

Digital Product Passport must start small, fair and pragmatic



1. Benefit vs. effort of a DPP System

The concept of the DPP consists of the DPP system (infrastructure and architecture) and the DPP information (legally required data) which both create effort. Here we will first address the DPP-system as this will set out principles and architecture which then predefines possibilities, effort and benefit of the DPP as such.

The DPP, like any new IT system, does not come for free. Drawing on our experience with existing databases for home appliances, such as the European Product Registry for Energy Labelling (EPREL) and the Substances of Concern In Products (SCIP) database, we anticipate a considerable effort to introduce and operate the DPP. Past precedent shows that such efforts are consistently underestimated. For instance, the 2017 impact assessment for the Energy Labelling Regulation (COM(2015) 341 final) estimated EPREL's one-off investment at €1.5 million with an annual running cost of €150k, a figure that proved to be a thorough underestimation of the actual resources required.

Based on the ESPR, we have compiled a non-exhaustive list of the functionalities and infrastructure features that will need to be set up:

1. By the European Commission:

A central registry providing at least these features:

- Reliable servers with sufficient resource to ensure availability and integrity of data
- A secure data transfer between the central registry and stakeholders (for EPREL that is eDelivery and certificates for the AS4 protocol)
- Authentication and user management
- Verification of authorised users (in EPREL this is realised via an eSeal as of the eIDAS Regulation)
- A web portal with helpdesk for public and professional users
- A sound documentation of the key features

2. By the industry (manufacturers, service providers and standardisers):

- Establish and maintain servers to securely host the decentralized DPP information. This goes beyond standard website hosting and requires robust systems for user authentication, access management, and ensuring the confidentiality, availability, and integrity of the data.
- Businesses must re-engineer their internal data management systems to classify, manage, and format the required data, in order to be able to map it into the yet to be defined data (exchange) model
- A data carrier, such as a QR code, will need to be applied on each and every product.

3. By the Member States:

- Member States must dedicate sufficient resources and expertise to monitor the accuracy of the data within the DPP and to verify the authenticity of the economic operators



- Inform and educate key stakeholders, such as repairers or citizens, on how to access and make use of the DPP, through information campaigns for example.

4. By society

- The technical set-up should also minimise the environmental impact. For instance, distributed ledger solutions tend to have a high energy consumption. Respective studies are strongly encouraged.

2. About the content/information

Similar to the DPP-System, it is also relevant to weigh the benefit versus effort for the content of the DPP.

A common misconception is that all necessary data for the DPP is already available. In practice, this is often not the case, particularly for data that must be sourced from suppliers across complex and global value chains. It is therefore important to acknowledge that all data that has a value, also has a cost for its creation.

To have data available for a DPP, four essential steps are necessary:

1. Data provision

- While primary data such as “weight” might be readily available, other data, such as CO2 footprint, needs to be processed, usually based on other primary data. This processing requires effort.

2. Data accuracy assessment

- One of the critical points is data quality and accuracy. For instance, a company may have data about the weight of a given material but may only be an estimation. However, for the DPP, the accuracy of any data needs to be assessed to give value to the data.

3. Data management

- Companies' current data management and classification systems must be adapted to track the source, use, and transfer of data as potentially required by the DPP.
- A company's existing classification systems may not be sufficiently granular. For example, a company might have three main material classes: plastic, metal and other. In this case, rubber might be classified as “other”. A future DPP rather needs the difference between natural elastomers and artificial polymers, or the type of plastic.
- if recycled content of a component (with subcomponent) should be provided, the data model needs to allow for the respective data fields, which are dependent on the subcomponent's properties, and should be calculated automatically. Additionally, this data is time dependent as suppliers of



subcomponents may increase the recycled content and this would need to be reflected in the system.

4. Data transfer

- Any content must not only be managed on internal servers but also be provided. This provision of data can be accomplished either through special servers for web access or by transferring the information to an external database.

3. Suggested way forward

3.1. Way forward for the DPP system

In times when the Union's economy is facing multi-lateral challenges, the EU strategy is to minimise effort and reduce the burden for all stakeholders. It is therefore critical to ensure that those who carry the investment for the system are also able to benefit from it. Consequently, we strongly advocate for a **fair, pragmatic, "start small" approach** that intelligently leverages existing, proven systems.

For the DPP system this means concretely:

1. Learn from EPREL with respect to technology, functionalities and processes.
2. Allow for those who have extensively invested in EPREL and SCIP to start with these databases when introducing the DDP for their products.

Key learnings from EPREL that we suggest transferring to the DPP registry:

1. Supplier/manufacturer verification with eSEAL (see also ESPR Art 11)
2. Differentiated access management
3. Secure EU servers ensuring the necessary cyber security combined with asset minimisation on a need to know basis
4. Technical and operational details laid down in an implementing act (see also EPSR Art 13.5)
5. Impartiality of the entity providing the service (EU Commission)
6. Weblinks possible (e.g. to existing databases, or existing supplier information)
7. The possibility to allow for content data storage (see also Art 13.2 of ESPR)

3.2. Way forward for the DPP content

Our key suggestion for the DPP content is to **keep it simple!** This means the future delegated acts defining product-specific data should, at least for home appliances, be developed along the following principles:



- Products that legally use EPREL should not be obliged, at least in the beginning, to provide more information. For those products, the use of EPREL should be sufficient to meet DPP requirements.
- All required data need to have a proven benefit. For instance, data points related to item-level recycling, should not be mandated without a proven commitment for the use of this data.
- Every data point must be verifiable, and its accuracy must be enforceable. Data that cannot be enforced will be fake data, misleading the consumers and the legislators alike. If data correctness cannot be enforced (either it is in principle not verifiable or it is too complex) it should not be legally required.
- Operators should only be responsible for the data they can be responsible for.
- Those who bear the costs should also have a share of the benefits.

4. The role of the DPP for paperless product documentation

- APPLiA fully supports the opportunity to move away from printed information towards digital information
- However, digitisation of instructions and safety warnings does not require a DPP.
- Due to different timelines of the DPP introduction and the additional cost incurred, digitisation of documentation and the introduction of the DPP must be decoupled.
- Once a DPP is mandated for a product category, it should be used for digitisation of documentation. However, in order to maximise the cost efficiency, it should build on the solutions existing by then.

Reference contact

Michał Zakrzewski, *Senior Policy Director, Digital & Competitiveness*
michal.zakrzewski@applia-europe.eu