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Circular Appliances

APPLiA's General Principles for Sustainable Product Policy

APPLiA Home Appliance Europe supports the work towards a more coherent EU policy framework for a circular economy, while preserving the single market, competition and innovation.

We have outlined below the general principles we feel should be considered in future policy for sustainable products. We look forward to cooperating further with the European Institutions as they develop their proposals and activities in this field.

1. Preserving the Single Market and improving its functionality

European economic growth and competitiveness depends on a free, balanced, open and fair-trading system. We therefore support an EU circular economy strategy that focuses on keeping markets open and cross-border trade for products flowing. The EU Single Market has been the most relevant asset for industry and consumers alike. Improving its functionality should be a key priority for EU policymakers. To secure the functioning of the Single Market, it will be crucial to ensure a harmonised approach to the various circular economy measures throughout the EU.

2. European legislation should be the preferred option over national legislation

APPLiA supports legislation harmonised at EU level. Lack of harmonisation at EU level increases burden on industry. National legislation initiatives should not impede the free circulation of goods in the internal market. EU measures facilitate a more harmonised single market with incentives for more sustainable and innovative products across the whole EU. This provides strong economic potential for both EU and non-EU operators that offer sustainable products by reducing market fragmentation due to individual Member State initiatives. A key example is the law recently approved in France which sets specific technical modifications for washing machines from 2025 onwards and de-facto creates a barrier to trade for European manufacturers. There are also ongoing discussions on national green deals in other countries (such as Italy, Germany, and Luxembourg) which



may also have potential measures in their scope which could impact the internal market. When regulation is relevant and needed, it must be tackled at European level and subject to thorough impact assessment.

3. Innovation for European competitiveness

Legislation should set the goal. Industry should find the best way to reach that goal. This drives innovation. A legislation which is too prescriptive would end up stifling innovation and force industry to spend time following unnecessarily complex requirements instead of dedicating time and energy to come up with innovative, efficient and even more reliable products for EU citizens. A future EU sustainable product framework should continue to drive innovation and competition that further improves consumer choices. It should appreciate how individual sectors are already driving a circular economy so that targets and proposals can be better adapted to reality and market conditions.

4. Market driven circularity

Circularity is an essential part of a wider transformation of industry towards climate-neutrality and long-term competitiveness. It can deliver substantial material savings throughout value chains and production processes, generate extra value and unlock economic opportunities. APPLiA supports policy aimed at identifying barriers to the expansion of markets for circular products and ways to address those barriers. To harness the power of competition and to make the most of business opportunities that arise in a circular economy, the EU has to continue to create conditions that stimulate demand and drive innovation in the market such as: support for new business models, market based instruments and fiscal incentives. A key example can be related to recycled material. If the sales prices of recycled materials become cheaper, the market economics will drive circularity.

5. Many routes to circularity

There are a variety of ways to drive resource efficiency and manufacture sustainable products that advance the circular economy: targeting at-source material efficiency, (i.e. reducing the quantity of material used in the creation of products), increasing the efficiency of products during use phase, using more sustainable materials, designing for durability and repair as well as for recovery. Manufacturers should remain in a position to choose which route towards greater sustainability/reduced environmental impact would suit them best, while ensuring innovation, competition, and customer satisfaction. Future legislation should also appreciate both the traditional sales models and also new models aimed at sustainable goods, services and business that could contribute to more sustainable consumption patterns. A whole new range of sustainable services, product-as-service models and digital solutions can contribute to a better quality of life, innovative jobs and upgraded knowledge and skills.



6. A smart future

Interconnectivity and smart appliances have the potential to drive circular economy measures. This new highway allows companies to develop new products and services such as remote assistance, types of leasing arrangements, consumer and service information. Smart technology is the tool to help manage the supply and demand for available energy. The market should reward consumers by incentivising them to use appliances to best match energy availability. This smart use coupled with energy and resource efficient appliances will drive down energy and resource consumption and improve overall electricity network stability.

7. Avoid double regulation

European home appliance manufacturers are increasingly subject to a conflicting regulatory landscape. Over the past few years, the European Commission has proposed more and more burdensome regulations, often establishing double or cascading ecodesign requirements on a single product category. Policies set at horizontal level pose the risk of setting double regulation at product level. Such double legislation impedes the ability of industry players to innovate while increasing the cost of products without creating additional environmental benefit. It also makes measurement, verification and enforcement more complex which can lead to an unlevel playing field.

8. Reduce inconsistency and avoid overlaps in legislation

Policy objectives, policy choices and incentives across all policy areas need to be both clear and consistently implemented, including potentially inevitable trade-offs, to create the market for sustainable circular business models and opportunities from a product lifecycle perspective. Clearer political objectives and instruments can lead the way for continued positive development, but overlaps should be avoided with other pieces of EU legislation. Vertical debates alone may bear the risk of stipulating incompatible goals if not derived from a holistic overall strategy, the result of which becomes more evident as European home appliance manufacturers face an increasingly conflicting legal and regulatory landscape. This dilemma encompasses all stages of a product's lifecycle.

9. Conformity assessment - presumption of conformity and self-assessment

The home appliance industry fully supports manufacturers' self-declaration of conformity (both design and production) of their products to the legislative requirements (in most cases that is Modul A - internal production control). In practice it works as follows:

- Manufacturers design and manufacture their products according to the respective harmonised standard, which are listed under the respective EU Directive or Regulation in the Official Journal of the EU;
- Manufacturers affix a CE marking on the product as a declaration that it complies with essential requirements of the respective EU Directive or Regulation;
- Manufacturers have presumption of conformity with the respective requirements; the burden of proof that the product is non-compliant lays with Market Surveillance Authorities;



- This system allows for reasonably quick modifications to the standards in line with state-of-the-art technology and counts on efficient Market Surveillance;
- When it comes to timely publication of harmonised standards in the Official Journal of the EU under respective Directives and Regulations, the Commission is lagging behind. The standards are either published with long delays, published partially or, unfortunately, very often not published at all. This makes the life of industry difficult. However, more problematic is the negative impact on effective market surveillance.

APPLiA supports self-assessment rather than mandatory third-party assessment as it makes the whole system more complex and does not contribute to overall higher levels of compliance.

10.Planning certainty and stability for investments

The home appliance industry is an important economic contributor to Europe. To support product innovation and environmental performance, the sector needs EU policies that reward industry investments and do not undermine investment cycles. Planning certainty and stability for investing are fundamental aspects for the industry. Legislation should not create legal uncertainty, should be enforceable and be stable. To comply with requirements, industry invests in long-term strategies, which are heavily impacted by unstable and short-term planned legislation.

11.Sufficient transitional periods

Given the impacts on production and innovation of products, industry has continued to highlight that a sufficient lead-time should be granted between the publication of regulations and the application of new product requirements, particularly in view of the need for developing harmonised standards. Industry needs to adapt their processes for implementing new or updated legal requirements, through complex supply chains. Therefore, sufficient transition periods should be allowed by legislation. For new technologies to be developed and brought to the market they need a proper, predictable framework to unleash their potential.

12.Impact Assessment

Transparency is a key aspect of better regulation and should be ensured throughout the process of developing product legislation. New product requirements should always be preceded by detailed impact assessments to ensure that they achieve the desired objectives, taking account of costs and benefits. Legislation must be relevant to actually meet the overall policy goal. The scope of the impact assessment should be as broad as possible and evaluate all possible impacts. Proposed product sustainability requirements must be evaluated through the whole lifecycle to ensure they will ultimately lead to more sustainable products. The complexity of the market must be correctly evaluated using a science-based approach, where the functionality of the product in a system is factored in the total efficiency.



In addition, related existing legislation and standards should be assessed in view of setting any new requirements to ensure consistency. There should be an open and transparent dialogue including technical exchanges with stakeholders and commitment to apply the principles of Better Regulation. Especially at the final stages of regulation approval, it is important to ensure that there are no crucial amendments introduced without consultation, impact assessment or opportunities to adapt the amendments.

13. Legislation in line with the "SMERC" principles

APPLiA supports to apply the "SMERC" principles in all considerations regarding the impact assessment and discussion about possible extension of product-related sustainability requirements:

Specific – requirements must be considered on a product group-specific basis. Even within individual categories of equipment in our sector, the products and their environmental impact differs significantly.

Measurability – the calculation methodologies behind the legislative requirements must be clear, credible and sufficiently close to the real-life use of the products, provided that uncertainty and complexity remain acceptable. They must be reliable and lead to reproducible, comparable results.

APPLiA firmly believes that product legislation should follow the Better Regulation agenda to ensure coherence and legal certainty. Where necessary, all future legislation should be based on the New Legislative Framework. Legislation should set the goal. Standards should define how to measure the goal. A regulation may only be adopted if the necessary harmonised standards are available, at least in draft form.

Enforceability – 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. Market surveillance authorities need to be able to check that the requirements on products are correct, thus ensuring proper enforcement. The authorities should have sufficient resources to be able to effectively check the accuracy of the product claims and, if necessary, sanction infringements. A distortion of competition would otherwise be the result. Harmonised market surveillance activities across Member States can avoid a duplication of work and resources and promote more effective information sharing.

We support stronger market surveillance from the Member States, focused on product testing and performed in a uniform and harmonised way. We support initiatives such as EEPLIANT projects that combine efforts amongst Market Surveillance Authorities. Surveillance activities offer the best opportunity to address any "free-riders" who are circumventing regulation.



As a further response to support market surveillance efforts, APPLiA developed a Bilateral Verification Procedure (BVP) allowing manufacturers to challenge each other if one has a test report showing possible non-compliance on energy labelling or ecodesign regulations. There is a settlement period foreseen and if that is not successful it can be escalated to product testing in a recognised laboratory.

Relevance – new parameters and corresponding requirements must be relevant for the environment and consumers and fulfil the overall policy goals. There must be evidence of clear and significant potential for substantial improvement. While we agree the EU should set rules for products on the European market to limit their impact on the environment, product characteristics should only be regulated by law if there is actual evidence of a need for regulation with relevant requirements that can be measured accurately and reliably. The relevance and effectiveness of the various proposed circular economy and product sustainability requirements should also always be analysed in comparison to other policy tools and design parameters.

Competition friendly – there must be no significant negative impact on the industry's competitiveness (see Directive 2009/125/EC, Art. 15(5)d) and the competition must be fair. Product sustainability requirements should be harmonised at EU level to ensure fair competition and a level playing field. Product requirements should not conflict with compliance to EU Competition Law and has to work with market dynamics (no free riders and secure fair competition). EU manufacturing should be placed at the same level as non-EU manufacturing. Market surveillance must have the sufficient means to ensure fair competition and guarantee a high degree of legal certainty and level playing field for all actors. Strengthening market surveillance activities will improve the compliance of products placed on the market, produce fair competition which promotes fairness for both consumers and industry.

14. Consumer safety first

Legislation should respect the "consumer safety first" principle. Home appliance manufacturers believe that consumer protection and safety is a key element to maintain trust with consumers and not to jeopardise efforts for the circular economy, such as repair. The repair of products needs appropriate technical skills that most consumers or non-professional repairers do not have. If an appliance is not properly repaired, and safety testing procedures are not respected, consumer safety within the home could be compromised. Consumers should be entitled to have their products "repaired right", having access to repair services by professional repairers. DIY repair for simple maintenance of the appliance is already widespread today, as recommended by the manufacturer. Digital services offered by manufacturers along with the physical product and future interactive user manuals will make DIY maintenance even more convenient. Such advice can help prolong the useful life of the product – e.g descaling a coffee machine or replacing a filter in a vacuum cleaner. In addition, DIY kits are offered by manufacturers for repair tasks that can be carried out safely with little technical skill.



15. Interface between chemicals products & waste

Industry is fully committed to reduce the content of hazardous substances in products to support a more circular economy. We support any principle which seeks to minimise the presence of substances or materials which may inhibit recyclability and therefore restrict the circular economy. However, policymakers need to recognise the compromise between chemical and product safety legislation (e.g fire safety) and circular ambitions. It is impossible to have both a rigorous safety legislation and 100% circularity. It is very important that a new legislative proposal will actually materialise in real improvement for the environment. Substances in products often have an essential function which cannot always be fulfilled with a fully sustainable alternative and are sometimes not even replaceable at all.

16. Provision of information on materials and substances used in products

A meaningful exchange of information between partners in the value chain will improve recycling and therefore contribute to a circular economy. Applying digital solutions for product information, such as digital passports, could be useful provided that it is relevant for waste treatment processes, as we have already seen with industry initiatives such as the i4R Platform¹. Industry needs to be an active part of the development of any information system, given its considerable knowledge about information in value chains, existing systems and what is relevant to waste treatment operators. Other associated challenges need to be considered, such as the protection of intellectual property, data protection and liability and overall usefulness of data. It is crucial to understand whether the information collected will ultimately add value to actors in the supply chain and consumers. To ensure that information on product characteristics is meaningful, easy to understand, reliable and comparable, and that the burden put on companies is proportionate, we would recommend applying the SMERC principles (see above). Additionally, to ensure proportionality of administrative burden, there should also be coherency with legally required EU databases of product information already embedded in law (e.g. EPREL).

17. Consumer trust must be maintained - transparency of any product declaration

It is very important for home appliance manufacturers that consumer trust in home appliances is maintained. Transparency of any information given to the consumer is a must to establish trust and to ensure the legitimacy of environmental product legislation. Environmental information at the point of sale of a product must be relevant, simple and comprehensible. Mandatory labelling should be limited to the essential information relevant to the consumer in the context of the circular economy. Not all information is appropriate or useful to disclose to consumers.

¹<https://i4r-platform.eu>



Whatever the environmental claim will be, it must be controllable and enforceable as otherwise the consumer is misled. APPLiA believes it is critical that future EU regulation on the environmental performance of products should be verified by robust standards to avoid false claims and confusion for consumers. In order to reduce waste and have consumers play a more active role in the green and digital transitions, APPLiA advocates for an overdue update of legislation that would allow producers to provide relevant product information digitally rather than on paper.

18. Circular Culture

Initiatives and policy that contribute to a more successful circular economy should bring together all societal actors. Sharing best practices and using market-based mechanisms should be prioritised to drive a circular culture². Policy is most effective if it sets goals that have been conceived with concrete ideas in mind how the surrounding infrastructure, society and other market players would interact with them. In striving for a circular economy, there needs to be a balanced approach - taking into account material efficiency, energy efficiency, citizen welfare, consumer choice and affordability.

19. Extended Producer Responsibility - producers responsible only for what they can control

The home appliance industry must be entitled to take an active role in fulfilling its legal extended producer obligations for products when they reach the waste stage to control compliance costs and to ensure that treatment is undertaken correctly. This means being given the freedom to control how separate collection and sorting for recycling/recovery are organised at the applicable national or regional level and ultimately to drive cost-effectiveness and efficient use of resources.

20. Single Market for Waste

As there is a free market for producers to place new products on the European market, there should be a free market for dealing with waste. The market for new products should be such that legislation stimulates innovation and competition while protecting health, safety and the environment. The same should be true for the waste market. It should not be hampered by too restrictive rules limiting competition, but instead set the right requirements ensuring that all waste is correctly collected, reported and treated, providing a sufficient competitive economic environment for all involved actors. The EU Waste Shipment Regulation and Waste Electrical and Electronic Equipment Directive (WEEE Directive) Annex VI can be streamlined with circular economy intentions. With easier shipments, millions of products can more easily get a new life, and more resources can be recovered at higher quality at a lower cost.

² <https://www.circularculture.eu>



APPLiA - Home Appliance Europe represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 53 billion, investing over EUR 1.6 billion in R&D activities and creating nearly 1 million jobs.

