

Response to the Call for Evidence on Digital Product Passport (DPP) Service Providers

1. Introduction

EuroCommerce welcomes the opportunity to provide feedback on the European Commission's call for evidence for the impact assessment of the delegated act on DPP service providers. As a forward-looking tool for consumer information, we support the DPP as an innovative step toward enhancing transparency and sustainability.

2. General Position on the DPP

International Open Standards, Harmonisation and Interoperability

DPPs should be founded on open and international standards to ensure interoperability and proportionality. They should streamline and facilitate access to harmonized information across value chains. It is essential that DPPs be interoperable for different stakeholders in both B2B and B2C contexts. Furthermore, DPP requirements should promote a decentralized data-sharing system, enabling companies to make product data accessible and update it without incurring additional costs.

Data Sharing and Confidentiality

Data sharing along the supply chain should protect trade secrets and intellectual property rights, and ensure proportionate access to DPP information depending on the different actors' access rights. Clear standards for information security and confidentiality are needed, including limitations on public access and definitions of confidential business information.

Roles and Responsibilities

The roles and responsibilities of economic operators involved in DPPs should be clearly defined. Upstream economic operators should be responsible for providing accurate and complete information for inclusion in DPPs, while downstream economic operators should be accountable only for their specific activities within the value chain. Additionally, the DPP regulatory framework should maintain flexibility to allow downstream operators to create new DPPs or update existing ones when necessary and appropriate.

3. Specific Concerns Regarding DPP Service Providers

Pricing and Cost Predictability

Safeguards are essential to prevent excessive pricing or unexpected price increases by DPP service providers, particularly since pilot pricing may be artificially low. The impact assessment should explore

mechanisms to ensure pricing predictability, such as transparency requirements, caps on price increases, or restrictions on unilateral price adjustments without adequate notice or justification. Without safeguards, companies outsourcing DPP services risk facing unsustainable costs in the future. The assessment should also examine whether these measures are best implemented through regulatory oversight in the delegated act or as part of certification scheme conditions. However, EuroCommerce raises concerns that the costs associated with certification schemes could spill over to economic operators relying on DPP service providers, potentially increasing their financial burden.

Data Ownership and Transferability

Companies must have the ability to switch DPP service providers without losing access to existing DPPs or stored data. This requires the establishment of standards and provisions to ensure smooth and secure data transfer between providers at the client's request, within a reasonable timeframe and at a fair cost. These safeguards are especially critical in scenarios where a DPP service provider ceases operations or is acquired. In cases of acquisition, the impact assessment should examine whether contractual conditions, such as pricing, remain unchanged or whether the acquiring entity has the right to modify these conditions.

Brand Visibility and Consumer Interface

If DPPs are linked solely to a service provider's domain rather than the company's branding, businesses lose the opportunity to align DPPs with their brand identity. To address this, DPP service providers should offer economic operators options to integrate consumer-facing DPP interfaces with their own brand or website, ensuring consistency with the company's identity and enhancing consumer trust.

Information Security and Data Protection

Ensuring data security for non-public DPP information is essential. Companies' data must be protected against breaches and misuse, including by other clients of the same service provider. To this end, robust safeguards should be established to regulate the use, reuse, or processing of DPP information by DPP service providers.

Roles and Responsibilities in the Supply Chain

Retailers and wholesalers require clear guidance on their responsibilities when creating or updating DPPs and how these actions influence their interaction with DPP service providers. For private-label products, the retailer's role as a potential DPP creator must be explicitly defined. Additionally, clear and practical rules should outline when and how new DPPs can be created or existing ones updated for resold, refurbished, or repaired products. These rules should also clarify who is responsible for storing the data of the new or updated DPP to ensure accountability and compliance.

Certification and Compliance Mechanisms

It is important to assess whether certification schemes for DPP service providers offer sufficient value. However, the potential costs of compliance with such schemes may be passed from DPP service providers to economic operators, increasing their financial burden. The impact assessment should explore whether enforcement efforts, combined with a clear definition of service providers' liability—such as through self-declaration—could provide an effective and less burdensome alternative.

Impact on SMEs

Our sector includes many SMEs, which might face unique challenges in implementing DPP requirements. SMEs engaged in circular business models, such as selling reused, refurbished, or repaired products, may be required to create new DPPs. Therefore, the delegated act should prioritize cost-effective and scalable solutions to ensure that SMEs are not disproportionately burdened by the obligation and cost of storing mandatory backups.

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.