

7 Upcoming EU Product Compliance Requirements (as of 2023)

Presented by Renaud Anjoran



### **Presenter**



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EU importers selling consumer products need to know that the EU Commission are bringing in a number of new regulations & directives from 2023 that are increasing the difficulty of making a product compliant.

Safety is still a key concern, but you will also now have to pay attention to sustainability a lot more than before.

We'll summarize 7 new pieces of legislation\* that buyers of consumer goods will have to pay attention to in the short/mid term (and provide links to the source documents on the official EU websites).

\*(Note: there are more than 7 changes in EU product compliance requirements, but this presentation focuses on those that are probably most impactful.)



This regulation (and its final text) has been formally approved and published and raises the safety-related requirements of all products that are out of scope of the CE marking scheme.

In particular:

### • Point 33 in the preamble (and article 9) requests a **technical folder**:

Manufacturers should draw up technical documentation regarding the products they place on the market, which should contain the necessary information to prove that those products are safe. The technical documentation should be based on an internal risk analysis carried out by the manufacturer. [...] Where the product complies with European standards or other elements applied to meet the general safety requirement laid down in this Regulation, the list of the relevant European standards or the other elements should also be indicated.

### Article 14 requests importers to set up and follow a process:

Economic operators shall ensure that they have internal processes for product safety in place, allowing them to comply with the relevant requirements of this Regulation.

In practice, it means importers must have a systematic way of collecting and organizing all the data that form the technical folder. The market surveillance authorities will not accept to wait for your information while you are looking through past emails and contacting your supplier in a hurry...

Those new requirements also mean that getting visibility not only on the manufacturer of a product but also on the bill of materials and on the suppliers of the critical materials/components is going to be more and more important. Especially in conjunction with the next piece of legislation are going to cover...

You can <u>read the regulation's text here</u>.

## 2. Ecodesign for Sustainable Product Regulation, applicable probably from 2025

This regulation is set to apply to all products. Its scope and its requirements are much wider than those of the current Ecodesign Directive (2009/125/EC). You can see the latest publications about it here.

The details of the implementation are not known, yet.

It will require, among others, each product to bear a 'Product Passport' and link (typically through a QR code). They explain it this way:

The new "Digital Product Passport" will provide information about products' environmental sustainability. This information will be easily accessible by scanning a data carrier and it will include attributes such as the durability and reparability, the recycled content or the availability of spare parts of a product. It should help consumers and businesses make informed choices when purchasing products, facilitate repairs and recycling and improve transparency about products' life cycle impacts on the environment. The product passport should also help public authorities to better perform checks and controls.

If this "product passport" is missing and Customs notice it, you won't even be able to put the product on the EU market... So, it seems to be only about sustainability, but it will also make it harder to stay under the radar for safety compliance...

It will also introduce requirements specific to certain industries. They have already made their priorities clear, and they will include:

- Building materials
- Garments (with an aim at curbing the excesses of 'fast fashion')
- Electronics (refer to the battery regulation later in this presentation) and electric vehicles

You can read a longer summary about this regulation on the Sofeast website here: What is the EU Ecodesign for Sustainable Products Regulation?

### 3. Corporate Sustainability Due Diligence Directive, applicable gradually over time

This directive hasn't been published in the Official Journal, but for big companies, the work starts now.

A lot of due diligence information needs to be gathered in the year 2024 (and, logically, the corresponding due diligence systems need to be in place in 2023).

The EU Commission provides this summary:

This Directive establishes a corporate due diligence duty. The core elements of this duty are identifying, bringing to an end, preventing, mitigating and accounting for negative human rights and environmental impacts in the company's own operations, their subsidiaries and their value chains.

The above-mentioned 'Ecodesign for Sustainable Product Regulation' gives more power to consumers by showing data about durability, recyclability, etc., and similarly this directive gives more power to shareholders.

Midsize companies still have a few more years to prepare.



This directive is also set to apply to all products. It will add to the requirements of the old packaging directive (94/62/EC). You can see the latest publications about it <a href="here">here</a>. The details of the implementation are not known, yet. It is still <a href="a proposal">a proposal</a> but it will certainly be implemented soon.

Its main objectives are the increase in recycled material used in the making of packaging and the increase of packaging material that ends up being recycled or reused.

#### Important points:

- All products that are sold with packaging (in essence, all products) will need to come with a
  declaration of conformity and some recycling instructions for that packaging. That's a lot of
  documentation, in many languages if you sell the products in many countries.
- Showing this information via a QR code, like a digital product passport, may be needed.



This regulation obviously only applies to (certain) batteries, but also to mobile electronic products in general.

It will replace a previous directive (2006/66/EC). Here, also, it is still at the stage of proposal. You can read a summary here.

Its aims are regulating the entire life cycle of batteries, from production (with strict transparency requirements about production facilities) all the way to disposal and/or recycling. Batteries must be safe but also more sustainable.

And one of the requirements is a digital product passport (for the battery itself), again.

# 6. Deforestation Regulation (2023/1115), applicable from 2025

It is formally related to "certain commodities and products associated with deforestation and forest degradation". It applies to products that are made of wood, paper, rubber, and so on.

Its main objectives are preventing that products sold in the EU contribute to deforestation globally, and the reduction in carbon emissions in general. It will also look at topics such as compliance to local regulations, corruption, the rights of indigenous people, etc.

It will force importers of those commodities to do due diligence and collect information about the geographic origin (down to the plot of land), all the actors in the supply chain, etc. More due diligence will be expected in high-risk situations, and it will lead to a declaration to competent authorities (from 2028). Large companies will need a compliance officer and independent audits on this topic.

It has been formally approved and published, and you can read its full text here.



The new requirements mentioned before will determine whether you are responsible for non-compliance of your products.

Now, the new version of the product liability directive will clarify your liability in case of damages caused by your products. It is a different concept, but it is probably one you will pay much attention to...

We could summarize it in a sentence as follows:

It is very protective of consumers, and at least one entity in the EU will be liable (with virtually no cap on the liability amount) for damages.

This new version of the directive includes an important new concept: the burden of proof is on the supplier's shoulders. The claimant (typically, a consumer) has the right to request disclosure of evidence – for example, they can ask for evidence that the product complied with applicable requirements and how it was determined to be safe. And, if the defendant fails to disclose such information (either because it was not collected in due time, or for a desire of confidentiality), the product will be presumed to be defective!

The text of the proposal is <u>here</u>.



It's no longer just about product safety. It's also about sustainability.

A compliance manager will have to make sure all products have a complete technical folder (including the risk assessment, DoC...) ready before the products are imported. This way, when a Customs agent scans the digital product passport, sees the data are already in their centralized registry, and confirms all seems be in order, the products won't be blocked.

In parallel, when market surveillance authorities visit an importer, they will expect to see a process in place. And they will have a much easier job checking the DoCs and the attached technical folders, simply by visiting an online marketplace and clicking on the links to the product passports.

And, of course, the multiplication of legislative requirements will force importers to either recruit more compliance professionals or to revisit the way they work.

For companies that buy across several product categories and from many different suppliers, there is going to be a crying need for specialized compliance software, such as <a href="Syncontrol">Syncontrol</a>.



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