

Confederation of Swedish Enterprise: comments and inputs on the issue of product passports

In both the European Green Deal and in the Circular Economy Action Plan, the development of a product passport has been promoted as a tool for providing consumers information about products. The Confederation of Swedish Enterprise supports the idea of developing digital tools that can help companies provide greater transparency about their products and the value chains behind them. It is also positive that increasing information about products to the consumer enables them to make active choices.

In the circular economy, there is also an increasing need to channel information between stakeholders in the value chain. The Confederation of Swedish Enterprise considers that a product passport, designed properly and synchronised with existing systems, could also contribute to this process, thus facilitating circular business models.

Business needs to be an active part of the development of any product information and product passports. There is considerable knowledge within the business community about information available within value chains, existing systems and what will be required for a product passport to work in practice. A great deal of analysis remains to be done to ensure that the passport is well designed; business participation will be central to this process.

Swedish Enterprise has the following specific comments on the design of any proposed upcoming product passport. The comments may in some parts also be valid for the circular dataspace announced by the EU-Commission, from where we understand some information to the passport will be extracted.

The purpose of a product passport needs to be defined by the policymakers

The policymakers need to define those sustainability challenges that are being addressed by the product passport. It is vital in knowing how to design the product passport to give the desired effect. There needs to be an impact assessment undertaken based on scientific assessment grounds. This will ensure that investment in a product passport are as effective as possible in delivering the desired benefit. The purpose of the product passport is also central to defining what information needs to be included in the passport. The passport may have more than one purpose, which means that the information needs can differ.

The introduction of a product passport must take place at EU level.

In order for the passport to function effectively as a tool for information dissemination in value chains and for consumers, it must be implemented throughout the EU, as most product flows are international. For the product passport to become viable, the system also requires international acceptance, given the global nature of so many value chains. Any EU-level

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product passport must be designed in a way that promotes the competitiveness of European companies and facilitates trade.

A product passport needs to be based on harmonised regulations within the EU.

The basis for a product passport must be the current regulations and the information based on existing product legislation, such as REACH, RoHS and the applicable industry standards in Europe. For these regulations, standardised systems already exist for the communication of, for example, chemical information in the supply chains. Other information and criteria to be included in the product passport - those not based on regulations - need to rest on recognised scientific evidence.

Standardisation bodies and global standards should be used in the design.

In order for the information in the passport to be reliable, and to allow the correct comparison of products, it is important to use standardised data based on global standards. Standardised digital information is also important to enable mutual identification by different systems. A product passport based on global standards is also important for facilitating, rather than hindering, global trade. Global standards are needed for - among other things - how the data is to be produced and reported and how the passport should be read.

Business participation in the design of the product passport is crucial.

A broad dialogue and consultation with all stakeholders must be ensured when designing the product passport system. Business participation and input will be central during this process. It is the business sector that will enter the information in the system and keep it updated. There is considerable knowledge in the business community about the information in value chains, existing systems and what is required for a product passport to work in practice.

There must be clear responsibilities for accessing and sharing information for the product passport.

It is important that companies maintain control over their own basic data. Anyone placing a product on the market, as with other product legislations, must own the information and be responsible for its accuracy. Responsibilities and obligations need to be clearly defined, and it must be equally clear what penalties should apply to those who do not comply and fail to report. Confidentiality and competition issues must also be considered when designing data flows within supply chains.

The recipient of the information, and how the information is used, must define the design and content of the passport.

The user aspects must be defined early and evaluated in terms of customer benefit (i.e. including private consumers, companies and the public). Information needs may vary. In order not to make the system cumbersome, the information should be limited to what is relevant and necessary for the purpose, i.e. what is requested by the customer and how that information can be made available. If the product passport is intended as an information carrier in a product's value chain, it also defines how the information is designed to enable the efficient transfer of information. The type of information that a product passport could

possibly convey is the component of a product, the chemical inputs, how to use it properly, how to be able to repair it and finally how a product should be recycled. However, the information must be guided by the purpose.

The appropriate and reasonable level of detail of information needs to be determined.

A product's value chains may be long and complex. It is therefore important to find the right level of detail, so that the handling of the information will not be unduly complicated and administratively burdensome. The value of the information needs to be set against the sustainability benefits it can provide. The system should be simple and adapted to global value chains.

The information in a product passport needs to be adapted to the product type and synchronised with existing systems.

Different products follow different regulations; information in a product passport therefore needs to vary between products. At the same time, it is important that the product passport can be synchronised along the value chain, as information needs to be obtained from previous steps in that chain. Therefore, the information needs for each value chain have to be defined for different products. Currently, there are several information systems, both voluntary ones and those based on European legislation, for information in the value chain. It is important that the existing systems have continued relevance and that any product passport can be synchronised with them. How this can be achieved requires investigation. Double reporting must be avoided, and those companies that have already invested in systems for collecting and disseminating information should not be disadvantaged for having done so. Also the connection to other common databases as for example the SCIP (Substances of Concern In articles, as such or in complex objects (Products)) database, where the requirements are based on the Waste Framework Directive, needs to be clarified.

Effective supervision, monitoring and control is important.

Those organisations fulfilling their responsibilities and report what is required for the product passport and make information available should not be disadvantaged compared to those that do not. Otherwise, those products that do have a product passport may risk looking less environmentally friendly next to other products that do not, even although this may not be the case. There must also be supervision, monitoring and control for products being imported into the EU.

The work on designing a product passport is at its early stages, and we want to take this opportunity to raise some additional issues that should be considered during the work:

- How should the situation be handled where all the information may not be available in a long supply chain? For example, where subcontractors may be subject to a different jurisdiction.
- How should the situation be handled where product can be a mixture of raw materials from different producers? This can make the information complex and difficult to account for.
- How should the communication with customers on information on hazardous chemicals contained in a product be handled (the content in the product itself poses no risk to the environment or health)?
- May supplementary information be provided in product passports if requests exist?
- How can it be ensured that European manufacturers are not disadvantaged by demands for product passports compared to manufacturers from less-regulated regions?
- How should the trade-off between business considerations and transparency be handled?
- How is it possible to ensure that the design of a product passport system works in the same way in different sectors?

The discussion on the introduction and design of product passports is at an initial stage. Both in the EU's Green Deal and Circular Economy Action Plan, it is stated that a product passport will be developed. A digital product passport has been launched as a possible tool.

There is a potential for a product passport to help create better conditions for circular flows in society, from the public, business and consumer perspectives. Among other things, this could facilitate the flow of information and traceability in the value chain and promote material recycling at various stages of manufacturing, increase confidence in products and contribute to a greater harmonising between different information tools and labelling systems. However, the Confederation of Swedish Enterprise sees that some analyses are still required, partly to determine the level of benefit of a product passport and partly to determine how the product passport should be designed, in order to be able to advance the issue.

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