

## **JBCE contribution on the inception impact assessment on the Sustainable Products Initiative**

Japan Business Council in Europe (JBCE) welcomes the feedback opportunity regarding the Commission's Sustainable Products Initiative. JBCE supports the EU's target to achieve climate neutrality by 2050 and JBCE has committed to the European Commission's objective to ensure that products placed on the market contribute to the circular economy transition. In this regard, JBCE is eager to contribute to the legislative process of the Sustainable Products Initiative.

### **1. Overarching Sustainability Principles**

#### **Identify relevant measures on a product-by-product basis**

- 1) When introducing sustainability requirements for products, such as durability, repairability, light weighting, toxic-free and disposal options, these should be carefully balanced to take into account unavoidable trade-offs. It is important to assess per product group what are the relevant measures to implement. Durability requirements may be more relevant for some products, whereas for others recyclability measures are more suited.
- 2) In applications where parts or materials which are difficult to recycle have an advantage, such as food packaged in multilayer FCM, the balance between the negative and positive impact of the entire product and not a single part such as the package should be taken into consideration. JBCE believes it is important to look at the function of the products and identify hot-spots of each product by analysing the environmental impact through the life cycle of products.

#### **Proper and reasonable information sharing is necessary**

- 1) JBCE recognizes the necessity of information sharing for producers to promote sustainability principles. To what extent information should be shared or which tools to use should be further assessed. In any case, JBCE emphasizes that CBI should be protected.
- 2) The efforts of industries alone cannot achieve the ambitious sustainability principles and consumers also play an important role in ensuring the uptake of highly energy- and resource-efficient products. As such, raising awareness of consumers by providing clear information on sustainability is key.

#### **Requirements should be verifiable by market surveillance**

- 1) Any new requirements should be quantified, measurable and verifiable by market surveillance authorities and avoid too much administrative burden. At the moment, requirements on recycled content are being discussed in the Ecodesign & Energy Labelling Working Plan 2020-2024. However, it is not clear how these requirements can possibly be verified by market surveillance authorities. The presence of tracers can easily be circumvented and the verification of paper trails will also create uncertainty and loopholes. The concrete implementation modalities for surveillance and enforcement methods should be clarified before introducing any such requirements.
- 2) It is also important to establish a harmonised analytical methodology for the requirements to be verified by market surveillance authorities. For example, derogations for recycled materials containing substances of concern could be provided within reasonable limits detectable by the harmonised analytical measurement method.

## **2. Need for better alignment with other initiatives and existing legislation**

- 1) Different initiatives, with the similar purpose of making products climate-neutral and circular, are being developed simultaneously. In this situation, it is necessary to avoid double regulation. For example, certain Ecodesign Lots (e.g. Lot 5) include a ban on specific chemical substances which should be regulated in chemical legislation. In the future revision of the Ecodesign Framework Directive, a precise definition of scope should be provided to avoid overlaps with legislation on chemicals, thereby maintaining the existing legislation's coherence and increasing its effectiveness and efficiency. For example, the "repair as produced" principle in RoHS contributes to increasing product lifetime.
- 2) JBCE wishes to point out that often "sustainable-by-design" and "safe-by-design" requirements for products are in a trade-off relationship. It is therefore necessary to carefully balance sustainability principles and the targeted elimination of hazardous substances, taking into account the characteristics and function of each product. Consequently, we believe that there should be a coherent and close alignment between the "safe-and-sustainable-by-design" criteria as proposed in the Chemicals Strategy for Sustainability and similar criteria to be expected in the future Sustainable Products Initiative. In the case of safety, assessments of product safety should be considered in real risk (realistic exposure assessment for use of chemical, for waste stream, and risk based approach for the product functional safety assessment), in combination with product functionality and accessibility of end products. For example, batteries are identified as a key product to achieve a circular economy, however, in battery production it is essential to use substances such as PFAS to secure their functionality and accessibility. Therefore, JBCE strongly urges a better alignment, especially with the Chemical Strategy for Sustainability, in the process of future proposals of sustainable products policy initiatives.

## **3. Clarify the requirements of Producer's Responsibility**

- 1) In long and complex global supply chains (chemicals – mixture – formulation – intermediate product – simple article (parts) – sub-assembly – final product), a clear definition of "producer" should be provided in the future legislative process. The starting point could be either a "producer of a chemical" or "producer of an article" defined in the REACH Regulation, however there is no one-size-fits-all approach which can be applied to all products. Sector-based approaches taking into consideration the characteristics of each sector are appropriate and preferable.
- 2) The role of repairers and of recyclers will be expanded, as the sustainable products policy will be developed throughout the supply chain. Importantly, the producers alone cannot take the full responsibility for the entire product life cycle. JBCE suggests to the Commission to define the role of each actor in the value chain, e.g. "Producers", "Consumers", "Recyclers", "Repairers" etc., and clarify "who has which kind of responsibility" in each life stage of the products.

### **About JBCE**

Founded in 1999, the Japan Business Council in Europe (JBCE) is a leading European organization representing the interests of about 90 multinational companies of Japanese parentage active in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceutical, textiles and glass products. For more information:

<https://www.jbce.org> / E-mail: [info@jbce.org](mailto:info@jbce.org)

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