

CEMEP POSITION ON SUSTAINABLE PRODUCTS INITIATIVE

31 May 2021

As supplement to the consultation questionnaire for the Sustainable Products Initiative, CEMEP would like to contribute with a more detailed position. Many of the statements in the questions are very broad and difficult to answer, as these statements would be correct for some industries and product groups but do not fit or are not well adapted for others. In order to enable a more accurate response to the questionnaire, this is based on the situation for the industrial markets for of power electronics (drive systems and UPSs) and electric motors. When developing the regulatory framework for a sustainable product policy, CEMEP recommends the EU Commission to consider that **industries are different and there is no one-size-fits-all solution** for a circular economy. Business-to-business industries have different market conditions compared to consumer product manufacturers, and therefore implementation should be done sectorial, with involvement of each sector stakeholders.

CEMEP welcomes the initiative to further develop the sustainable products policy and strongly encourages a common European approach to this important field. Emergence of national initiatives and requirements jeopardizes the European internal market and risks to complicate the successful development of new sustainable business models across Europe. **CEMEP strongly supports harmonization** and strengthening of the European competitiveness in the global market.

Looking at the barriers to the further development of more sustainable products as well as product systems and services, the most prominent is the lack of clear objectives and long-term market conditions. Rather than focusing on which business models seems most promising, the **political focus should be on providing market conditions that support and incentivize more sustainable market offers** and on supporting the demand for sustainable products - then the companies will invest and choose those business models that best supports sustainability.

A substantial enabler for strengthening of the market for sustainable products is **green public procurement**. Public procurement is a dominant market actor with a strong impact. Unfortunately, today the focus is mainly on product cost and very little on requirements for sustainability and total cost of ownership. CEMEP encourages a strong emphasis on the public procurement with more rigid requirements to inclusion of sustainability requirements and better tools for comparing the sustainability of the offered solutions. There is a perception that Green Public Procurement is concentrated on commercial products, such as office equipment, telecommunications etc. CEMEP would like to see a similar focus on industrial products such as electric motors, variable speed drives and UPSs used within government institutions or nationalized industries, such as utilities, power distribution, water supply and wastewater treatment, education, hospitals etc.

One of the important tools for the development of a more sustainable market is **transparency**, which will allow customers to make informed decisions and enable comparison of products and services based on sustainability criteria. Transparency depends both on the availability of the relevant data but also on standardized representation of the data. CEMEP encourages the further development and uptake of **harmonized European standards** and methods for presenting information on the sustainability of products and services and to build as far as possible on international standards to secure the global trade and European competitiveness.

A **digital product passport** can be a helpful tool to provide useful data and transparency if it is focused on prioritization of the most important data and avoids unnecessary “nice-to-have” data that would be mainly an administrative burden. A digital product passport should focus on data that can help all actors along the value chain to make informed choices regarding sustainability both in the purchasing process, in the use operation, maintenance, repair and after the end-of-life. As an example, data on recycled content may be relevant as an awarding criterion in a purchasing situation, but it will not be useful information for the further handling of the product. Besides, recycled content measurement is still not mature and may fluctuate from week to week as many manufactures apply multiple sourcing and as suppliers often do not have stable levels of recycled content in their materials. Any model should **take into account the complexity** of the flow of data and materials in the value chains and **ensure the relevance and reliability of the information** included in the passport. CEMEP encourages regulators not to establish more central databases, but to build a model where data are maintained with the manufacturer/importer and where business sensitive data can be protected as appropriate.

CEMEP strongly encourages regulators to **avoid measures that are mostly administrative exercises** with little substantial improvement of products and to focus regulatory efforts on requirements that provide for tangible results. As an example, requirements to manufacturers to publish information on how they have worked with materials and design will risk providing green claims more than real changes in the use of materials and chemicals.

Furthermore, CEMEP recommends regulators be careful what to require on a product or component level, where some aspects like **social conditions should be handled on an organization level**. CEMEP agrees that social aspects related to the manufacturing, use and disposal of products and services are relevant but proposes that such aspects be regulated on the organization level, which for most aspects is already the case.

CEMEP supports the focus on a long **lifetime** of products, as this is an efficient way to reduce the environmental impact related to the manufacturing of the product but calls for product-group specific measures. From CEMEPs perspective, industrial electronic equipment placed onto the EU market is already designed for durability and longevity. For B2B product manufacturers, planned obsolescence or low durability would simply destroy their reputation over a period of time. In the same time, it is difficult to estimate “expected lifetime” for such products due to big fluctuations in mission profiles and their related environmental conditions. Even if based on standardized methodology, it can be questioned if a calculated “expected lifetime” would be useful information in these markets. It is also important to note for energy related products, that



the energy efficiency may at some stage make prolonged lifetime less attractive from a sustainability point of view.

To balance the tradeoffs between material efficiency and energy efficiency and between durability and recyclability, future initiatives should be based on a **“least life cycle cost analysis” principle** with focus on measures that result in the most sustainable use of resources. As an example: For some products, reparability is useful for extending the lifetime; for others, often smaller products, a focus on design for durability would be more important.

CEMEP is the European Committee of Manufacturers of Electrical Machines and Power Electronics, representing an industry with 130,000 employees. The members of CEMEP are the National Associations in Europe, representing manufacturers of electric motors, variable speed drives and uninterruptible power systems