PROPOSED REPLACEMENT EU ACT ASSESSMENT OF IMPACT

Reference: COM/2026/565
Date: 28 August 2026
Department: Department for Infrastructure

Proposed Replacement EU Act

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2017/1369 and Regulation (EU) 2020/740 as regards simplification and better use of digital options for energy and tyre labelling

Replacing

Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU (Protocol Annex 2, Heading 26 on Environment, energy efficiency)

And

Regulation (EU) 2020/740 of the European Parliament and of the Council of 25 May 2020 on the labelling of tyres with respect to fuel efficiency and other parameters, amending Regulation (EU) 2017/1369 and repealing Regulation (EC) No 1222/2009

Summary of the Act

This proposal would amend Regulation (EU) 2017/1369 on energy labelling and Regulation (EU) 2020/740 on tyre labelling. The proposal is primarily a simplification and digitalisation measure. It does not change type approval processes or standards which are used in the labelling of tyres.

Department(s) Responsible

Responsibility for the policy areas covered by this proposal rests with the UK Government. The Department for Energy Security and Net Zero (DESNEZ) is the lead department for the energy-labelling elements of the proposal, while the Department for Transport (DfT) has responsibility for the tyre-labelling provisions. The Department for Economy (DfE) have completed a detailed PRR based on their consultations with DESNEZ who are drafting the Explanatory Memorandum (EM).

Assessment of Impact

The Department has an interest in this proposed regulation only inasmuch as it relates to type approval in the tyre-labelling provisions. The Department has engaged with DfT on the potential implications of the proposal.

Full details of the potential impact of this proposal are detailed in the PRR form completed by DfE and the draft EM by DESNEZ.

UK Government Explanatory Memorandum

The UK Government Explanatory Memorandum, led by the Department for Energy Security and Net Zero (DESNZ) with input from the Department for Transport (DfT), describes COM(2026) 565 as a targeted simplification and digitalisation measure amending Regulation (EU) 2017/1369 on energy labelling and Regulation (EU) 2020/740 on tyre labelling. The Explanatory Memorandum explains that the proposal does not alter the underlying objectives or scope of the existing regimes, but seeks to reduce administrative burdens, increase the use of digital information tools, expand use of the EPREL database and QR codes, streamline obligations on economic operators and strengthen market surveillance and enforcement arrangements. DESNZ considers the proposal to be primarily concerned with improving the operation and accessibility of the existing frameworks while maintaining existing consumer-information objectives.

Analysis by the European Commission on its Impact Assessment

The European Commission's impact assessment presents the proposal as a targeted simplification and digitalisation measure affecting the Energy Labelling Regulation (EU) 2017/1369 and the Tyre Labelling Regulation (EU) 2020/740. The Commission's analysis concludes that the existing frameworks remain effective in supporting consumer choice, energy efficiency and market transparency, but identifies opportunities to reduce administrative burdens, increase the use of digital tools and improve compliance and enforcement arrangements. Market surveillance and enforcement of tyre labelling are the responsibility of DVSA.

Departmental Engagement

The Department has engaged with DfT and DfE to understand the scope of the proposed regulation and its application here.

EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION/DOCUMENTS WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND THE WINDSOR FRAMEWORK

{SEC(2026) 565 final} + ANNEX

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2017/1369 and Regulation (EU) 2020/740 setting a framework for energy labelling, as regards simplification and better use of digital options for energy labelling

SUBJECT MATTER

1. On 24 June 2026, the European Commission published a proposal for a Regulation of the European Parliament and of the Council on simplification and better use of digital options for energy and tyre labelling (the “proposal”; the “Omnibus”). The exact application date will be determined following the upcoming formal adoption by the European Parliament and the Council.

2. The proposal would amend Regulation (EU) 2017/1369 setting a framework for energy labelling (the “Energy Labelling Regulation”), providing greater flexibility over the format in which labels accompanying products are supplied. The Ecodesign for Sustainable Products Regulation (EU) 2024/1781 (ESPR)14, which repealed and replaced the Ecodesign Directive 2009/125/EC15 as from 18 July 2024, subject to certain transitional measures, is not part of the Omnibus.

3. The proposal aims to simplify rules for suppliers and dealers by providing greater flexibility over the format in which labels accompanying products are supplied and improve compliance and enforcement by facilitating use of digital options and clarifying legal concepts and responsibilities.

4. Regulation 2026/565 introduces the following key changes in regard to energy labelling:

   - Flexibility as regards the format for energy labels accompanying products while maintaining the possibility to obtain printed labels on request
   - Fully electronic product information sheets
   - Stronger accountability for non-EU manufacturers and authorised representatives
   - Simplifying the transition to rescaled labels for suppliers and dealers
   - Clarification of responsibilities of stakeholders in the supply chain
   - Once-only principle for EPREL

5. Regulation, (EU) 2020/740 (the “Tyre Labelling Regulation”), sets out new requirements for the performance labelling of tyres, which are be displayed at the point of sale to enable informed purchasing decisions by customers:

- It requires standardised information to be displayed on the tyre's rolling resistance, wet grip, external rolling noise and, if appropriate, snow and ice performance
- It also requires product information to be made available in the European Product Registry for Energy Labelling (EPREL)

6. Whilst this proposed update to the Tyre Labelling Regulation does not make significant changes to its high-level objectives and requirements, it does introduce a number of amendments focused on the improved functioning of the regulation, including:

    - Improving practical application of the regulation for suppliers and distributors and moving to a greater reliance on the digital product database (EPREL) rather than physical datasheets
    - It also aims to enable improved enforcement of the EU tyre labelling scheme for market surveillance authorities

7. Notable changes proposed for Regulation 2020/740 on Tyre Labelling include:

- Clarifications to bring tyre fitters within scope to require similar obligations to those of tyre retailers
- Providing some simplification and flexibility on display of the tyre labelling information for distributors, including permitting the use of simplified labelling information or nested displays in some circumstances where it may not be practical to display the full label
- Providing a better link between the tyre label and the EPREL database within information seen by the consumer and removing the need for paper information sheets
- Removing the obligation for vehicle suppliers and distributors to display tyre labelling information at the point of sale
- Updates to the information required to be entered into EPREL by the tyre manufacturer
- Increased delegation of powers for the European Commission to make changes to aspects of the tyre labelling requirements.

SCRUTINY HISTORY

8. Regulation (EU) 2017/1369 setting a framework for energy labelling was retained and then assimilated into GB law following EU exit. The assimilated version of the Energy Labelling Regulation continues to provide the framework for energy labelling in Great Britain, alongside relevant domestic legislation and product-specific regulations.

9. There are no previous scrutiny documents related to Energy Labelling and changes to the regulation 2017/1369 specifically.
10. The Department for Energy Security and Net Zero has previously submitted Explanatory Memoranda on EU legislation concerning ecodesign and energy labelling requirements for energy-related products, including product-specific requirements and rescaling of energy labels.
11. The original proposal for Regulation (EU) 2020/740 was subject to scrutiny from the House of Commons European Scrutiny Committee and the House of Lords European Union Committee in February 2019.

MINISTERIAL RESPONSIBILITIES

12. The Secretary of State for Energy Security and Net Zero has overall responsibility for existing ecodesign and energy-labelling regulations.
13. The Secretary of State for Transport has responsibility for tyre labelling policy.

INTERESTS OF DEVOLVED GOVERNMENTS

14. Ecodesign and Energy Labelling are not devolved matters under the devolution settlements in Scotland, Wales and Northern Ireland. We have shared this EM with the Devolved Governments.
15. Regulation (EU) 2017/1369 and (EU) 2020/740 are listed in Annex 2 to the Windsor Framework. The proposal therefore has potential implications for Northern Ireland and the operation of the UK internal market.
16. The Department for Energy Security and Net Zero will continue to engage with the Northern Ireland Executive and the Devolved Governments on the potential implications of the proposal as the EU legislative process progresses.

LEGAL AND PROCEDURAL ISSUES

17. Regulation (EU) 2017/1369 establishes the EU framework for energy labelling and provides the legal basis for the development of product-specific energy labels and delegated acts.
18. The proposal would amend Regulation (EU) 2017/1369. As a proposal for a Regulation of the European Parliament and of the Council, it is subject to the ordinary legislative procedure.
19. Regulation (EU) 2017/1369 and Regulation (EU) 2020/740 are listed in Annex 2 to the Windsor Framework. The proposed amendments that fall within the scope of Annex 2 would only apply to the relevant law in Northern Ireland.

20. The proposal does not itself amend the Windsor Framework. The application of any resulting amendments to law applicable in Northern Ireland would be subject to the relevant provisions of the Withdrawal Agreement and the Windsor Framework.
21. The proposal does not amend the UK's domestic energy-labelling legislation applicable in Great Britain. Any changes to the GB energy-labelling framework would therefore require separate consideration by the Government.
22. The Tyre Labelling Regulation is part of the EU's approach to transport decarbonisation by addressing the contribution of tyres to vehicle energy consumption. These requirements are applied in Northern Ireland through their listing under Annex 2 to the Windsor Framework. Similar requirements are also applied in Great Britain through the assimilated version of Regulation (EC) 1222/2009 (the predecessor to Regulation (EU) 2020/740).

POLICY & LEGAL IMPLICATIONS

23. The Government is committed to improving the energy efficiency of products and ensuring that consumers have access to clear, accurate and useful information about the energy performance of products.
24. Energy labels play an important role in enabling consumers to compare the energy performance of products at the point of purchase. The Government recognises the potential benefits of digitalisation in reducing administrative burdens and improving access to product information, while ensuring that consumers continue to receive effective and accessible information.
25. In the EU, such measures are expected to save businesses and market surveillance authorities up to €125 million annually over the next 10 years and contribute to reaching the €18.4 billion of administrative costs saving. It would provide greater flexibility in how energy labels are supplied with products and digitalisation of labelling and PIS will reduce packaging, minimise duplication and administrative burdens.
26. For GB businesses operating solely on the domestic market, the impact is expected to be limited. The proposal could create some additional complexity for businesses operating across both GB and EU/NI markets due to administrative divergence. This includes maintaining separate packaging or documentation, complying with new Authorised Representative requirements, and operating within increasingly digitalised EU systems centred on EPREL.
27. The Government's initial assessment is that the proposal is unlikely to create significant disruption to existing GB-NI supply chains in the long term. However, the strengthened requirements for non-EU manufacturers, and their Authorised Representatives, would impose additional obligations on GB businesses

supplying Northern Ireland, and on MSA in NI. Additional stricter obligation on installers would also apply in NI but not in GB.

28. The change in the rescaling period from 4 to 12 months will introduce flexibility for businesses in NI and those operating across GB and NI, allowing to prepare and comply with both set of requirements for longer. However, it will result in different transitional timelines between GB and NI (EU), potentially causing confusion and extended periods allowing for the use of multiple labels in NI.
29. This proposed update to the Tyre Labelling Regulation will have an impact of tyre retailers and vehicle dealerships in Northern Ireland. However, as the proposed changes primarily aim to simplify administrative and digital information requirements relating to the supply of tyre labelling information, we perceive that it is likely to lower the overall burden of applying the regulation. This will be particularly true for vehicle suppliers or distributors, who will no longer have to provide tyre labelling information. The amendments will, however, mean that some tyre fitters could enter into scope of the requirements for the first time if they were not previously captured within the definition of a tyre distributor.

CONSULTATION

30. DESNZ officials have shared this regulation with Northern Ireland Executive (NIE) officials, and we will continue to engage NIE on arising impacts.
31. DESNZ officials have also previously engaged with the EU commission during the initial consultation on the aspects of these proposals related to energy labelling, feeding in views gathered from OPSS and industry. We have further engaged selected stakeholders on the issue as part of our regular Ecodesign stakeholder Forums. Industry endorsed similar digitalisation initiatives and flexibilities in the UK but warned about growing dependence on EPREL and issues around its quality and functionality.
32. We intend to continue engaging stakeholders, and the European Commission, to understand the detailed implications of these proposals for GB and NI. DESNZ have also recently commissioned external research on Energy Labelling, which would help to assess the merits of analogical reforms in the UK.

EUROPEAN
COMMISSION

Brussels, 24.6.2026
SWD(2026) 566 final

COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT

Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council

amending Regulation (EU) 2017/1369 and Regulation (EU) 2020/740 as regards simplification and better use of digital options for energy and tyre labelling

{COM(2026) 565 final} - {SEC(2026) 565 final} - {SWD(2026) 565 final}

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EXECUTIVE SUMMARY SHEET

Impact Assessment on the omnibus to simplify energy efficient product legislation

A. NEED FOR ACTION

What is the problem and why is it a problem at EU level?

Problem 1: Overly complicated obligations for suppliers and retailers

Four drivers underpin this problem: 1. Cumulative obligations for suppliers for labels and EPREL. 2. Lack of flexibility: One-size-fits-all rules for label delivery and display. For tyres, the framework lacks flexibility to adjust certain technical details 3. Complex transition rules from old to rescaled labels 4. 'Once only' principle not fully applied for EPREL data.

Problem 2: Persistent non-compliance

The problem has many drivers, including external factors. The IA addresses only aspects of non-compliance rooted in unclear legal duties and concepts.

The rules are fully harmonised today, hence only an EU-level amendment is feasible to maintain uniform application.

What should be achieved?

General objective: Simplify and improving the energy and tyre labelling framework without undermining its core purpose: i.e. enabling customers to choose more efficient products and reduce energy consumption.

Specific objective 1: Simplify rules for suppliers and retailers

Specific objective 2: Improve compliance through clarifications.

What is the value added of action at the EU level (subsidiarity)?

EU-level simplification provides a consistent legal baseline for enforcement authorities, cost reductions for businesses operating across the EU and improved EPREL usability.

B. SOLUTIONS

What are the various options to achieve the objectives? Is there a preferred option?

Two policy options were assessed (against a baseline of no legislative change):

- **Policy Option 1** (13 measures): Simplifies energy label rules; clarifies legal concepts, 'once only' principle for EPREL; wider empowerment for the Commission for tyre labelling, tyre testing reports in EPREL's compliance part, no more tyre label display for vehicle dealers
- **Policy Option 2** (15 measures, preferred): Includes all measures of Option 1 and in addition directly amends annexes of the tyre labelling regulation with full technical specifications for simplified/nested tyre label display and updates information requirements for tyres for immediate legal effect.

What are different stakeholders' views? Who supports which option?

- Suppliers/manufacturers: Support digital-only for label delivery and 'once-only' EPREL–DPP link. Tyre industry is wary of both policy options' requirements, save for the simplified label.

- Dealers (incl. SMEs): Oppose digital labels only and shift of label printing obligation, welcome extended transition periods for stock sell-through. Concerned about online marketplaces vs. other dealers.
- Market Surveillance Authorities (MSAs): Support measures that improve EPREL compliance. Oppose digital only for labels but see merits of removing the printed label by default.
- Consumer organisations and NGOs: Insist on continued printed label delivery and welcome improving compliance.

C. IMPACTS OF THE PREFERRED OPTION (POLICY OPTION 2)

What are the benefits?

- Administrative cost savings for suppliers: Up to EUR 83 million/year from removal of printed label default and up to EUR 66 million one-off from 'once only' for EPREL; EUR 2 million p.a. from simplified label transitions. Vehicle dealers EUR 40 million year.
- Savings for dealers: EUR 3 million per label transition cycle
- Savings for MSAs: EUR 3.7 million/year
- Compliance improvements
- Consumer/environmental benefits: Better tyre label/EPREL usability. Customers retain right to have label in display at point of sale.

What are the costs?

- Authorised representatives: EUR 10 million one-off to upload mandate copies into EPREL
- Tyre suppliers: EUR 9.6 million one-off where APIs are not used
- Online marketplaces: Up to EUR 2 million/year where APIs are not used
- Dealers: EUR 7 million/year additional cost for label printing at point of sale (but can request from supplier)

What are the impacts on SMEs and competitiveness?

Increased competitiveness due to lower compliance costs for suppliers and retailers. More SME dominated retail sector has right to request printed label from supplier. No significant trade/international impacts as labelling rules apply also to suppliers from abroad (but clearer rules for authorised representatives)

Will there be significant impacts on national budgets and administrations?

MSAs will benefit from reduced administrative costs. No need for transposition. Benchmarking report on ICSMS reporting.

Will there be other significant impacts?

Environmental impacts are insignificant compared to energy/GHG savings generated by the overall labelling policy. Reduced destroyed stock with old labels. Advances digital agenda.

Proportionality

The preferred option does not exceed what is necessary. Full digitalisation of label delivery was discarded. New obligations are targeted and evidence based.

D. FOLLOW UP

When will the policy be reviewed?
Continuous product-specific reviews and evaluations.