ZVEI:
Die Elektroindustrie

Position Paper

The European Circular Economy Package

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Zentralverband Elektrotechnik- und Elektronikindustrie e. V.

Position Paper

The German Electrical and Electronic Manufacturers' Association (ZVEI) supports key aspects of the EU Commission's action plan "Closing the loop – An EU action plan for the Circular Economy" of December 2, 2015.

A market-oriented approach that leaves scope for innovation as well as fair competition are the key to developing a circular economy. ZVEI's member organizations, of which there are approximately 1,600, already enable the transition towards a circular economy through innovative products that save energy and resources. Any new resource efficiency requirements must provide clear, immediate additional benefits for the environment and society. Companies' freedom to develop innovative products must not be restricted or even prevented by (horizontal) requirements. In the future, manufacturers must still be able to specify the design of their products independently and find a balance between the use of raw materials (modern materials), efficiency during the use phase, durability, reparability and recyclability.

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1. Product policy

Many aspects are taken into account when designing highly complex products; for example material use, energy efficiency, and, above all, the benefits for the consumer. The balance between technical, economic and environmental feasibility is addressed in the product design, with the ultimate aim of producing a functional product. Depending on the product group, different approaches are available for example for even greater efficiency with regard to environmental impact. For instance, material could be used more efficiently or other (innovative) materials could be used. Electrical and electronic products are made up of numerous parts, components and materials and, accordingly, often involve a multi-layered, international supply chain. The complexity of the products and the supply chain requires specific consideration. Designing products that are complex as well as sustainable requires scope for innovative freedom. We are concerned that the product policy could restrict this too much. From the Commission's perspective, the Ecodesign Directive can be considered to have been successful, around ten years after it came into force. This is justified by the fact that the directive and the implementing regulations have a clear focus on robust, measurable and product-specific parameters. There are good reasons why Ecodesign requirements have primarily addressed energy consumption up to now, as the energy or electricity consumption of products can be easily measured and verified as a physical quantity. When it comes to aspects such as recyclability, reparability, upgradability and durability, there are no suitable benchmarks for checking compliance. Equally, these aspects need to be examined carefully and, above all, on a product-specific basis with a view to the anticipated positive impact on the environment.

It is also important to carefully analyze the extent to which resource efficiency requirements are already being addressed through existing (European) regulations and associated aspects, such as material policy or the handling of old equipment. We will participate constructively in the discussion as representatives of the German electrical industry.

For all considerations relating to impact assessment and the discussion regarding potential expansion of Ecodesign requirements, ZVEI calls for consistent application of the "SMERC" principle to potential new parameters:

- **S**pecific – requirements must be considered on a product group-specific basis. Even within individual categories of electrical and electronic equipment, the products and their environmental impact differ significantly.
- **M**easurability – the parameter must be clear to determine. High demands must be placed on the measuring methods. They must be reliable and lead to reproducible, comparable results. They should reproduce actual user behavior as accurately as possible, but also be easy to apply in practice. A regulation may only be adopted if the necessary harmonized

standards are available, at least in draft form (CDV).

- **E**nforceability – it must be possible to verify and enforce requirements through market surveillance. The measuring methods must not entail a disproportionately high effort for subsequent verification. At present, market surveillance performs very few checks for cost reasons.
- **R**elevance – new parameters and corresponding requirements must be relevant for the environment and users. There must be evidence of clear and significant potential for improvement.
- **C**ompetition friendly – there must be no significant negative impact on the industry's competitiveness (see directive 2009/125/EG, Art. 15(5)d).

The EU's product policy should pursue the "better regulation" agenda. While the Circular Economy Package places a greater emphasis on the availability of spare parts for certain products for example current Ecodesign measures, such as those for lights or fans, make it difficult to use parts and repair these products. The RoHS Directive, on the other hand, supports the principle of "repair as produced", which we support. ZVEI therefore calls for horizontal application of this principle.

Potential future use of the Product Environmental Footprint (PEF) method must be examined carefully and impartially, in dialog with the relevant actors. With Ecodesign Directive 2009/125/EC and the Energy Label, an EU-wide regulation and labelling system for energy-related products has already been set up. Established, international standards (such as ISO 14040/44 and ISO 14025) form the framework for lifecycle assessment and communication of the results.

In the area of environmental management, ISO 14001 should be mentioned in addition to EMAS. Just like companies that are certified in accordance with EMAS, those that are certified in accordance with ISO 14001 can also systematically record and tap resource savings. EMAS and ISO 14001 should therefore always be referred to on equal terms.

2. Recycling

We need to be clear that old electrical equipment is very valuable and that there is competition with regard to the collection and handling of this equipment. The European electrical industry is currently faced with the situation that only 35 percent of old electrical equipment is returned to official collection and recycling systems. The remaining 65 percent is either exported, recycled improperly, taken apart to remove valuable raw materials or disposed of in conventional waste containers (see EU FP7 study "Countering Illegal Waste EEE Trade"[1]). The consequence of this is that two thirds of old electrical equipment is handled by actors who are not covered

[1] http://www.cwitproject.eu/wp-content/uploads/2015/08/CWIT-Final-Summary1.pdf

by the system of extended producer responsibility according to the WEEE Directive. The EU Commission's proposal to standardize the regulations regarding implementation of extended producer responsibility should therefore be welcomed. As long as existing waste legislation is incorrectly implemented, additional requirements regarding the handling of old electrical equipment will not be effective. A landfill ban for recyclable waste and consistent efforts to combat illegal disposal of old electrical equipment as well as harmonized handling standards that are anchored in the legislation of every member state, and therefore binding, are indispensable requirements for a circular economy.

3. Secondary raw materials

We are facing significant challenges with regard to the use of secondary raw materials and creating a (global) market for secondary raw materials. ZVEI supports the European Commission's goal to initiate an in-depth analysis and impact assessment in order to identify starting points at the interface between material, product and waste policies. In addition, the Commission proposes that the exchange between manufacturers and recyclers of electronic equipment be stepped up in 2016 with regard to recycling "critical raw materials". However, ZVEI is critical of potential obligations for the manufacturers to provide comprehensive information regarding the content of these substances. The administrative effort (in particular for SMEs) would be vast. In addition, relevant information is extremely sensitive for competition reasons and in the context of intellectual property.

Against the background of many years of experience in implementing substance restrictions, taking back end-of-life products, Ecodesign, measures and systems for resource efficiency, the German Electrical and Electronic Manufacturers' Association is prepared to make a constructive and goal-oriented contribution.

About ZVEI

ZVEI - the German Electrical and Electronic Manufacturers' Association represents the shared interests of the electrical industry and the associated service companies in Germany. Around 1,600 companies are members of ZVEI.

The industry employs approximately 845,000 people in Germany and a further 680,000 worldwide. In 2014, it generated sales of 172 billion euros, approximately 40 percent of which can be attributed to new products and systems. Each year, the industry spends 14.7 billion euros on R&D, 6.6 billion euros on investments and two billion euros on training. Overall, one in three innovations in the manufacturing sector was set in motion in the electrical industry.

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