HOCHSCHULE DARMSTADT UNIVERSITY OF APPLIED SCIENCES

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SYSTEM INNOVATION FOR SUSTAINABLE DEVELOPMENT

# IT Tools and Governance for Traceability (of Chemicals)

Meeting #4 | Subproject 2 | Julian Schenten, Eleni Kaluziak | 14.09.2022



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# **Organisational matters**

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## Agenda and Goal of the Meeting

- (1) Vision for 2035: A system for traceability of (leather) chemicals
- (2) Input: Relevant legislative developments (linked to EU Green Deal)
- (3) Report on project activities / were we stand (governance framework)
- (4) Outlook

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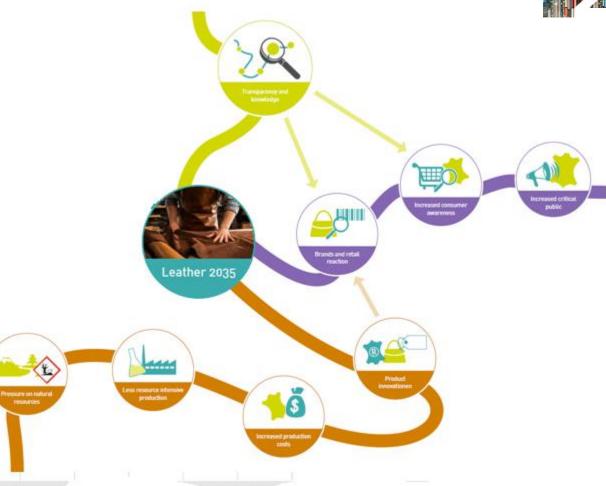
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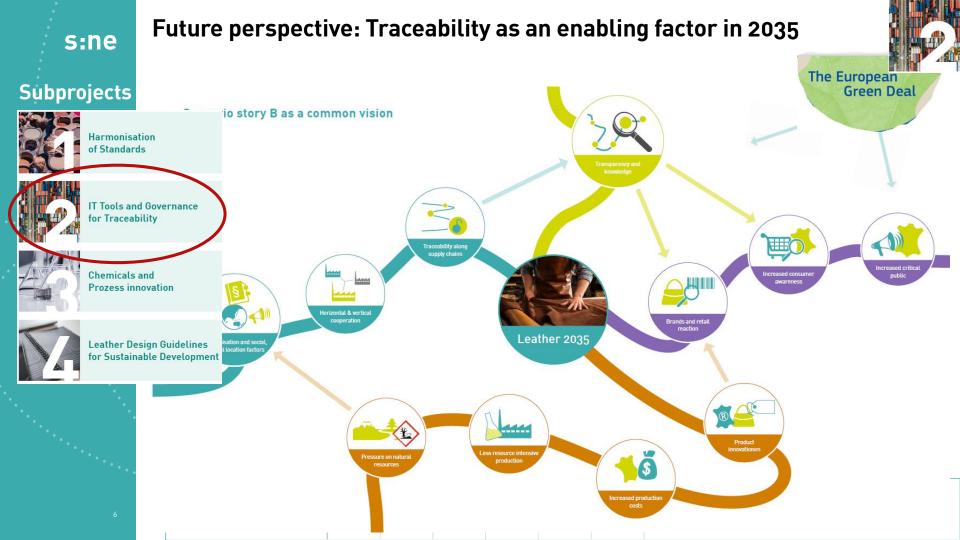
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## Future perspective: Traceability as an enabling factor in 2035







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# Subproject focus

to build a framework for the reporting of chemicals along the leather supply chains



- Traceability of chemical substances along the supply chains Know what substances are in your products (and processes)
- Data basis provided by suppliers
- Facilitated by IT tools and governance framework





# Specific Objectives of Subproject 2

Among others:



Have an *EARLY PILOT TEST* of such a system using an available system (also involve a tannery).

Initiate, i.e. create a momentum, for an international sector wide dialogue to define common rules for the application of such a system. Taking into account interlinkages with other initiatives and interoperability with existing approaches. (GOVERNANCE FRAMEWORK)

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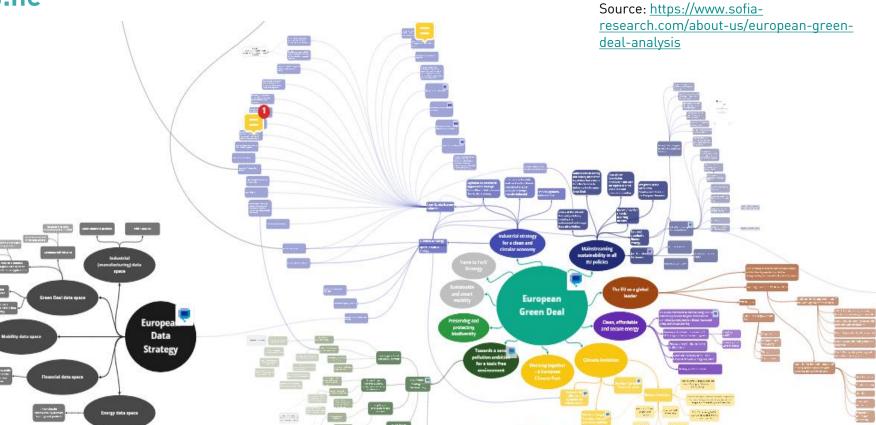
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# **Overview of Green Deal Policies**

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"It is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases **in 2050** and where economic growth is decoupled from resource use"

The transition towards a resource efficient "clean and circular economy" must avoid the contamination of material cycles by substances of concern (risk cycles)

Source: EU Green Deal, COM(2019) 640, p. 2 and 7

Circular Economy Action Plan The European Green Deal

The CEAP therefore outlines measures aimed at "Enhancing circularity in a toxic-free environment, avoid toxic cycles", including "harmonised systems to track and manage information on substances"

Source: COM(2020) 98, p. 17



Product policies are complemented by planned amendments in chemical policies, increasing the pressure to substitute SoC in products (general bans for consumer articles, only "essential uses" allowed, new SVHC categories...)

Source: COM(2020) 667

# Chemical Substances in The European Green Deal



EUROPEAN COMMISSION	N
	Brussels, 30.3.2022 COM(2022) 142 final
	2022/0095 (COD)
Pr	oposal for a
REGULATION OF THE EUROPE	AN PARLIAMENT AND OF THE COUNCIL
establishing a framework for setting e- and repealing	codesign requirements for sustainable produc Directive 2009/125/EC

ESPR is one "Output" of the CEAP/ Sustainable Products Initiative (SPI); status: legislative draft by European Commission, 30 March 2022

Legislative framework for the adoption of product specific ecodesign requirements ("delegated acts") while extending the scope of the ecodesign framework to basically all physical products.

Recital 8 of the ESPR:

"The European Green Deal also calls for the Union to better monitor, report, prevent and remedy air, water, soil and consumer products pollution. This means that chemicals, materials and products have to be as safe and sustainable as possible by design and during their life cycle, <u>leading to non-toxic material cycles</u>."

Ecodesign for Sustainable Products Regulation (ESPR)

# S:Ne Art. 1(1)): Ecodesign requirements may aim at



- (a) product durability and reliability;
- (b) product reusability;



- (c) product upgradability, reparability, maintenance and refurbishment;
- (d) the presence of substances of concern in products;
- (e) product energy and resource efficiency;
- (f) recycled content in products;
- (g) product remanufacturing and recycling;
- (h) products' carbon and environmental footprints;
- (i) products' expected generation of waste materials.

However, any information requirements stipulated by a delegated act

# 29

"shall: (a) include, as a minimum, requirements related to the product passport referred to in Chapter III and requirements related to substances of concern" [...] (Art. 7 (2))

"shall enable the tracking of all substances of concern throughout the life cycle of products,"; name, location, concentration...(Art. 7(5))

# Ecodesign for Sustainable Products Regulation (ESPR)



Brussels, 30.3.2022 COM(2022) 141 fina

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

EU Strategy for Sustainable and Circular Textiles

Introducing mandatory Ecodesign requirements

Product scope unclear: "Textiles ecosystem refers to textile, clothing, leather and footwear industries "

Introducing information requirements and a Digital Product Passport for textiles based on mandatory information requirements on circularity and other key environmental aspects.

*"Clear, structured and accessible information on the environmental sustainability characteristics of products empowers businesses and consumers to make better choices and improves communication between actors along value chains, including producers and recyclers, for example on substances of concern, on repair or on the fibre composition." (p. 5)* 

# EU Strategy for Sustainable and Circular Textiles

Legislative developments (first in EU, <u>drafts</u>): Chemicals in products are getting into the focus, increasing information and transparency obligations (Digital Product Passport), relevance for leather

Substances of concern (SoC) that may adversely affect human health and the environment or that for other reasons impede circular economy business models are getting into the spotlight

Companies need to built up management capacities allowing them to control the chemicals in products that they produce and place on the market

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# Feedback/Q&A

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# Participants



Figure 1: Documentation of some selected instruments

# How can we reach the Green Deal CE vision?



### Results

amfori, BUND e.V. City of Stockholm, EFIC, Eurometaux, European Commission, IKEA of Sweden, Inditex S.A., LIST, Competent authorities in Austria, France, Germany, Sweden, Orgalim, RISE, VDA

**Common agreement** that traceability of chemicals in products along supply chains is key to achieve the goals to achieve the Green Deal vision for non-toxic climate neutral Circular Economy

Identified key policies/instruments to achieve traceability (and how they relate to each other)

# Sector wide harmonised approaches + capacity building are driving factors

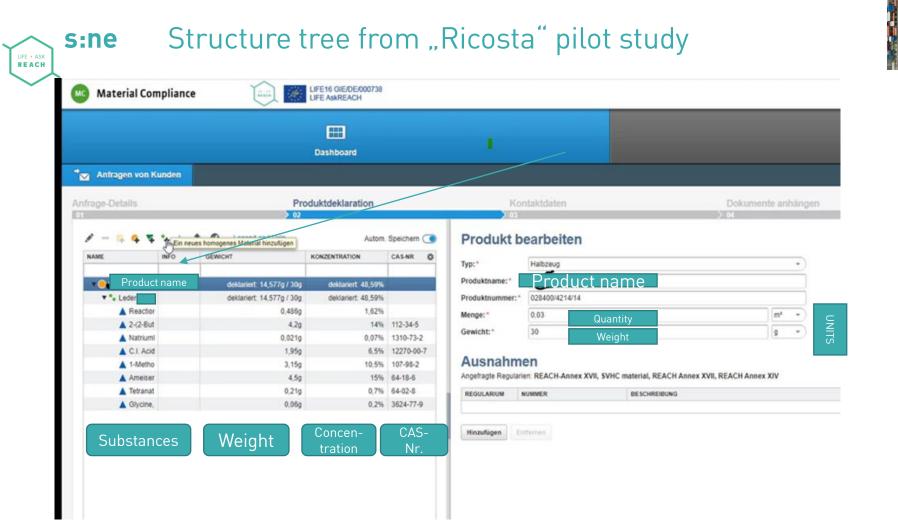
Details: <u>https://www.askreach.eu/wp-content/uploads/2022/08/AskREACH-</u> <u>Traceability-WS\_HLResults\_2022-07-22.pdf</u>.

"Traceability" Workshop in Brussels (May/June 2022)



	Study 1 (2021-1)	Study 2 (2022-1)
Data requestor	Ricosta	Deichmann
Data Supplier	Lederfabrik Heinen	Large manufacturer from India
Product	Leather material	Leather Shoe
Request type	Full material declaration (FMD)	FMD
Status	Completed	Pending

# Two pilot studies with Traceability IT Tool





## s:ne Potentials (mid-term)

Know chemicals in products (and materials)

- Compliance and beyond compliance
- Customer satisfaction
- Supplier (risk) evaluations
- Linked with in-house systems
- Cover other sustainability related info
- Cost savings in the long-term
- Added value to existing initiatives
- Work shows technical feasibility of approach

## Overall positive experiences from users

## Challenges (today)

Lack of data on chemicals / compositions hinder FMD

- Lack of knowledge (e.g. chemistry washed out)
- Lack of standards (e.g. sqm to kg)
- Lack of trust
- Lack of business models
- Lack of IT capacities
- Burdensome

Pilot study main findings (incl. discussions from WS)



# A commonly agreed set of rules will reduce challenges

- Scope of framework ( $\rightarrow$  Survey)
- Define roles of actors
- Scope of reporting (→ Survey)
- Reportable units
- Data quality and reliability

- Research roadmap
- Data formats (xls, xml)
- Supplier support
- Governance of the process

h\_da proposal: Governance framework for IT System (10.2021)

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Legislative developments (first in EU): Chemicals in products are getting into the focus, increasing information and transparency obligations (Digital Product Passport), relevance for leather

Product Policy Experts from industry and administration identify traceability as prerequisite for the Green Deal transition

Traceability of chemicals in leather products along supply chains identified as leverage point for more sustainable leather chemistry in 2035

Technical feasibility tested, important to initiate governance process

The sector needs to engage, get productive before it is presented with a fait accompli

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# Backup

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