

Position of ECGA on the Ecodesign Sustainable Product Regulation (ESPR)

The European Carbon and Graphite Association (ECGA) welcomes the extension of the current Ecodesign regulation into a larger sustainability framework. The general orientations of the regulation proposed by the Commission will enable the EU to develop its circular economy and to reduce environmental externalities. The European graphite industry supports this new industrial project. However, it is also worried by several imprecisions or uncertainties of the current proposal.

1. GRANULARITY OF THE DIGITAL PRODUCT PASSPORT

The proposal does not provide guidelines which would enable businesses to know whether their passports should be issued at the item, batch or model level. It only raises that issue shortly in its recital 27, which states that the “product passport should be specific to the item, batch or product model, depending on for example the complexity of the value chain, the size, nature or impacts of the products considered.”

This language is vague. The term “for example” implies that any or all of the factors which are listed could be used. It does not define what impact the “nature” of the products, or their size, would have on the level of reporting that will be requested. Yet, in the case of the graphite industry, it does happen that several batches of the same model use raw materials which only differ by their origin. It also happens that source materials of different origins are mixed together, with no attention paid to their relative proportions. In such cases, should manufacturers issue one single DPP for all their batches, and simply provide one single list of all the origins of the raw materials that they used? Or should they issue one new DPP per new batch, in which case they would need to measure the percentage of each origin for each new batch?

This question is not trivial in terms of administrative burden for the firms which will first implement the new regulation. In order to minimise this burden, the European graphite industry would prefer DPPs to be produced at the model level, save for some exceptions, so that all potential origins of the feedstocks can be listed at once. There are precedents for this method in the labelling habits of the food industry. For example, [honeys can be labelled](#) as mixes from “EU and non-EU origins”.

2. CARBON FOOTPRINT: ONE SINGLE METHODOLOGY FOR ALL REGULATIONS

The ESPR will require manufacturers to calculate the carbon footprints of their products. On this path, it follows among others the new Battery Regulation, as well as the Carbon Border Adjustment Mechanism (CBAM). Yet the three proposals do not systematically use one single methodology to calculate the carbon footprint of products.

The ESPR, in its Art. 2 (25) defines the carbon footprint as

the sum of greenhouse gas (GHG) emissions and GHG removals in a product system, expressed as CO₂ equivalents and based on a life cycle assessment using the single impact category of climate change;

The “life cycle assessment” refers to the Product Environmental Footprint method (PEF) established by [Recommendation \(EU\) 2021/2279](#). On this aspect, the ESPR uses the same strategy as the upcoming Battery Regulation. It refers to a formerly defined methodology.

In the meantime, the CBAM seems to promote diverging calculation methods. First, its [current proposal](#) does not use the word carbon footprint but prefers “carbon content”. This term refers to the CO₂ emissions released abroad and considered to be “embedded” inside of the imported product. Second, the CBAM proposal does not refer to the PEF from Recommendation 2021/2279, but to a former regulation from 2013. Third, the CBAM requires the Commission to “develop methods of calculating embedded emissions based on environmental footprint methods.” (Art. 30). It is not yet clear to ECGA whether those methods will align with the ESPR and the Battery Regulation.

On this matter, the European Graphite industry believes that one single carbon footprint methodology is enough. The CBAM, the Battery Regulation, and the ESPR should all use the same vocabulary and refer to the same calculation methods. Without uniformization, importers could propose methods that would differ from those in force on the internal market. This would facilitate environmental dumping.

3. PRODUCT, COMPONENT AND INTERMEDIATE PRODUCT

The current proposal of the ESPR does not make a clear-cut distinction between the terms “product”, “component” and “intermediate product”. It provides the following definitions (Article 2):

1. ‘product’ means any physical good that is placed on the market or put into service;
2. ‘component’ means a product intended to be incorporated into another product;
3. ‘intermediate product’ means a product that requires further manufacturing or transformation such as mixing, coating or assembling to make it suitable for end-users;

ECGA understands those definitions hierarchically. The general object that will be regulated is the “product”, while “components” or “intermediate products” are two sub-categories of “products”. The difference is that they can be “incorporated into” other products (component), or that they have no use on their own apart from being manufactured or transformed into products meant for end-users (intermediate product).

The difference between the two subcategories is rather unclear. When some “intermediate products” are “mixed” or “assembled” with other products in order to create a final, end-consumer product, does it

mean that those intermediate products have been “incorporated into” that final product? If yes, then the intermediate products should also be components. But then, why would the Commission propose two overlapping definitions?

Now, it is still possible to infer from the texts published by the Commission what the difference between components and intermediate products could be. A lexical analysis suggests that a “component” can be separated from the end-product, and possibly replaced, while an “intermediary product” becomes permanently integrated, “melted” into the final product. This suggestion is based on the following observations:

- In [its impact assessment](#), the Commission regrets that “recyclers are increasingly unable to *separate components* effectively, and the production of high quality secondary materials is being hampered”. This sentence implies that components should be separable, while that would not necessarily be the case for intermediate products.
- In its [accompanying communication](#), the Commission discusses the “disassemblability”, “removability” and “reusability” of components, but says nothing about intermediate products. It can therefore be assumed that the recycling obligations rather targets parts and materials which can be disassembled, removed, replaced, etc... and that such parts and materials are called components.

ECGA would like the EU institutions to clarify the exact dividing lines between those three definitions.