



The Digital Product Passport

On 30 March 2022, the European Commission presented, within the framework of the European Green Deal, a proposal for a regulation establishing the framework for the development of eco-design requirements for sustainable products.

The main objectives are: (i) to reduce the negative environmental impact of products during their life cycle and (ii) to improve the functioning of the internal market. Indeed, this proposal for a regulation contributes to pursue the objectives of the industrial policy of the European Union, in order to stimulate the supply and demand of sustainable goods, to achieve sustainable production and to guarantee a level playing field for products sold on the internal market.

in this regard, particular attention was paid to products whose circulation is essential for ensuring the functioning of the internal market. In particular, initiatives for specific sectors have been prepared focused on textile and construction products, those products that have the strongest impact on the environment and on the climate. In addition, it was also an initiative aimed to empower consumers in the green transition improving protection against unfair practices and information.

The purpose of the Digital Product Passport

Among the information obligations, envisaged in the proposed regulation, there is the obligation to make available, indicatively starting from 2024, a **Digital Product Passport** (hereinafter "**DPP**"). The DPP is an important tool to make information available to individuals across the entire value chain. This new tool **should significantly improve traceability** from one point of a product's value chain to another.

The DPP should also help consumers make **informed choices** by improving access to product information, allow other economic operators in the value chain, such as repairers or recyclers, to access useful information and allow competent national authorities to perform their functions.

The impact on the textile sector

Through the DPP, the consumer will be able to verify all the traceability data associated with the product. However, for now, it is not yet clear how this tool will work.

The DPP, providing digital copies and standardized product information, through authentication and evaluation of products, is expected to increase the second-hand product resale system, which will enjoy greater trust.

This will have a significant impact on the fashion industry, focused on the so-called "online shopping", as it will allow consumers to be aware of the purchases not only in terms of authenticity, but also in relation to the production chain.

Given the purpose pursued through the DPP, its functioning could be linked to the use of **blockchain** technology, i.e. a system which, through decentralized archiving, has the advantage of offering security, preventing the alteration of data by the individual user, as well as other tools, such as: digital watermark or a response code and QR codes, which would allow companies **to fight counterfeiting and retain consumers through transparency and awareness policies.**

The **Aura Blockchain Consortium**, launched in April 2021 by LVMH, Cartier and Prada, is a very relevant example of the use of blockchain that the DPP could refer to. It is a blockchain open to all luxury brands around the world, to provide customers with additional transparency, traceability, and authenticity of products.

Through this technology, it is hoped to prevent the spread of counterfeit goods, as anyone can quickly and easily verify whether a product is an authentic luxury item. Likewise, the interest of consumers in reducing the environmental impact of individual products is protected since, via blockchain, complete information on the related life cycle is easily available: the materials, the origin of the products, their sustainability and the conditions in which they were produced.

The introduction of the DPP at European level will represent an important change for the management of information relating to products for the textile and fashion sector, since it will allow to build consumer loyalty through the implementation of transparency policies and limit the circulation of counterfeit products.

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