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Technology Industries of Finland Position and Suggestions to the ESP Regulation

Technology Industries of Finland (TIF) represents Finnish technology industries and has over 1,800 member companies, from small SMEs and start-ups to world leading MNEs. The technology industry is comprised of five subsectors: electronics and the electrotechnical industry, mechanical engineering, metals industry, consulting engineering and information technology. Technology industry is the most important export industry in Finland, with operations constituting over 50 % of all Finnish exports and responsible for 70 % of all private investments in R&D carried out in Finland.
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Key Messages

TIF supports the Commission's aim to modernise regulation of ecodesign requirements of products and set a legal framework for digital product passports, facilitating the combination of data with material flows. Our key messages are:

- The EU should be the global leader in setting standards together with industries for a circular, sustainable and responsible market economy. It is a great opportunity for advanced European companies to establish new markets.
- We need a single, sustainable market, based on harmonised requirements, effective enforcement and market surveillance.
- Practical challenges are sizeable, and industry needs to be closely involved when setting the harmonised standards and requirements to achieve proportionate and workable solutions.
- On digital product passports, we need a carefully balanced approach to data. By adjusting access and usage rights based on true needs of different players, we can maintain protection of trade secrets and have the data needed for new business models of circular economy.
- Setting up the arrangements for digital product passports is a highly complicated task. The system needs to be built gradually on sound general principles that consider the potential implications to the companies.

Regulation is the right tool

On global economy, the EU is the right actor to improve the environmental sustainability of products and to set up the legal framework for dataflows to facilitate a true circular economy. Regulation is the right legal instrument to use for building the legal framework to have a functional single market. A true single market approach is needed to have a coordinated and effective enforcement as well as market surveillance and requirements that truly scale. Member states should not develop national measures on sustainable products that impair the function of internal market.

We do not support the extensive use of delegated acts and remind that if this is the way, the preparation of these acts must be done in close cooperation with the industry. The governance structure of the Ecodesign Forum must be specified further. It will be crucial for all relevant stakeholders to be part of the Ecodesign Forum as their industry-expert knowledge is essential.

Product-by-Product Approach, Coherence and Administrative Burden

Setting up general and product-based rules for ecological design, on performance and information requirements and eventually, digital product passports, is the right approach. This is a complex task and requires intense discussion with the industry. These requirements are of great importance when setting up a truly circular European economy.

There should not be any duplication of efforts and double regulation, in particular for chemicals. Before implementing new requirements on the tracking of hazardous substances, make sure that the existing ones work, are fit-for-purpose, and fulfil the needs of the relevant stakeholders.

The Commission should pay special attention to the coherence of the regulatory framework and rely on all data provision requirements on digital product passports.

When elevated level of trust is required, the Commission should seek solutions from digital verifiable claims rather than third-party assessments.

SMERC principle for requirements, International Aspect

All the requirements should be Specific, Measurable, Enforceable, strictly Relevant to attained objective and they must advance Competitivity of European industries. Harmonised standards remain the best tool to provide presumption of conformity. Definitions must be clear, harmonised and comprehensible and, if possible, based on related standards in order to avoid misunderstandings.

Value chains of the industry cross EU borders, it is essential that the requirements are designed with this in mind to avoid unnecessary administrative burden. Availability of data should also be taken into account in the context of trade agreements.

Finally, we would recommend that to ensure effective and inclusive implementation of the regulation, the Commission needs to allocate adequate resources and the Member States should prioritise support measures for industry, and in particular for SMEs.

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