

CALL FOR EVIDENCE FOR AN IMPACT ASSESSMENT

This document aims to inform the public and stakeholders on the Commission's future legislative work so they can provide feedback on the Commission's understanding of the problem and possible solutions, and give us any relevant information that they may have, including on possible impacts of the different options.

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TITLE OF THE INITIATIVE	Digital product passport – rules for service providers
LEAD DG (RESPONSIBLE UNIT)	DG GROW - UNIT G.4 Data and Knowledge for Policy, Business and People
LIKELY TYPE OF INITIATIVE	Delegated act
INDICATIVE TIMETABLE	Q1-Q2 2026
ADDITIONAL INFORMATION	Ecodesign for Sustainable Products Regulation

A. Political context, problem definition and subsidiarity check

Political context

The digital product passport (DPP) is set out in the <u>Ecodesign for Sustainable Products Regulation</u> (ESPR). The ESPR sets out a framework to improve the environmental sustainability of products and to ensure free movement in the single market by setting ecodesign requirements that products must fulfil to be placed on the market or put into service.

The DPP will electronically register, process and share product information among supply-chain businesses, authorities and consumers, including on a product's sustainability and circularity. This information will improve the understanding and monitoring of supply chains and enable consumers to make well-informed choices based on sustainability criteria. DPPs will gradually be introduced for product groups placed on the EU market based on the applicable sectoral legislation.

From 18 February 2027, <u>DPPs will become mandatory for certain types of batteries</u>. To prepare for this first product group, the Commission is working on a delegated act setting out the requirements for DPP service providers. DPP service providers¹ will store and process DPP data on behalf of responsible economic operators that decide not to provide these services themselves. For responsible economic operators that decide to host the DPP themselves, the DPP service providers will store the DPP's mandatory backup copy. The Commission will carry out an impact assessment to assess potential options for the requirements, their possible effects, and the viability of putting in place a certification scheme to ensure compliance with the requirements.

Problem the initiative aims to tackle

Article 11 of the ESPR empowers the Commission to adopt several pieces of secondary legislation related to the DPP. This call for evidence concerns the planned impact assessment for the first delegated act in that series, namely the delegated act 'setting out the requirements that digital product passport

¹ According to Article 2(32) of the ESPR, this is a 'natural or legal person that is an independent third-party authorised by the economic operator which places the product on the market or puts it into service and that processes the digital product passport data for that product for the purpose of making such data available to economic operators and other relevant actors with a right to access those data under this Regulation or other Union law'.

service providers are to comply with in order to become such providers, and, where appropriate, a certification scheme to verify compliance with such requirements'2.

This delegated act will set out a framework for DPP services, a new niche digital industry market created by the ESPR. DPP service providers will be an important part of the DPP system, and it is essential for the new framework to create a fair and competitive market. In setting out this framework, the Commission aims to ensure support for responsible economic operators in complying with the ESPR requirements. The requirements for DPP service providers should not place a disproportionate burden on companies that would like to operate in this space and on other companies impacted by them.

Alongside this delegated act, the Commission has launched a <u>standardisation request</u> to prepare the technical environment for the DPP's implementation, facilitate interoperability between DPPs, and stimulate innovation by and competition between DPP service providers. The aim of the standardisation request is to streamline requirements for the DPP data that responsible economic operators entrust to DPP service providers and for managing the DPPs hosted by DPP service providers. These requirements cover the following areas:

- o data processing, data exchange protocols and data formats;
- o data storage, archiving and data persistence;
- data authentication, reliability and integrity;
- o application programming interfaces (APIs) for the DPP life-cycle management and searchability.

The delegated act will set out requirements for DPP service providers, complementing those set out by the ongoing standardisation process. The possible requirements have been preliminarily grouped in three areas:

- information security and (information) services of DPP data that responsible economic operators entrust to DPP service providers;
- the financial viability of the DPP service providers to guarantee long-term access to DPP information;
- assurance for businesses that DPP service providers comply with the requirements.

Harmonising the rules for DPP service providers is necessary because different rules in Member States would increase compliance costs for companies and may not provide the same level of reliability and security for the DPP system. In addition, varying practices by service providers may lead to confusion and a lack of information for responsible economic operators.

Basis for EU action (legal basis and subsidiarity check)

Legal basis

In line with Article 114 and Article 290 of the Treaty on the Functioning of the EU, the Commission is empowered to supplement the ESPR by clearly setting out the requirements for DPP service providers.

Practical need for EU action

The transition to a green, circular, sustainable economy requires setting binding rules at EU level. DPP

² Article 11 (third paragraph) of the ESPR

service providers will play a central role in implementing the ESPR. To ensure a level playing field and legal certainty for DPP service providers in the EU, coherent rules must be drawn up. This will guarantee the reliability and security of the DPP system for all responsible economic operators registering a DPP and legal certainty for anyone planning to offer DPP services in the EU.

The objective of the proposed initiative is to ensure clear and coherent rules for the activities of DPP service providers across Member States. This objective can be better achieved at EU level as national initiatives would inevitably fragment the single market. Any fragmentation of rules across the EU cannot be addressed at national level.

B. Objectives and policy options

The objective is to set up a reliable and secure DPP system for all its users and to ensure a level playing field for responsible economic operators that must create a DPP, register it and store the mandatory backup copy. They will have to use the services of DPP service providers to this end. Responsible economic operators will need to ensure that they comply with the ESPR's DPP requirements to be able to place their products on the EU market.

The impact assessment will evaluate what requirements DPP service providers need to abide by to provide a seamless service to responsible economic operators covered by the upcoming ESPR delegated acts for specific product groups. Possible specific requirements for providing DPP services will focus on information security and service and financial viability to guarantee long-term access to DPP information. The scope of these requirements is likely to cover DPP service providers' main activities: (i) creating the DPP; (ii) creating the data carrier; (iii) registering the DPP; (iv) hosting (storing) the DPP query service in relation to the DPP; (vi) enabling updates of DPP information; (vii) DPP reporting; and (viii) providing backup tools and services.

The impact assessment will investigate possible solutions for DPP service providers to demonstrate and ensure compliance with these requirements. These solutions could entail a self-declaration or (dedicated) enforcement efforts or an *ex ante* certification scheme for all or part of the requirements.

The possible solutions should not create a disproportionate burden, especially on SMEs. This will be relevant for small and medium-sized DPP service providers and small and medium-sized responsible economic operators using their services. Their needs and constraints will be carefully considered.

C. Likely impacts

The new framework will ensure that responsible economic operators will have access to the same base level of service across different DPP service providers and across different Member States. This will ensure that cost, innovation and complementary services will be the main area where DPP service providers will compete inside this new niche digital industry.

In terms of benefits, adhering to requirements will ensure legal certainty as well as the DPP system's reliability and security. However, it will also impose costs on responsible economic operators and DPP service providers. In addition, possible certification costs for DPP service providers might be triggered by a certification scheme if implemented. Some of these costs might be passed on to responsible economic operators, and further down the chain. All the short- and long-term costs and benefits of the initiative will be carefully analysed. Efforts will be made to avoid any unnecessary administrative burden or reporting requirements by carefully analysing the impact on businesses, in particular SMEs.

D. Better regulation instruments

Impact assessment

The Commission will conduct an impact assessment of the policy options that are expected to have a significant effect. This will provide a solid analytical basis for the Commission to prepare the future

legislative proposal. A study will be launched by the end of 2024 to support the preparation of the impact assessment.

Consultation strategy

This call for evidence is published for stakeholder feedback for 4 weeks.

A public consultation will be launched afterwards. It will be open for 12 weeks and will be available in all official EU languages. The aim of this consultation will be to get direct feedback and evidence from stakeholders, in particular:

- individual businesses and business associations from the sectors representing responsible economic operators, recyclers, repairers and potential DPP service providers;
- public authorities, including market surveillance and customs authorities;
- consumer representatives;
- NGOs, including environmental organisations;
- standardisation bodies;
- certification bodies;
- academia.

In addition, targeted consultations will be carried out with:

- individual businesses and business associations from the sectors representing responsible economic operators, recyclers, repairers and potential DPP service providers;
- public authorities, including market surveillance and customs authorities;
- certification bodies.

The results will feed into preparing the delegated act that sets out the requirements for DPP service providers.

Why we are consulting?

The Commission is gathering stakeholders' views to give them an opportunity to comment on the planned options to solve the identified problems and provide input on any further issues to consider when developing this legislative initiative.

Target audience

The stakeholders for this call for evidence:

- individual businesses and business associations from the sectors representing responsible economic operators, recyclers, repairers and potential DPP service providers;
- public authorities, including market surveillance and customs authorities;
- consumer representatives;
- NGOs, including environmental organisations;
- standardisation bodies;
- certification bodies;
- academia.