

Ecodesign for Sustainable Products Regulation (ESPR): Product priorities &

horizontal measures

RECHARGE input to the public consultation

May 2023

In March 2022, the Commission adopted a proposal for a Regulation on Ecodesign for Sustainable Products (ESPR), aiming to ensure that products placed on the EU market become increasingly sustainable. The ESPR proposal aims to reduce the environmental impacts of products across their life cycles and to improve the functioning of the EU's internal market. The ESPR proposes to extend the Ecodesign Directive to cover a very broad range of physical products and to strengthen its provisions, enabling the Regulation to set a range of far-reaching performance and information-related requirements (ecodesign requirements) for specific product groups, to improve product circularity, energy performance and other environmental sustainability aspects. The proposal will enable ecodesign requirements to be set on a wide range of aspects, mirroring the sustainability requirements of the new EU Batteries Regulation.

This paper addressed the consultation which focuses on identifying new products and horizontal measures for the new ESPR framework legislation. **RECHARGE, representing the advanced rechargeable and lithium batteries value chain in Europe, welcomes the approach of the Commission and the aim of the ESPR to ensure that products placed on the EU market become increasingly sustainable. RECHARGE's interest in this open public consultation is in the widening of the scope of the new Regulation which aims at battery intermediate products placed on the EU single market, and in the possible measures under the first workplan.**

This paper focuses on the following key issues:

- 1. Recycled content, if not implemented correctly, can jeopardized European competitiveness;
- 2. Durability measure: Repairability does not necessarily ensure durability, and safety needs to be priority;
- 3. 'Substances of Concern': coherence needed;
- 4. Life cycle assessment including the carbon footprint declaration based on the EU PEF methodology is a useful tool to drive the market towards more sustainable products.



1. Recycled content, if not implemented correctly, can jeopardized European competitiveness

For the information requirement about recycled content not become a tool for green washing, traceability needs to be ensured, declarations need to be submitted to third-party audits and an effective control mechanism is key.

As for the case of batteries, the recycled content provision in the new EU Batteries Regulation has the aim to boost quality recycling by triggering market demand for secondary raw material. At RECHARGE, we welcome that the decision-makers have partially considered the industry's concerns regarding the alleged benefits and burdens stemming from Article 8 of the Batteries Regulation, and introduced **a stepwise implementation of recycled content as well as an amendment mechanism**.

At a time when volumes of available secondary raw materials in Europe are low – as is the case for battery materials, the burdens on the European industry to implement a recycled content obligation can jeopardise the competitiveness of European batteries manufacturing. Markets in Europe have to be mature enough for a meaningful recycled content obligation, there needs to be enough material which can flow into recycling.

The amendment mechanism for recycled content targets as in the Batteries Regulation is important to better reflect real-world waste streams and developments in battery chemistry. This has to be considered for all (intermediate) materials to be covered under this measure under the new ESPR. RECHARGE recommends establishing recycled content as a voluntary provision first, and to learn from the batteries example before applying the measure to other products. Especially a clear and robust definition of recycled content would be required before defining potential targets. In a similar vein, criteria for end-of-waste and end-of-recycling must be further developed to ensure high-quality recycling and to allow for a clear definition of what can be considered as recycled content.

In the case of batteries materials, the inclusion of **production waste** to be considered for recycled content material is key and this should be considered where the European market is not mature yet. See for further explanation the RECHARGE paper: <u>Battery Regulation: The essential role of manufacturing scrap</u> for the European batteries value chain

High targets for recycled content may also result in shortening the product life cycle. If a product has the potential for a second life but the policy demands a high recycled content percentage, the product could be more easily directed to the waste route instead of having life cycle extension. In addition, redirecting material waste to fulfil recycled content obligations in specific applications may lower the availability elsewhere.

The overarching aim must be to boost collection, incentivising high-quality recycling and ensuring that enough recyclable materials are available in Europe. Such a framework will automatically trigger favourable conditions for the development of secondary material.



2. Durability measure: Repairability does not necessarily ensure durability, and safety needs to be priority

In the case of batteries and appliances using batteries, standardisation is more complex, and standard design for batteries as components is not sufficient to ensure longer life-time/durability of the appliances and is not ensuring consumer safety. The same applies to reparability, and **under no circumstances should repair of batteries or appliances using batteries take priority over safety of the consumers**.

Advanced rechargeable batteries power an endless number of everyday applications, such as smartphones, tablets, power tools and robots. Depending on what a battery is used for, the technical features – and thereby material composition and battery morphology - vary. Some battery applications require light weight, others high power or very fast charging cycles. Important breakthroughs in battery technology and continuous improvements have led to a sheer endless number of battery-powered applications.

No matter what design, application or technology, all batteries are electro-chemical devices optimised to store and release energy according to the application demand. Due to their energy releasing and chemical properties, batteries must fulfil a series of international, European and national safety requirements during their production, transport, storage, use and end-of-life management. **Safety is a key priority for RECHARGE and the advanced European rechargeable and lithium battery industry**.

Repairability should not become a key criteria for sustainability for products using batteries. In the case of batteries, as energy releasing devices inside products, safety needs to be considered when setting reparability conditions or incentives. See the RECHARGE factsheet on <u>Battery Safety: handling an Electro-Chemical Power Source</u>

Unprofessional repair or the use of unsuitable spare parts can decrease the safety of batteries. The reparability of battery packs and cells, places the control of safety at risk and may cause the loss of conformity with required international safety tests. It is advisable consumers do not modify, open, damage or otherwise manipulate a battery, and no legislation should encourage this. All measures considered for incentivising the extension of the use period of goods need to bear safety of the consumer considerations.

3. 'Substances of Concern': coherence needed

The ESPR should ensure that substances needed for the green and digital transitions are not only regulated according to their inherent hazard properties but also considers risk and exposure management. The SoC definition should be consistent with approaches proposed under the Chemicals Strategy for Sustainability and the upcoming REACH Revision.

The legislative proposal of the ESPR goes further than the Chemicals Strategy for Sustainability and expands the previously proposed Substances of Concern definition by creating a blanket approach on substances that have a classifiable hazard of some type. This broad definition means that the vast majority



of non-ferrous metals / metal compounds, including those necessary for the Green Deal twin transition applications e.g, in batteries would qualify as SoC, as they have classifiable hazard of some type.

However, even if those substances have intrinsic hazardous properties, they do not pose an unacceptable risk to human health or the environment when manufactured, used in a given product and finally recycled properly. An example can be a battery that is a sealed unit, designed to prevent substances from being released during proper use. Manufacturing and recycling operations are then conducted by permitted facilities operating under strictly controlled conditions to ensure workers and environmental protection.

4. Life cycle assessment including the carbon footprint declaration based on the EU PEF methodology is a useful tool to drive the market towards more sustainable products

Batteries will be the first product which will require a carbon footprint declaration. The use of lifecycle environmental impact, including carbon footprint, to evaluate the environmental performance of products is key. **RECHARGE welcomes the inclusion of carbon intensity – calculated based on an enhanced EU Product Environmental Footprint methodology – in the new EU Batteries Regulation, and believes that it should be a priority Ecodesign measure**.

Carbon footprint performance classes will allow consumers to identify batteries with a superior product profile more easily and give necessary signals to poorly performing industry actors to improve their carbon emissions. Additionally, it is an effective criterion for the quality and performance of a battery. RECHARGE believes that implementing CO2 thresholds is an important instrument to pave the way to low-carbon products. To further accelerate this transition, CO2 thresholds should be accompanied by positive measures for frontrunners.

Prerequisite is that the carbon footprint reflects real-world manufacturing operations and is calculated based on actual emissions as far as possible for the whole supply chain, and not on averaged data of upstream suppliers and operations. Data agglomeration shall only be permitted at selected calculation and declaration steps. At the same time, confidentiality of the data must be ensured at all times.

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RECHARGE is the European industry association for advanced rechargeable and lithium batteries. Founded in 1998, it is our mission to promote advanced rechargeable batteries as a key technology that will contribute to a more empowered, sustainable and circular economy by enabling decarbonised electricity and mobility, and cutting-edge consumer products. RECHARGE's unique membership covers all aspects of the advanced rechargeable battery value chain: From suppliers of primary and secondary raw materials, to battery and original equipment manufacturers (OEMs), to logistic partners and battery recyclers. www.rechargebatteries.org