

# CEPE response to the EC Inception Impact Assessment on the simplification and digitalisation of labels on chemicals

September 2021

CEPE welcomes the opportunity to provide some initial thoughts on the Inception Impact Assessment (IIA) launched by the European Commission (EC) in July 2021.

## Role of the label

One common denominator amongst all chemical products sold in the EU is that they have a label attached to them. The purpose of the label is to inform the person purchasing and using the product about its content, hazard and safety information and to provide instructions for its use. Labels add value to the customer by providing an important source of information from the supplier. The ability to use multilingual labels, which facilitate logistics and allow companies to keep their stock keeping units (SKUs) to a minimum, is an added value for suppliers.

Besides the labelling requirements stemming from the CLP Regulation, products such as paints, printing inks or artist colours are also occasionally subject to additional specific legislation such as the Biocidal Products Regulation and Toy Safety Directive.

## Shortcomings of existing labels

Labels form an integral part of a product and should not be discarded. However, adapting the content of labels should be considered. Some of the most common generic shortcomings of labels include:

- Labels contain too much information which results from legal requirements, instructions on how to use the product and marketing.
- The available text area of labels is often narrow, in particular on small packaging such as paint tubes (5ml), small deco cans, or printing inks and cartridges for printers.
- Labels on products have a high information density that may be easily overread. For example, CLP information appears on the label, but non-professional consumers are not familiar with it.

One specificity of coatings is the shelf-life of its product which is long (easily more than two years) compared to other products. This has as immediate consequence that labels may need to be revised quite frequently which in short causes both economic and environmental impacts.

Digitalisation would allow maintaining or updating hazard labelling for products without always the need to relabel physically. Indeed, in case of a change in label, some options like affixing a new label on the old one; removing the old label and applying a new label or; reworking the product in the manufacturing site if relabelling is not possible, as is the case with lithographic cans or tubes, are not

always feasible from a technical or economic point of view and good products might be treated as waste.

Updating of labels have a cost which can exceed the price of the final product. Therefore, it is not uncommon to scrap the products by sending them to a waste treatment facility, if relabelling is impossible or if the economic and environmental aspects are unfavourable. This observation applies in particular for products sold in small quantities, including empty lithographic tins, which companies often have in large stocks. The cost of relabelling following the classification of TiO<sub>2</sub> has been estimated to be in excess of €150 million.

Moreover, when considering the transitional time for the implementation of label changes, CEPE maintains that the currently applied 18-month transitional period is very short; regardless of updates involving digitalisation. Since the supply chain and logistic of paint, printing ink and artist colour's formulation is complex, industry needs appropriate time to react. Only sufficient transitional periods help to minimize waste by avoiding the necessary relabelling processes.

### Way forward

Labels must be maintained. Yet with the frequency to revise labels on the rise, the probability of inaccurate labels is also increasing. Furthermore, depending on the user of the product the information needed may differ. Also, there is the ever-increasing demand of some categories of customers and consumers of final products for more information, which cannot be provided on the label (e.g., SDS). Therefore, one must conclude that labels alone can no longer meet all expectations. Industry must adapt and new information channels must be sought, while respecting the principle of access to information to all.

New technologies can considerably contribute to communicating along the whole supply chain in a more efficient and effective way, while also contributing to simplifying and reducing the complexity linked to labelling.

Therefore, CEPE favours a "*phygital*" approach i.e., a voluntary digital approach alongside a physical label. This approach would allow part of the information currently provided on the label to be put on some kind of digital tool such as a QR code which would be linked to websites with the full labelling information.

Industry and most European citizens are ready and equipped to shift towards a cohabitation between a physical and digital label. Companies have the necessary portable devices with scans and visualisation capabilities which allows for the use of QR codes to transmit label information. Also, the number of people with smartphones is now very high and with the pandemic scanning QR codes has become part of the everyday life of most citizens.

While it is premature to put forward a detailed proposal on which information should remain on the label and which should be removed, companies have already highlighted the following:

- Any solution put forward should be technical neutral

- The label could provide the information required at the time of the placing on the market. All updates legally required following the placing on the market of the product could be made available by means of e.g., a code/ QR code/ label recognition.
- Only the name of the company placing the product on the market could be on the label and a link to the website where the full address of the supplier etc. is provided.
- For products sold in small quantities and products for industrial users, only the needed pictograms, warning/danger word and H&P phrases should be on the label. The explanation and additional information could be provided by a QR code. This is feasible considering that industrial users receive the SDS electronically which contains the full information in the language(s) of the member state. Moreover, the industrial user is already trained and familiar with the hazards of the chemical agents in the workplace.
- “Too much information kills the information”. The information on the label should focus on the most relevant and understandable information for the user, while the other information should be provided in a digital way. For example, when a hazard to the aquatic environment is to be communicated, it should be sufficient to indicate on the label “do not discharge to the environment”, while the subsequent H4XX sentences could be provided in a digital way as complementary information.

However, it should be stressed that a combination between a physical and digital label should not result in an increase of information requirements or the requirement for superfluous information.

Also, any revision of labelling requirements should be coordinated with the GHS and other relevant legislation including international rules for the transport of dangerous goods such as ADR, IMDG, IATA.

CEPE remains available to further contribute to the discussions and to participate in any activities linked to the simplification and digitalisation of labels on chemicals.

## ABOUT

CEPE represents the interests of Paint, Printing Ink, and Artist’s Colours manufacturers in Europe. CEPE represents about 800 member companies across Europe which stand for 85% of the market value with an estimated annual turnover of €17 billion. The approximately 100,000 direct employees predominantly work in small and medium size companies (SME).