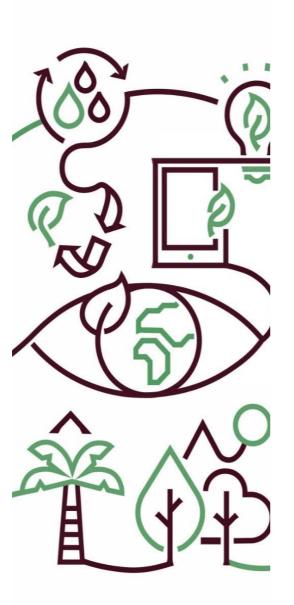
# EU publishes ecodesign regulation

New regulatory framework oriented at improving product sustainability over whole life cycle

European Union - Legal flash

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### **Key aspects**

- On June 28, 2024, the Official Journal of the European Union published the <u>European</u> <u>Regulation on Ecodesign (EU) 2024/1781</u> (the "Regulation").
- This Regulation affects a wide range of products and aims to reduce the negative environmental impact of these products during their life cycle. It establishes:
  - ecodesign requirements;
  - restrictions on destroying unsold products; and
  - obligations for different economic operators including manufacturers, distributors and repair or recycling service providers.
- The European Commission is empowered to specify the design requirements for the different product groups. As a rule, the industry will have at least 18 months to implement these requirements.



# I. Ecodesign requirements

The Regulation establishes, for the first time, a complete set of requirements to ensure that all products placed on the European Union ("EU") market become increasingly sustainable over their whole life cycle. It extends the ecodesign approach, initially established by <u>Directive</u> 2009/125/EC for all energy-related products, to the widest possible range of products. This directive will be repealed on July 18, 2024, when the Regulation comes into force.

Ecodesign requirements can consist of performance requirements, information requirements or both, and will be determined for each product group in the delegated acts adopted by the European Commission ("EC"). These ecodesign requirements must also ensure that products do not become prematurely obsolete.

The EC should prioritize approving the requirements of products such as iron, steel, aluminum, textiles, furniture, tyres, detergents, paints, chemicals, lubricants, energy-related products and electronics. Each of the delegated acts will set a date for applying the ecodesign requirements for the relevant product group. The date of application must not be earlier than 18 months from its entry into force, except in duly justified cases.

The Regulation states that the EC must adopt a working plan that includes an estimated timeline for setting the ecodesign requirements for product groups considered a priority. This working plan must be adopted by April 19, 2025. The first delegated act will not come into force before July 19, 2025.

Details of the ecodesign system and the digital product passport can be found in the Regulation concerning batteries and waste batteries (EU 2023/1542), the Proposal for a Regulation of the European Parliament and of the Council on packaging and packaging waste, the Proposal for a Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles, or the Proposal for a Directive amending Directive 2008/98EC on waste to incorporate guidelines relating to textile and food waste.

#### Performance requirements

The performance-based ecodesign requirements are related to (i) product durability, reliability, repairability, upgradability, reusability and recyclability; (ii) the presence of substances of concern, (iii) energy and resource efficiency, (iv) expected generation of waste, and (v) the product's environmental impact, including reducing its carbon and environmental footprint.

The Regulation states that the EC can set minimum requirements related to product performance requirements in public procurement, which can be in the form of technical specifications, award criteria and contract performance conditions or targets.



#### Information requirements

Information requirements are necessary to lead to the consumer behavioral change needed to ensure that the environmental sustainability objectives of this Regulation are achieved.

As a minimum, they must include a digital product passport and other data carriers such as labels, packaging, user manuals or the product itself.

The digital product passport:

- is an important tool for making information about the product available to actors along the entire value chain;
- consists of a set of specific data that contains all the information on the product's characteristics;
- must be linked to a unique identifier to enable the product to be traced along the whole supply chain. This identifier must be registered in the digital registry by July 19, 2026: and
- will be accessible electronically through a data carrier such as a bar code or QR code, which should be on (i) the product itself, (ii) its packaging, or (iii) the documentation accompanying the product.

## II. Restrictions on destroying unsold products

The Regulation establishes a framework to prevent the destruction of unsold products, particularly, products that have not been offered for sale or products returned by consumers.

Large enterprises—and from July 19, 2030, medium-sized enterprises—will have to report on any unsold consumer products that are discarded. In particular, they should report on:

- the number and weight of unsold consumer products discarded per year, differentiated per type or category of products;
- the reasons for discarding the products;
- the proportion of discarded products that undergo activities such as: preparing for reuse, including refurbishment and remanufacturing, recycling and other recovery including energy recovery, and disposal operations; and
- measures taken and measures planned to prevent the destruction of unsold consumer products.

Also, from July 19, 2026, medium and large enterprises will be prohibited from destroying unsold consumer products listed in Annex VII of the Regulation, including apparel and clothing accessories and footwear.



## III. Obligations of economic operators

Obligations are established for the economic operators involved in the life cycle of the products. These operators include manufacturers, importers, distributors and fulfillment service providers, and operators of reuse and recycling systems.

When placing products on the market or putting them into service after ecodesign requirements have been established, manufacturers must ensure that the products:

- have been designed and manufactured in accordance with the performance requirements adopted;
- are accompanied by the information required under the delegated acts;
- have a digital product passport;
- have undergone the conformity assessment procedure, in line with the ecodesign requirements specified in the relevant delegated act; and
- bear a type, batch or serial number allowing their identification.

When a product is made available on the market and is not in conformity with the requirements set out, distributors must take the necessary corrective action to bring that product into conformity or to withdraw it from the market.

Regarding distance selling, economic operators must have and provide information on the manufacturer and the product.

If a product does not comply with the ecodesign requirements, the following economic operators will be liable for any damage suffered by the consumer:

- the manufacturer or, in its absence, the importer; and
- where applicable, the authorized representative of the manufacturer and the fulfillment service provider.

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