provide a societal benefit.



### 3. Effectiveness of the Ecodesign procedure: ensure transparency and inclusiveness

- ▶▶ The Ecodesign Directive has a clear and well-established adoption process, aimed at building support from decision-makers, consumers and manufacturers. Transparency is a key aspect of better regulation and should be ensured throughout the process of developing ecodesign measures. Requirements should always be preceded by detailed impact assessments to ensure that they achieve the desired objectives, taking account of costs and benefits. In terms of other transparent EU regulatory processes, we consider the REACH restriction procedure as a good example. The three-phase process is transparent in terms of the proposal, the public nature of stakeholder input/consultation, and opinion of experts up to the final decision.
- ▶▶ The complexity of the market must be correctly evaluated using a science-based approach, where the functionality of the product in a system is factored in the total efficiency. Furthermore, sufficient transition periods from publication until the entry into force of the requirements are key to a successful implementation.

- ▶▶ The “package approach” has proven to be damaging to the quality of the resultant legislation and should be eliminated. The approach has created an excessive burden on all stakeholders involved, limiting the ability to thoroughly examine the proposed regulations. The “package approach” inevitably reduces the time necessary for a rigorous analysis, increasing the likelihood of errors and inconsistencies with severe unintended effects.
- ▶▶ The obligations of the EU as a WTO member should always be respected. The WTO notification of draft regulations, and especially of the affected products, represents a mandatory step in the development of market access requirements, in accordance to the Agreement on Technical Barriers to Trade. Any fundamental changes to a draft ecodesign measure require an additional notification to the WTO, followed by consultation.

## Recommendations

- Engage in an open and transparent dialogue including technical exchanges with stakeholders and commit to apply the principles of Better Regulation. Especially at the final stages of regulation approval, it is important to ensure that there are no crucial amendments introduced without consultation, impact assessment or opportunities to adapt the amendments.
- Each Impact Assessment conducted in preparation for ecodesign regulations should be released to the public at the time of completion, in line with the Better Regulation guidelines and the recent decision of the CJEU (Case C-57/16 P), and a mechanism should be set in place to ensure public access to the Regulatory Committee meetings minutes.



## 4. Guarantee robust Market Surveillance

- ▶▶ The Ecodesign Directive is a market access regulation with a CE Marking condition. The most significant contribution to environmental protection is to prevent access of the worst performing products to the European Internal Market by defining a minimum level of environmental performance that all products in the EU must fulfil.
- ▶▶ As a market access regulation, ecodesign requirements should be clear and need to be measurable and enforceable by market surveillance authorities to monitor implementation and ensure a level playing field. Testing may be clearer and well defined for energy requirements, but it becomes more complicated for material efficiency aspects. It is therefore important to ensure that requirements are

measurable, repeatable and objective. We consider standardisation to be the best tool to create verifiable, enforceable measurement methods and parameters.

- ▶▶ DIGITALEUROPE supports stronger market surveillance from the Member States, focussed on product testing and performed in a uniform and harmonised way. We support initiatives such as EEPLiant that combine efforts amongst Market Surveillance Authorities. Surveillance activities offer the best opportunity to address any “free-riders” who are circumventing regulation.

## Recommendations

- Engage in an open and transparent dialogue including technical exchanges with stakeholders and commit to apply the principles of Better Regulation. Especially at the final stages of regulation approval, it is important to ensure that there are no crucial amendments introduced without consultation, impact assessment or opportunities to adapt the amendments.
- Increase market surveillance in the entire EU marketplace, by being adequately funded, in order to ensure product compliance across the single market.
- Harmonise market surveillance activities across Member States to avoid duplication of work and resources and promote more effective information sharing.
- Better target market surveillance by focusing on manufacturers/products with a proven worst record.
- Focus market surveillance on product attributes with the highest impact on the environment, and not focus only on documentation checks and declaration accuracy.
- Perform market surveillance in close communication with manufacturers, in order to maximise effectiveness of testing, diagnosis of potential issues and implementation of eventual corrective measures.



## 5. Promote global convergence

- ▶▶ Companies selling their products worldwide design products to comply with the highest standard, which should allow them to access markets globally. International alignment is therefore beneficial for the environment but also for industry, especially given its complex global supply chain, since it avoids multiple different designs and associated production chains and thereby leads to more efficient and effective compliance management. International convergence also

supports compliance verification work done by enforcement bodies in the EU and beyond.

- ▶▶ With the circular economy agenda, the EU has the potential to set the global agenda and thereby drive international regulatory alignment. However, in order to grasp this potential, it is important to consider the global dimension more thoroughly and ensure careful assessment of global supply chains and close collaboration with authorities in other regions of the world. For example, we welcome the initiative by the International Energy Agency which has established an independent high-level global commission to examine how progress on energy efficiency. Their recommendations on key policy actions could be considered by authorities across the globe.
- ▶▶ The EU-US agreement on ENERGY STAR<sup>3</sup> has been an important example of international collaboration which provided a stable convergence of regulatory methodologies. The EU ENERGY STAR programme has had a successful impact over its 15 years of operation and has been a key element in the promotion of office equipment energy efficiency in the EU, being recognised as an important differentiator by consumers and commercial procurers alike. The criteria set by the programme have also significantly guided the EU regulatory framework for ICT, serving as a framework for Ecodesign measures (e.g. Computer Ecodesign and Imaging Equipment Voluntary agreement). DIGITALEUROPE deeply regrets the expiration of the agreement.

## Recommendations

- As part of the preparatory study phase for new Ecodesign requirements in Europe, look at existing regulations and considerations in other regions of the world.
- Promote close collaboration with authorities in other regions of the world and show a vision with the right level of ambition.
- Continue to further explore options for global convergence and internal collaboration based on the positive outcomes of successful initiatives, e.g. EU ENERGY STAR.

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<sup>3</sup> The EU ENERGY STAR programme followed an Agreement between the European Community (EU) and the Government of the US to coordinate energy labelling of office equipment. It was managed by the European Commission. The US partner was the Environmental Protection Agency (EPA), which started the scheme in the US in 1992. The EU-US agreement expired on 20 February 2018.

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## 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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