

## Summary Position

The Digital Product Passport (DPP) can make a major contribution to the sustainability of the economy if the DPP is designed effectively. A practice-oriented approach is decisive where the focus should be on implementation by industry. Data should provide added value along the supply chain, and their seamless integration should be possible. A comprehensive view of the entire life cycle is crucial, including the use phase and disposal at a later stage. Lack of interoperability increases complexity and causes high costs and quality losses. Therefore, international standardisation is essential: solutions need to be secure, interoperable, decentralised and scalable – with uniform standards for all sectors.

### **DPP introduction within and beyond ESPR**

If designed wisely, the Digital Product Passport can decisively contribute to a more sustainable economy under the Ecodesign for Sustainable Products Regulation (ESPR) and beyond. The DPP opens the possibility to bundle information and make it available. However, this passport needs to be designed and used in a workable manner to be effective. When shaping the relevant requirements to both technical features and in terms of content, it must be ensured that these can be implemented by industry. In turn, successful implementation calls for an internationally agreed standardisation of the DPP system, especially given its impact on global supply chains.

Lack of interoperability and harmonisation is a huge obstacle for companies. In particular, this holds true for businesses that supply data to different sectors with different rules and formats. The consequences would be immense complexity, high costs and quality losses of stored data. These can change regularly due to changes in production processes so that they need to be updated.

It should be possible to seamlessly integrate the items of information from the individual DPPs along the supply chain – for example, from materials or intermediates – in the DPP of the next (sub-)product along the chain without having to record data twice. Moreover, thus supplied data need to provide added value and must be really available along the supply chain. The sheer volume of supplied data is no quality indicator for DPPs.

A decentralised strategy is important too. Data points and technical standards need to be defined uniformly in every sector and function in the same way. At the same time, much attention must be given to the issue of IT and cyber security.

## **Ensure congruence with other legal provisions and standards**

It is decisive to ensure that DPP rules are in line with other existing pieces of legislation (e.g. GDPR, European Data Act, REACH etc) and new initiatives of the EU Commission (e.g. Toys Regulation, revision of the Union Customs Code, Detergents Regulation). The main objective should be to use existing databases with appropriate linking while avoiding redundant data capture, for example, in connection with safety data sheets according to the REACH Regulation.

The data needed for DPPs should be identified and defined in standards. This safeguards compliance with international standardisation and integration into the mechanisms of industrial data exchange.

## **Horizontal DPP rules**

It is imperative to establish horizontal DPP rules across different product groups and, ideally, even across different regimes. This would allow cost-effective, workable and mutually compatible systems. However, sector-specific requirements need to be taken into account. This aspect, too, calls for uniform and clear standardisation of both the technical system and the content.

## **Ensure data security**

Creating a meaningful DPP that can be used along the supply chains is no doubt a considerable challenge. No matter which solution is chosen in the end, it must be invariably ensured that sensitive items of information (e.g., ingredients) are handled with appropriate confidentiality. For this reason, disclosure of information should exclusively follow the need-to-know principle. This equally applies for metadata in connection with supply chains. Such items of information can reveal value creation networks, and they can be exploited in undesirable ways by competitors or public administration actors. Therefore, it is highly important to take technically secure and decentralised approaches for data management. Another point to be observed is compliance with competition law.

## **Avoid double regulation – especially for ingredients**

Requirements to DPPs should be attuned to existing rules and provisions. It is vital to avoid any form of duplication, overlapping or legal uncertainty. This applies especially to requirements relating to substances. For example, the information requirements for chemicals on the SVHC candidate list should be laid down only in the REACH Regulation.

## **Technology neutrality**

The DPP should be neutral in terms of technology, i.e. the way in which data are made available should not be stipulated in the regulation. This aspect is not safeguarded in the European Parliament's current proposals for the DPP under the ESPR.

## **Offline functionality**

Various ideas on “offline functionality” (i.e. data access without network connection) have been discussed most recently. Here, it is important to ensure a meaningful linking with the online arm. Offline data are static by nature and can provide only a basic set of information, if they can do so at all. Their workability remains questionable, particularly with regard to the different requirements internationally, additional technical aids for readout, and potential data obsolescence. Therefore, only online data should have ultimate relevance.

## **Much needed: full digitalisation of all stakeholders**

Article 13 includes provisions on what is expected of customs authorities. Digitalisation is still in the development phase in the customs sector. A digital product passport can only be put into practice in a meaningful and easy manner (by both data providers and data users) if end-to-end digitised processing by all stakeholders is ensured.

**Contact:****Martina Schönnenbeck**

Science, Technical and Environmental Affairs

Product Safety

**P** +49 (69) 2556-1535 | **E** [schoennenbeck@vci.de](mailto:schoennenbeck@vci.de)

**Christian Buenger**

Financial and Economic Affairs, Digitalization

Economics & Statistics

**P** +49 (69) 2556-1715 | **E** [buenger@vci.de](mailto:buenger@vci.de)

**German Chemical Industry Association**

Mainzer Landstrasse 55

60329 Frankfurt, Germany

[www.vci.de](http://www.vci.de) | [www.ihre-chemie.de](http://www.ihre-chemie.de) | [www.chemiehoch3.de](http://www.chemiehoch3.de)

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