

**PRODUCT SAFETY  
- COMMENTS OF INDEPENDENT RETAIL EUROPE ON DIGITAL  
PRODUCT LABELLING-**

**4 MARCH 2022**



## EXECUTIVE SUMMARY

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The European retail sector wishes to express concerns on certain proposals in relation to dematerialising certain product information. Retailers are fully aware of and support digitalisation as a possible tool to inform consumers. Nevertheless, it is currently premature to introduce provisions in the GPSR or in any other product safety legislation that would allow to dematerialise crucial product information, as there is currently no viable solution to ensure that all consumers would receive the relevant mandatory information. A workable solution for non-connected consumers is needed with appropriate responsibilities reflecting current division of obligations between economic operators.

## COMMENTS OF INDEPENDENT RETAIL EUROPE ON DIGITAL PRODUCT LABELLING

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Labels and product information are crucial means to communicate to consumers important functional, technical and safety aspects. With new digital technologies, new information bearers are now able to convey much of the required information to the consumer. The European retail sector is looking positively at these developments which can become in future important tools to simplify labelling and make information more relevant and accessible to consumers. For instance, digital information can become important – in addition to standard on/in pack/product labelling- for certain vulnerable consumers. Dematerializing product information will allow to make it available via more than one sensory channel and to present it in fonts of adequate size and suitable shape, as already specified in the European Accessibility Act (EU) 2019/882.

However, the European retail industry stresses the importance for a workable solution to be developed to ensure that the correct mandatory product information is available to all consumers, including citizens with limited access to internet or limited digital skills.

Several amendments tabled in the IMCO Committee in the context of the revision of the General Product Safety Regulation (70, 72, 79, 100, 427, 428, 436, 437 and 527) propose to dematerialise key product information, with AM 79 and 100 specifically suggesting that ‘paper formats’ should be ‘accessible’ on request by the consumer at the moment of purchase. This risks to set unworkable expectations and obligations for the retail sector including a shift in responsibilities and costs.

**Retailers have discussed at length with other industry partners and manufacturers the feasibility of these amendments. Unfortunately, a solution to make key information accessible to consumers at their request in a non-digital way, has not yet been found.**

The amendments proposing to dematerialise key product information and to make it available at the point of sale raise the following concerns:

- **Economic aspects:** it represents a massive shift of the financial cost from (mostly large) manufacturers onto brick and mortar retailers, as manufacturers would massively save printing costs that would be passed on to physical shops. This would also strengthen further ecommerce to the detriment of physical shops, since online retailers would not incur these printing costs.

- **Storage of non-digital product information is unworkable:** Storing information in paper format provided by the manufacturer beforehand, separately from the product, is unworkable as even small retailers often have hundreds or thousands of product references available at the same time.
- **Access to information is highly problematic:** There is no agreed solution to easily access manufacturers' digital product information. In addition, it is not realistic that a printout can be done at the time of purchase at the point of sale for consumers. It is likely to also cause unacceptable delays during the purchasing process.
- **Legal obstacle:** The making available of paper formats by the retailer would in practice transfer the burden of the obligation to provide information to the customer from the manufacturer to the retailer, plainly contradicting the distribution of obligations among economic operators foreseen by all EU product safety legislation.
- **Environmental considerations:** The objective to reduce the consumption of paper will be diluted by an obligation to print out the product information at the point of sale. Paper consumption of unforeseeable proportions would be the result.

**European retailers therefore consider that a general provision enabling the dematerialisation of certain key product information in the product safety legislation needs further reflection.**

We suggest the following two-step approach:

- ➔ Maintain the obligation for manufacturers to provide the relevant information, respecting the current division of obligations and the balance of responsibilities in the supply chain foreseen by the GPSR proposal and other product safety legislation (e.g. Machinery Products Regulation, Toy Safety Directive, Low Voltage Directive, Radio Equipment).
- ➔ We invite the EU Commission to issue a report (in consultation with all relevant stakeholders) on the impact on (brick and mortar) retail and the feasibility of dematerialising certain product information in the future and to make product information accessible to consumers without changing the balance of responsibilities foreseen by product safety legislation.

Established in 1963, **Independent Retail Europe** (formerly UGAL – the Union of groups of independent retailers of Europe) is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors.

Independent Retail Europe represents retail groups characterised by the provision of a support network to independent SME retail entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the individual retailer. Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers.

Independent Retail Europe represents 23 groups and their over 403.900 independent retailers, who manage more than 759.000 sales outlets, with a combined retail turnover of more than 1,314 billion euros and generating a combined wholesale turnover of 484 billion euros. This represents a total employment of more than 6.620.000 persons.

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