# Regulatory data requirements & certification data

Workshop

Data Excellence Day, Cologne
6th of September 2023

# Anti trust

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# Agenda

- Regulatory data requirements - Data's role in a sustainable future
  - Francesca Poggiali – GS1 Global Office

- How to establish a network of trusted certification data
  - Tom Quets – GS1 Netherlands
  - Birgit Mahler – GS1 Global Office

- Impact-Driven Approach to Sustainability
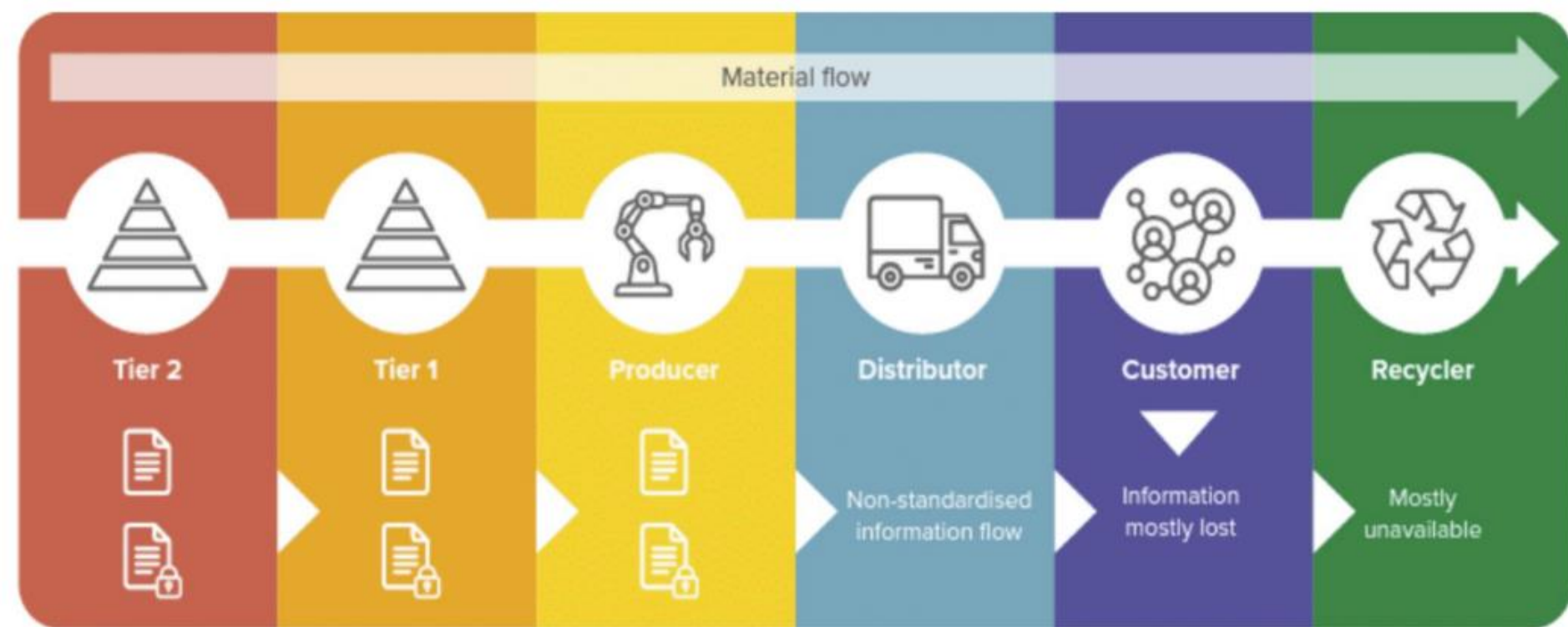  - Finn Lievenbruek – **GLOBAL**G.A.P.

# Regulatory data requirements

Data's role in a sustainable future

# Agenda - Regulatory trends overview

- Welcome & overview – regulatory trends
- Discussion topics brief introduction
  - Eco design for Sustainable Products Regulation (ESPR) and ErP Directive
  - Batteries Regulation
  - Packaging and Packaging Waste Regulation (PPWR)
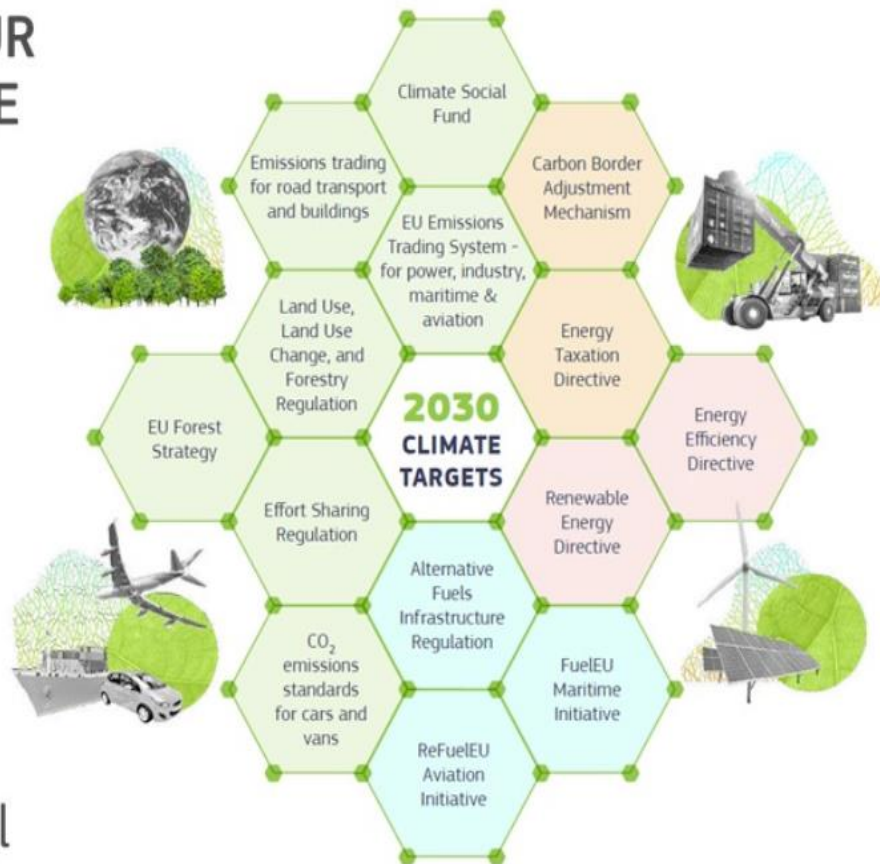  - Green Claims
- Conclusions

# Current supply chains largely loose the information needed to enable a circular economy…but a revolution is underway



Material flow

| Tier 2 | Tier 1 | Producer | Distributor | Customer | Recycler |
|---|---|---|---|---|---|
| | | | Non-standardised information flow | Information mostly lost | Mostly unavailable |

# EUROPEAN GREEN DEAL

## REACHING OUR 2030 CLIMATE TARGETS

Climate Social Fund

Emissions trading for road transport and buildings

Carbon Border Adjustment Mechanism

EU Emissions Trading System – for power, industry, maritime & aviation

Land Use, Land Use Change, and Forestry Regulation

Energy Taxation Directive

EU Forest Strategy

**2030 CLIMATE TARGETS**

Energy Efficiency Directive

Effort Sharing Regulation

Renewable Energy Directive

Alternative Fuels Infrastructure Regulation

CO₂ emissions standards for cars and vans

FuelEU Maritime Initiative

ReFuelEU Aviation Initiative

#EUGreenDeal

European Commission

in Europe

# DPP bigger picture: formal adoption timeline



Timeline headers: ... | 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | 2025 | ...

**EU Strategy for Sustainable and Circular Textiles**

**EC's adopted proposal expected**

**Animal welfare**

**Reg. 1169/2011 revision Food information to consumers FIC regulation**
- Front of pack nutritional labelling
- Digital information to consumers
- Nutrient profiles
- Date marking
- Origin labelling

**Batteries Regulation**

**Deforestation**
- Cattle
- Cocoa
- Coffee
- Oil palm
- Soya
- Wood

**EU Farm2Fork strategy 2020**

**Ecodesign for Sustainable Products Regulation (ESPR)**
- Performance requirements
- Information requirements
- Digital Product Passport
- Tracking on substances of concern
- Stop destruction of unsold goods
- Mandatory criteria for public procurement
- Labelling requirements
- Promoting circular business models
- Guidance
- Circular Business Hub

**Shipments of waste (WSR)**

**Construction Products Regulation (CPR)**

**Empowering consumers for the green transition**

**Corporate Sustainability Due Diligence**

**PPWR**

**Chemical legislation (REACH)**

**Detergents and surfactants**

**Repair of goods**

**Critical raw materials**

**Green Claims Directive**

**Framework for Sustainable food systems (FSFS)**

**Toys safety**

*Unless differently specified, date forecast refers to entry into force

# The EU on circular economy

## 1st package

- **ESPR**
- **EU Strategy for Sustainable and Circular Textiles**
- proposed Consumer law directive on **empowering consumers** in the green transition

## 2nd package

- **PPWR**
- communication on biodegradable, biobased and compostable plastics
- proposed EU Certification for Carbon Removals Regulation

## 3rd

- **Green claims** directive proposal – March 2023
- proposal on common rules promoting the **repair of goods**

# DPP design

## DPP-system

*(to be developed before DPP deployment)*

## Digital Product Passport

## DPP-data

*(to be identified when developing product-group specific secondary legislation)*

- All standards and protocols related to the IT architecture, like standards on:

  - ➢ Data carriers and unique identifiers

  - ➢ Access rights management

  - ➢ Interoperability (technical, semantic, organisation), including data exchange protocols and formats

  - ➢ Data storage

  - ➢ Data processing (introduction, modification, update)

  - ➢ Data authentication, reliability, and integrity

  - Data security and privacy

  - The DPP registry

**Possible Track & Trace identifiers**

- Economic operator's name, registered trade name
- Global Trade Identification Number or equivalent
- TARIC code
- Global location number
- Authorised representative
- Reference of the back-up data repository
- …
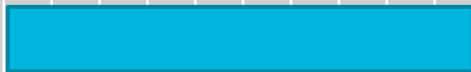
**Example of potential attributes**

- Description of the material, component, or product
- Recycled content
- Substances of concern
- Environmental footprint profile
- Classes of performance
- Technical parameters
- …

GS1 in Europe

# PP plan bigger picture:

| Preliminary selected by JRC: End-use products | Preliminary selected by JRC: Intermediate products | Sectors covered by other EU similar-in-scope legislation |
|---|---|---|
| Textiles and Footwear<br>Furniture<br>Ceramic Products<br>Tyres<br>Detergents<br>Cosmetics<br>Toys | Iron & Steel<br>Non-Ferrous Metal Products<br>Aluminium<br>Chemicals<br>Plastics<br>Pulp & Paper<br>Glass | Energy-related Products (ErP)<br>Packaging (PPWR)<br>Construction Products (CPR) |
| | | **Excluded** |
| | | Motor vehicles (TBC: only in Council document)<br>Food<br>Feed<br>Medicinal products |

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# GS1 MSWG Circularity/DPP timeline

| Phase | 2023 | | | | | | | | 2024 | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Kick-off call | 🚀 | | | | | | | | | | |
| AIDC Standards - Cross Sector: Design Application Standard | | | | | | | | | | | |
| Application Standard Solution: Community Review / Resolution / eBallot | | | | | | | | | | | |
| Standard Ratification / Publication | | | | | | | | 12 | | | |
| AIDC Standards – First Sector: Supporting Delegated Act<br><br>* Contingent on publication of Delegated Act | | | | | | | | | | | |

# Ecodesign framework Directive 2009/125/EC

It sets a framework requiring manufacturers of energy-related products to improve the environmental performance of their products. Working plan 2020-2024: "Energy related product" means any good that has an impact on energy consumption during use. In the future, once ESPR has been adopted, work on ErPs will be integrated in broader ESPR Working Plans and remain a prominent focus.
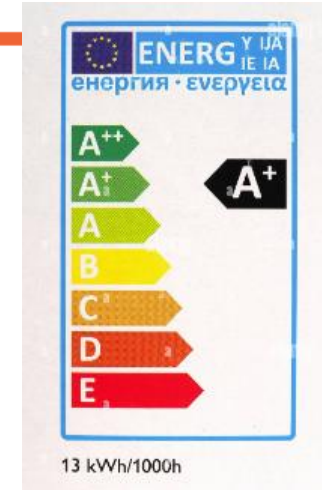
**Working Plans**: Vacuum cleaners – External power supplies – Simple set top boxes – Refrigerating appliances – Circulators – Electric motors – Variable speed drives – Televisions – Dishwashers – Washing machines – Lamps – Air conditioners – Power transformers – Electrical lamps – Professional refrigeration – Fans – Water heaters – Space heaters – Ventilation units – Networked standby – Computers and computer servers – Non-household washing machines, dryers and dishwashers – Local space heaters – Solid fuel boilers – Welding equipment – Refrigerated commercial display cabinets – Air heating, cooling and high temperature process chillers – Tumble dryers – etc.

# Battery Regulation – key aspects:

1. **Broad Applicability:** applies irrespective of whether the batteries were manufactured within the Union or imported from elsewhere.

2. **Introduction of the Digital Product Passport:** incorporation, for the first time, of the Digital Product Passport into European law. The DPP concept enhances transparency and traceability in the battery industry by digitally documenting critical product information throughout its lifecycle.

# Battery Regulation – key aspects:

From 18th February 2027, all batteries shall be marked with a QR code. This QR code will serve as a gateway to essential information depending on the battery type:

❑ Light Means Transport batteries, industrial batteries with a capacity greater than 2kWh, and electric vehicle batteries will provide access to the **battery passport**.

❑ For other battery types, it will offer access to the declaration of conformity

❑ For Starting Lighting Ignition batteries, the QR code will disclose the amount of cobalt, lead, lithium, or nickel recovered from waste and present in active materials in the battery, calculated in accordance with Article 8.

# Battery Regulation - relevance within the GS1 context

In the context of GS1, certain aspects of the EU battery regulation are particularly noteworthy:

- **Recital 48**: This recital underscores the importance of harmonized standards that complement the implementation of the regulation. It emphasizes the need to consider existing international standards, particularly at the International Electrotechnical Commission (IEC) and International Organization for Standardization (ISO) levels.

and unique identifier shall comply with ISO/IEC standards. It explicitly references ISO/IEC standards

- 15459-1:2014
- 15459-2:2015
- 15459-3:2014
- 15459-4:2014
- 15459-5:2014
- 15459-6:2014 or their equivalents.

- **Article 77**: Article 77 specifies that the QR code

# The EU sustainable battery requirements



Natural Resources → Mining and Processing

**Responsible sourcing** Art. 49

**Targets for recycling efficiency and recovery materials** Art. 71

Restrictions on substances Art. 6
**Carbon footprint Art. 7**
**Recycled content Art. 8**
Removability & replaceability Art. 11

**Collection targets for waste batteries** Art. 59, 60 & 61

Recycling

Classification/definitions Art. 3
Extended Producer Responsibility Art. 56
Information and labelling Art. 13 & 14
**Digital battery passport** Art. 77 & 78

Disposal

End of Life

**Battery Manufacturing**

**Legal provisions on second life for industrial, LMT batteries and EV batteries** Art. 73

**Battery Refurbishment**

Second Life

Primary Use EV

**SBESS Safety** Art. 12

**Performance and durability requirements** Art.9 & 10

Bundesministerium für Wirtschaft und Energie

# Critical raw materials act

## SETTING PRIORITIES

**List of Critical Raw Materials**

It identifies raw materials which are important for the whole European economy and face a high risk of supply disruption

**List of Strategic Raw Materials**

It identifies a list of raw materials characterised by high strategic importance and projected global supply/demand imbalances

## SETTING 2030 BENCHMARKS FOR STRATEGIC RAW MATERIALS

**EU EXTRACTION**

At least **10%** of the EU's annual consumption for extraction

**EU PROCESSING**

At least **40%** of the EU's annual consumption for processing

**EU RECYCLING**

At least **15%** of the EU's annual consumption for recycling

**EXTERNAL SOURCES**

Not more than **65%** of the EU's annual consumption of **each strategic raw material at any relevant stage of processing** from a single third country
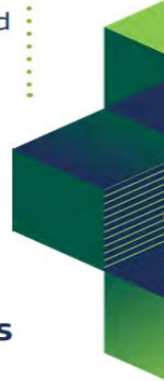
List of 34 CRMs was published in the Annex II of the Regulation proposal COM(2023) based on the Study on the Critical Raw Materials for the EU 2023 – Final Report

| Aluminium/Bauxite | Coking Coal | Lithium | Phosphorus |
|---|---|---|---|
| Antimony | **Feldspar** | Light rare earth elements | Scandium |
| **Arsenic** | Fluorspar | Magnesium | Silicon metal |
| Baryte | Gallium | **Manganese** | Strontium |
| Beryllium | Germanium | Natural Graphite | Tantalum |
| Bismuth | Hafnium | Niobium | Titanium metal |
| Boron/Borate | **Helium** | Platinum group metals | Tungsten |
| Cobalt | Heavy rare earth elements | Phosphate Rock | Vanadium |
|  |  | **Copper** | **Nickel** |

# Critical raw materials act

| Provision of unique product identifiers | Collection of data attributes | Registry for permanent magnets | Overall reflection |
|---|---|---|---|
| • All products containing critical raw materials, including permanent magnets, will carry a unique product identifier.<br><br>• This will enable better tracking of the use of these materials and help prevent illegal trade or counterfeiting. | • It requires the collection of data attributes for critical raw materials. This will enable better monitoring of supply chains, identification of vulnerabilities, and facilitate risk mitigation efforts. | • It includes measures specific to permanent magnets, such as the establishment of a registry to track their use and recycling. This will ensure that these materials are reused and recycled as much as possible, reducing the EU's reliance on imports and the associated risks. | • It improves the EU's access to a sustainable supply of critical raw materials and reduce the risks associated with import dependencies. The unique product identifiers and data collection, will help achieve this goal by enabling better tracking and monitoring of these materials. |

**GOAL**
to eliminate misleading environmental messaging across EU markets and address greenwashing concerns

**WHY**
53.3% of examined environmental claims in the EU are vague, misleading or unfounded,
40% are unsubstantiated

**HOW**
setting out the EU's first set of detailed rules for how companies should market their environmental impacts and performance.

**Excluded**
- EU Ecolabel
- Organic food logo
- Claims covered by upcoming EU rules

GREEN CLAIMS

## Untrustworthy sustainability labels

Half of all green labels used in the EU **lack verification** (...unlike the EU Ecolabel!)

Currently some **230 sustainability labels** are in use in the EU, with vastly different levels of transparency

**230**

▶ This results in:
- **consumer confusion** and **lack of trust**
- **uneven** playing field for companies
- **costs** to businesses operating across borders

## EU Ecolabel – the label you can trust

The EU has been supporting sustainable choices for decades, including through the **EU Ecolabel**

EU **Ecolabel**
www.ecolabel.eu

- A **trustworthy** sustainability label with guaranteed low environmental impact
- Official **EU voluntary label** for environmental excellence since 1992
- Guarantees a reduced environmental impact throughout the product's entire life-cycle
- Awarded to products with high performance
- Strict criteria established on solid scientific basis, through a transparent multi-stakeholder consultation process
- Criteria revised on a regular basis to remain up-to-date
- Independent third-party verification

# NO MORE POSSIBLE

ENVIRONMENTALLY FRIENDLY

GREEN

BIOBASED

ECOLOGICAL

ECO-FRIENDLY

ECO

RESPONSIBLE

ENERGY EFFICIENT

CARBON NEUTRAL

BIODEGRADABLE

CARBON FRIENDLY

CONSCIOUS

RESPONSIBLE

CARBON POSITIVE

NATURE'S FRIEND

GENTLE ON THE ENVIRONMENT

CLIMATE NEUTRAL

ENVIRONMENTALLY CORRECT

CLIMATE FRIENDLY

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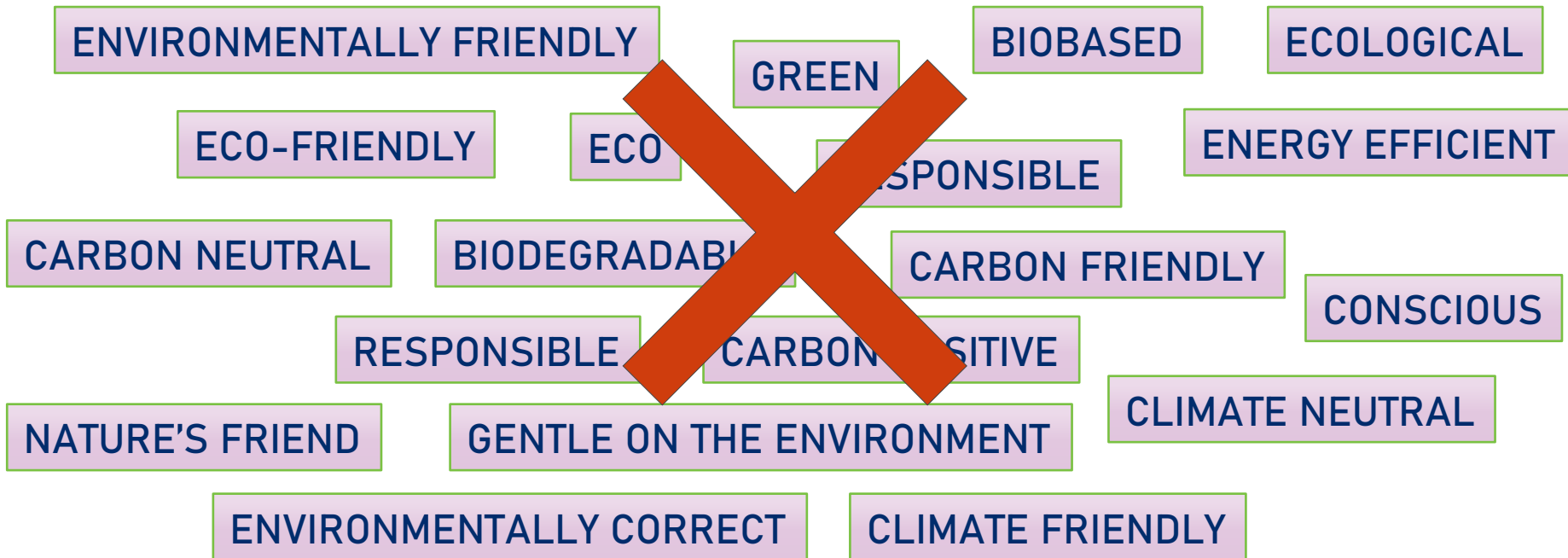
# EX ANTE substantiation

## Article 3

- The requirements for the substantiation of explicit environmental claims are:

1. Traders' obligations: conduct an assessment to substantiate those claims.

2. The assessment should include scientific evidence on
   a. demonstrated significant environmental impacts
   b. compared performance to legal requirements
   c. confirmed primary and secondary information.

## Article 4

- Comparative environmental claims must meet *additional* requirements.

1. The information, data, coverage of value chain stages, and environmental impacts must be equivalent for the products or traders being compared.

2. Assumptions used for the comparison should be set in an equivalent manner.

3. If a claim relates to an improvement compared to another product from the same trader or a non-active/competing trader, the substantiation must explain the impact on other environmental aspects and state the baseline year.

# EX ANTE communication

## Article 5

- Traders must communicate explicit environmental claims in accordance with the requirements:

1. Claims should only cover substantiated environmental impacts or performance deemed significant for the product or trader.

2. If the claim relates to a final product and the use phase is crucial, instructions for achieving expected environmental performance must be provided.

3. Information accompanying the claim should include environmental aspects, standards, underlying studies, improvement explanations, certification, offset details, and a consumer-friendly summary.

## Article 6

- Requirements for the communication of (comparative) explicit environmental claims are laid out here.

1. Comparative environmental claims cannot imply improvement in the environmental impacts, aspects, or performance of a product compared to another product from the same trader, a non-active competing trader, or a trader no longer selling to consumers.

2. Exceptions are allowed if there is evidence proving a significant improvement achieved in the last five years.

# Verifiers' role

| Conformity certificate | Review |
|---|---|

**Conformity certificate**

- The verifier shall draw up, where appropriate, a **certificate of conformity** certifying that the explicit environmental claim or the environmental label
  - complies with the requirements;
  - is recognised across the EU;
  - Is shared between Member States via the Internal Market Information System.

This certificate will allow companies to use the claim in a commercial communication to consumers across the internal market. The Commission will be empowered to adopt an implementing act specifying the format of certificate of conformity of claims.

**Review**

- The information must be revised and updated by traders when there are circumstances that may affect the accuracy of a claim, no later than 5 years from the date when the information is provided.
- They are subject to verification in accordance with article 10.

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# Labelling schemes

- Specific requirements include <u>transparency, accessibility of information, proportionate conditions for participation, scientific robustness, complaint mechanisms, and procedures for dealing with non-compliance</u>.

- No new national or regional environmental labelling schemes can be established after the transposition date of the Directive, except for existing schemes that meet the Directive's requirements.

- **New environmental labelling schemes from third countries must obtain approval from the Commission to enter the Union market and provide added value compared to existing Union, national, or regional schemes**.

- Environmental labelling schemes established by private operators **must provide added value and support to the green transition of SMEs to receive approval**.

- Operators of new environmental labelling schemes must submit supporting documents, including the scheme's rationale, proposed scope, evidence of added value, draft criteria and methodology, and ownership details.

- The Commission will maintain and updates a list of officially recognized environmental labels allowed on the Union market.

# Article 11 – specifications for the verifier

The verifier shall be a <mark>THIRD-PARTY CONFORMITY ASSESSMENT BODY</mark> and shall comply with the following:

A. Independence from product/trader

B. Verifier and personnel must not engage in activity impeding their independence and integrity

C. Maintain professional integrity and requisite technical competence, whilst being free from all pressures and inducements

D. Meet the requirements of expertise, equipment and infrastructure

E. Personnel must be numerically sufficient and qualified

F. Confidentiality of information

G. Full responsibility for subcontractors or subsidiaries

# Micro-companies

1. **Microenterprises are exempt from these requirements unless they request verification.**

2. The Commission may adopt additional rules through delegated acts to supplement the requirements for substantiating and communicating environmental claims.

3. The Commission will consider sector-specific approaches, contribution to climate objectives, relevant legislation, and accessibility of information for SMEs when specifying further requirements (this applies to labelling too)

# Relevant links:

- ESPR with Annexes per [link](link)
- Ecodesign Directive 2009/125/EC per [link](link)
- JRC Preliminary study on new product priorities for ESPR per [link](link)
- Batteries per [link](link)
- Packaging and packaging waste per [link](link)
- Construction products per [link](link)
- Critical Raw Materials per [link](link)
- Detergents and surfactants per [link](link)
- Toys safety per [link](link)

- 

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- 

| **Next meetings 2023** |
|:---:|
| 13 and 27 Sep |
| 11 and 25 Oct |
| 8 and 22 Nov |
| 13 Dec |



* Meetings continue into '24

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# Questions?



## Thank you!

- If you have any questions and/or wish to discuss further, please reach out to:

**Francesca.poggiali@gs1.org**

**Francesca.chiovenda@gs1.org**

# How to establish a network of trusted certification data (Workshop)

## Data Excellence Day

Birgit Mahler, Tom Quets

Cologne, 7th September 2023

# Meet the workshop moderators



**Tom Quets**
Sector Lead Agriculture, GS1 Netherlands
Agriculture project lead, GS1 in Europe



**Birgit Mahler**
Director Product Management,
GS1 Global Office

# THE FUTURE OF (CERTIFICATION) DATA EXCHANGE

- **WHO**'s WHO?

- **WHY** THIS TOPIC? WHAT ARE WE TRYING TO ACHIEVE?

- **WORKSHOP DISCUSSION**
    - HOW CAN WE MAKE IT WORK?
    - WHAT ARE THE MAJOR CHALLENGES AHEAD?

# Who's Who?
## THE FUTURE OF (CERTIFICATION) DATA EXCHANGE
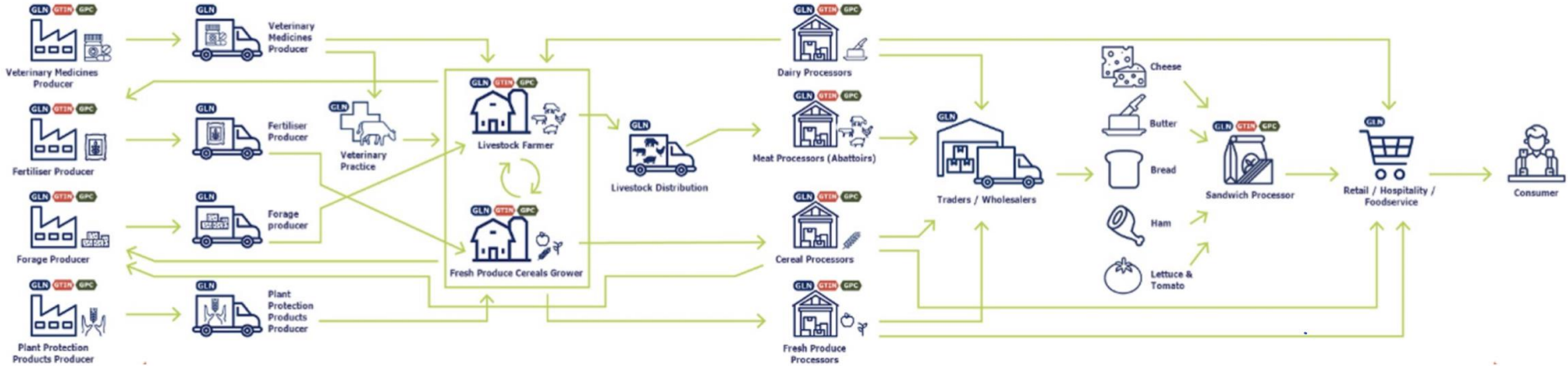


- Who are you?
- Where are you in the supply chain?
- What do you have to do with certifications?

# How many certificates must your company handle?
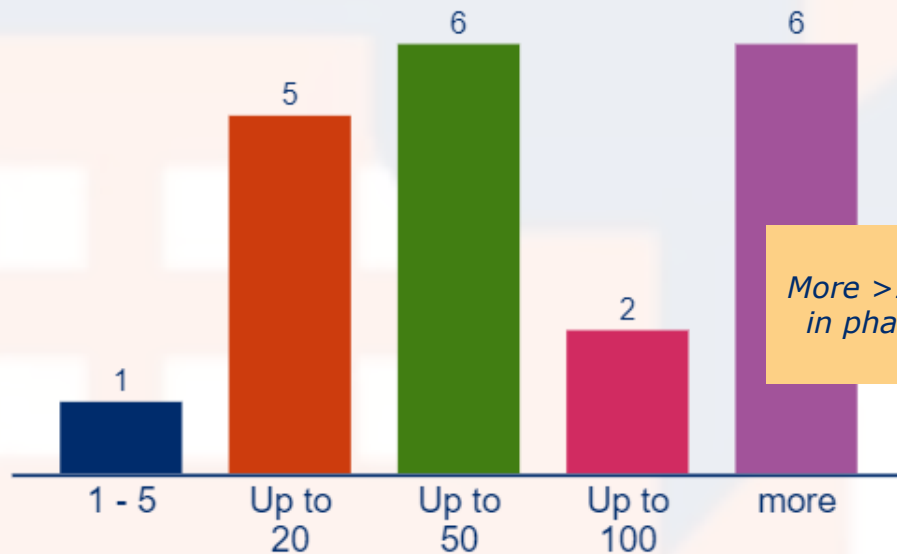


More >100 certificates e.g., in pharmaceutical sector.

# Why this topic? What are we trying to achieve?
## THE FUTURE OF (CERTIFICATION) DATA EXCHANGE

**BR** ~2022
National solid waste law

**CN** ~2022
New rules on import and export food safety

**US** ~2023
SEC Climate-Related Disclosures

**US** ~2023-2026
FSMA Section 204 (FDA's Food Trace-ability Rule)

**CA** ~2024
Fight against forced Labor and Child Labor in supply chains

**EU** ~2024-2026
Regulation of deforestation-free products

**EU** ~2025-2030
Digital product passport, DPP (part of ESPR)

Retailers and marketplaces require **certification** details from suppliers to **ensure evidence** to support quality and social claims, **stay compliant** and respond to **consumer demand**. Receiving such information is often challenging in terms of **data access** from multiple sources and a **complex administration**.

Time is now for the GS1 community to collaborate for establishing a network of trusted certification data for ensuring product compliance and to build consumer trust.
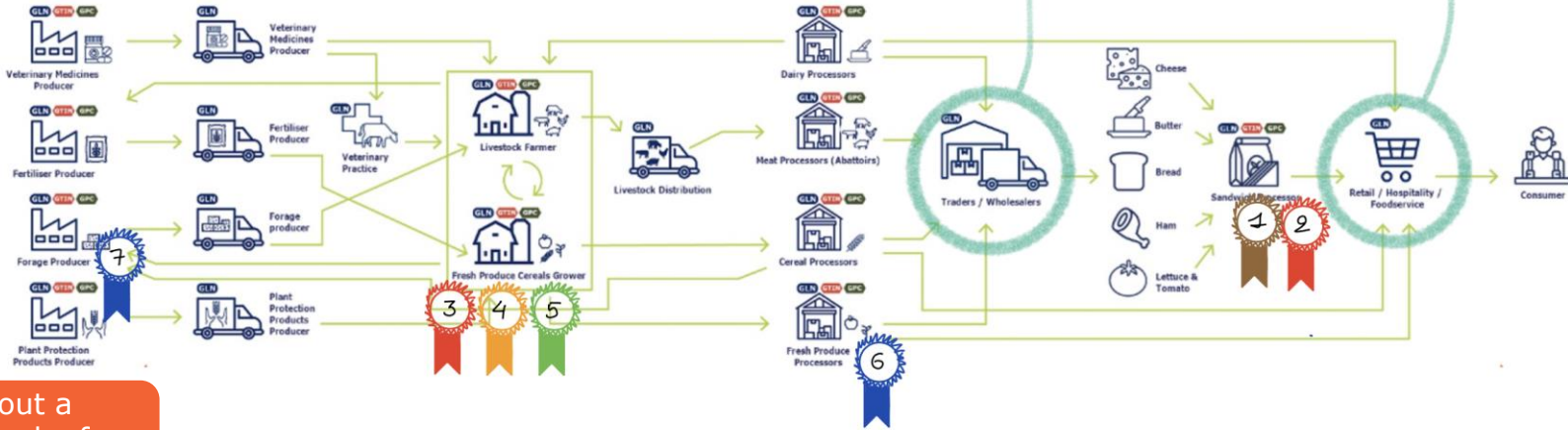
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# How can we make IT work?
## THE FUTURE OF (CERTIFICATION) DATA EXCHANGE



Our view about a possible network of trusted data sourcs
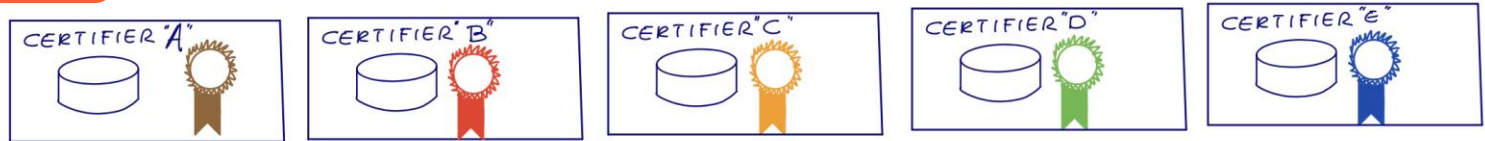
# How can we make IT work?
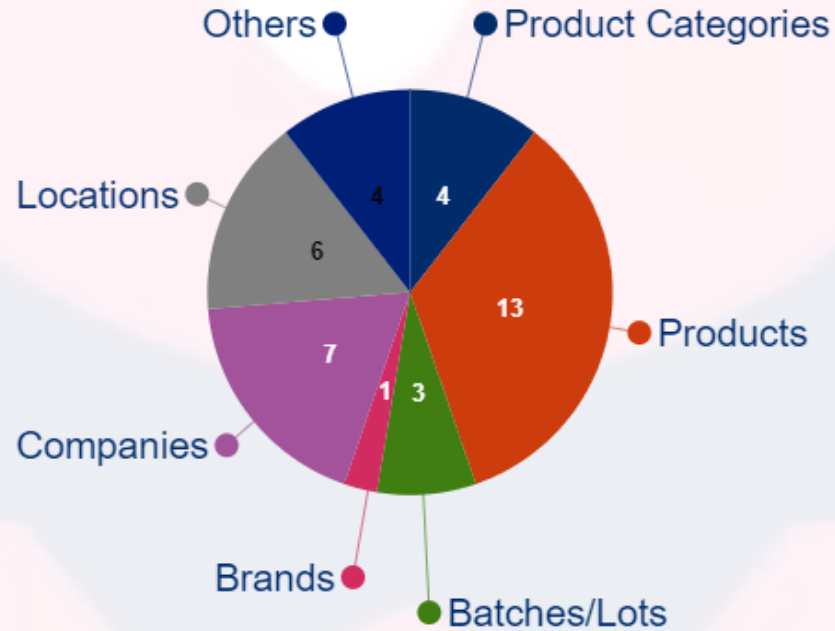## THE FUTURE OF (CERTIFICATION) DATA EXCHANGE
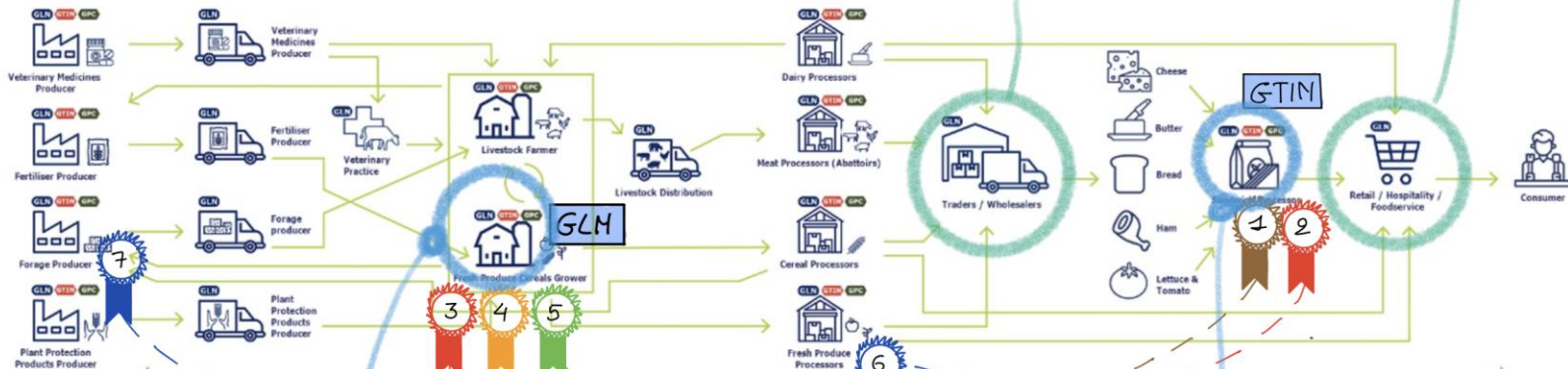


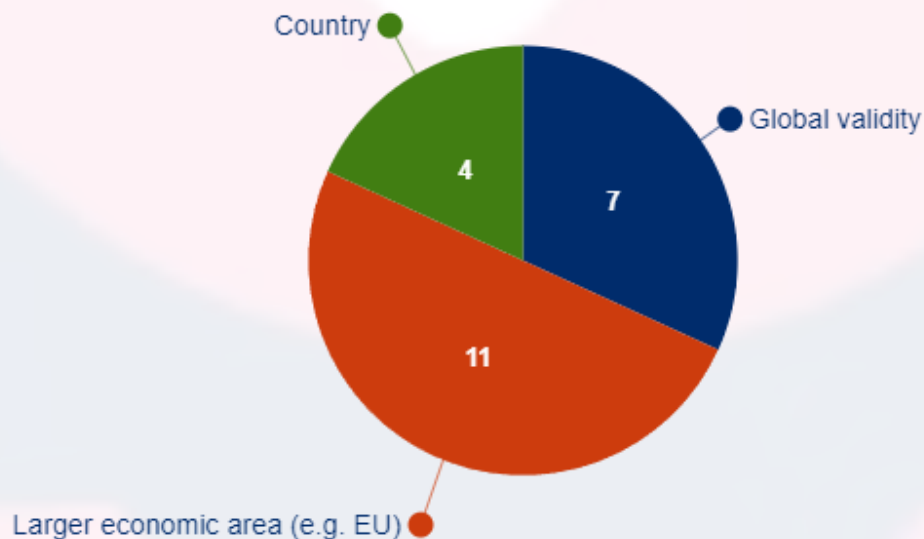Our view about a possible network of trusted data sourcs
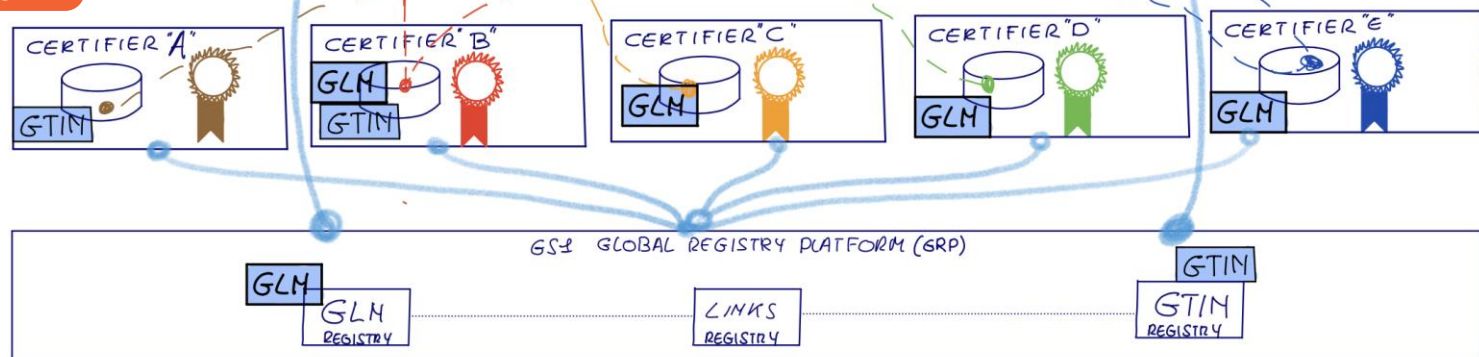
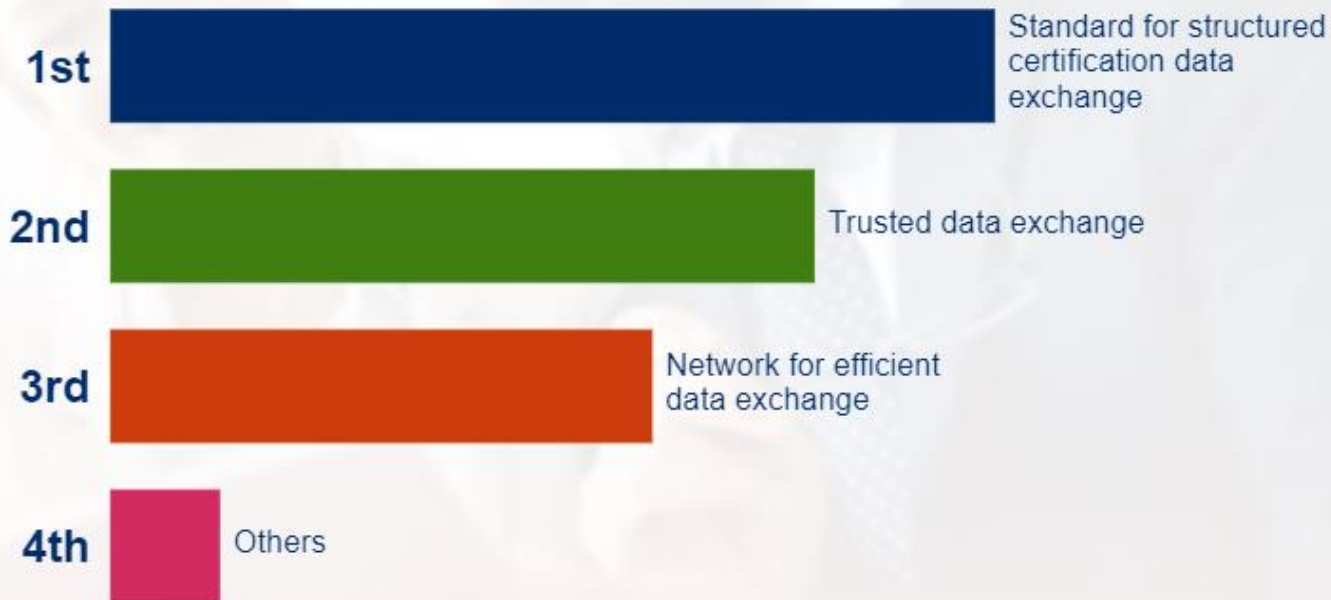# Let's hear from you about the challenges ahead?

# What are the certificates you use today usually associated to?

# What regional reach do your most-used certificates have?
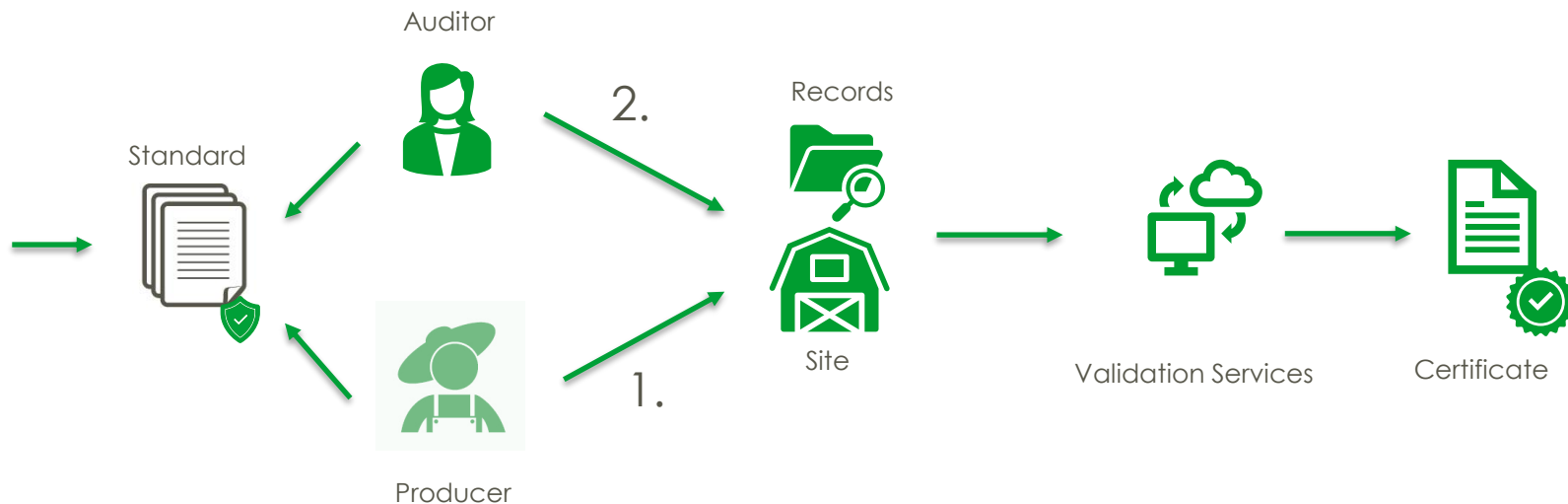
# Which area should GS1 focus on first?



| | |
|---|---|
| 1st | Standard for structured certification data exchange |
| 2nd | Trusted data exchange |
| 3rd | Network for efficient data exchange |
| 4th | Others |

# THANK YOU !

GLOBALG.A.P.

Impact-Driven Approach to Sustainability (IDA)

# From standard to certificate



Auditor

2.

Records

Standard

GLOBALG.A.P.
c/o FOODPlus

Site

Validation Services

Certificate

1.

Producer

# HOW IDA WORKS

Grower registers input indicators in farm management system (FMS).

FMS shares data with GLOBALG.A.P.

GLOBALG.A.P. stores and processes data.

GLOBALG.A.P. returns processed data to FMS:
historical individual trends in input consumption, and
comparison reports.

FMS displays reports for individual growers.

GLOBALG.A.P. shares selected info with CBs

- Contextualize and analyze data
- Understand producer realities better
- Improve standard and find solutions to reduce assurance efforts

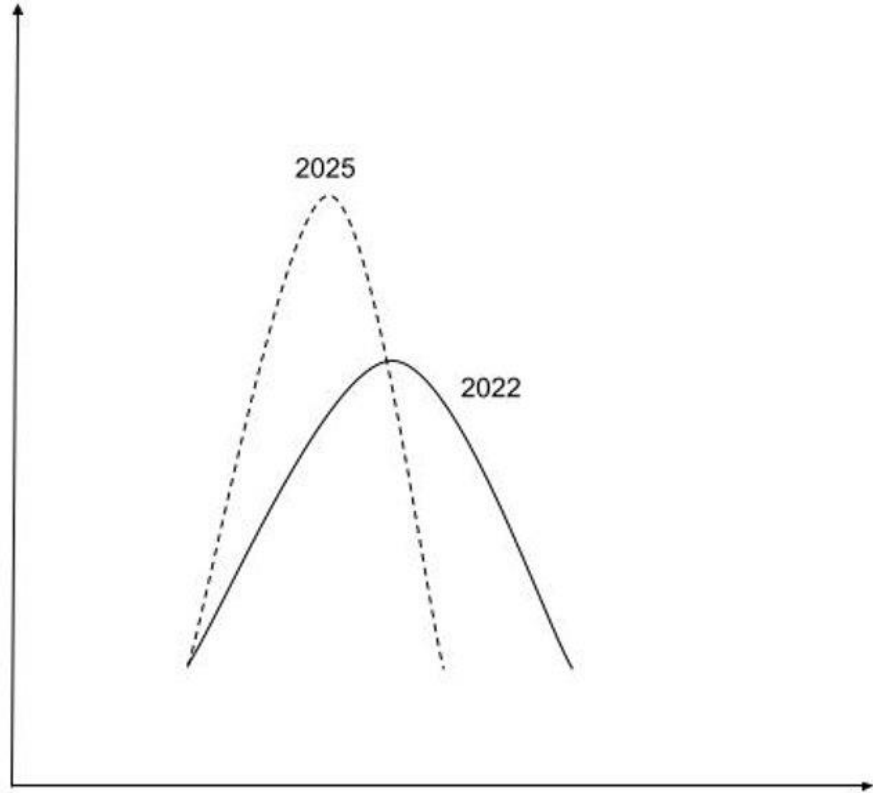- Improvement of processes
- Identification of regional trends and development of fitting solutions

# Farm Management Systems

2025

2022

The group of producers, **as a whole, is** reducing inputs used.

Limit is reached when process is optimized, leaders have found the optimal level, its more about optimizing consumptions of those using the most amount.

Further steps can be made through a technological breakthrough or a different type of change.