POSITION PAPER

SME- FRIENDLY IMPLEMENTATION OF ENVIRONMENTAL SUSTAINABILITY REQUIREMENTS UNDER CONSTRUCTION PRODUCTS REGULATION (EU) 2024/3110

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KEY POINTS

- EBC & SBS support the integration of environmental sustainability into the Construction Products Regulation (CPR) but stress significant challenges for SMEs, especially regarding complexity, costs, and data availability.
- The worst-case scenario approach to environmental declarations creates disproportionate administrative burdens, penalises SMEs' flexible sourcing, discourages green investments, and reduces the usefulness of sustainability data.
- Simplified procedures and access to affordable, verified background datasets are essential for SME compliance; current rules on shared declarations and data availability need improvement.
- Initial inspections by notified bodies should follow a risk-based, proportionate approach, avoiding unnecessary on-site visits that increase costs without added value.
- EBC & SBS advocate for a transparent, practical, and proportionate implementation that enables SMEs to comply fairly and supports effective environmental outcomes.

BACKGROUND

Small Business Standards (SBS) and the European Builders Confederation (EBC) welcome the European Commission's commitment to integrating environmental sustainability into the legal framework governing construction products. While the objectives of the revised Construction Products Regulation (EU) 3110/2024 (hereinafter "the new CPR") are broadly supported, the modalities of implementation, particularly as regards sustainability, raise important economic and technical challenges for all manufacturers, but especially for SMEs. This is particularly noticeable in the fields of environmental indicators, simplified procedures, background datasets and initial inspections by notified bodies.

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ON THE APPLICATION OF THE WORST-CASE SCENARIO METHODOLOGY

This document outlines the joint EBC-SBS's position on key implementation issues related to the integration of environmental sustainability into product declarations. Current discussions suggest that environmental indicators will need to be treated similarly to other performance characteristics, meaning they must be declared conservatively and verifiable. In practice, this means manufacturers would need to declare the worst environmental performance that could occur within a given product type. **While this approach may offer consistency and clarity, it has several implications that also bring significant challenges for SMEs**:

Multiplication of product types

In this context, the degree of granularity in defining "product type" becomes legally determinative. For example, manufacturers operating multiple production sites or sourcing inputs from suppliers with differing environmental profiles must either:

- Declare a single value reflecting the highest impact across all variations, meaning the environmental performance of the scenario with the worst profile (worst case scenario); or
- Treat the product from each site as a separate product type, fragmenting their product portfolio into subtypes, each with distinct environmental documentation and compliance obligations.

For SMEs, the main challenge lies in the supply chain, as they often rely flexibly on different suppliers depending on availability and cost. For example, SME stakeholders active in window manufacturing may source the same raw material (e.g. timber) from various locations due to logistical constraints. This can result in significant fluctuations in Life-Cycle Assessment (LCA) outcomes based solely on transport distances, even when the production process remains unchanged. While the effect of transport distance on Global Warming Potential (GWP) may be marginal when standardised datasets are used, the proposed approach still obliges manufacturers to assess and declare based on potentially rare or extreme sourcing scenarios. This can distort the environmental profile and lead to disproportionate compliance obligations, in turn leading to unfair competition.

The worst-case logic requires them to declare the least sustainable option, even if it is only used occasionally and the variation stems from operational rather than strategic decisions. Such an approach **risks penalising flexible and local sourcing practices**.

The solution in such cases is to follow the second option: to fragment the portfolio and consider each variation as a distinct product type. However, this leads to the unnecessary multiplication of product types, Declarations of Performance and Conformity (DoPCs), and Digital Product Passports (DPPs). This outcome not only **increases the administrative burden and associated costs, but also** contradicts the principle of **proportionality**, with a direct impact on human and financial resources.

Disincentives for Green Investments

Moreover, the worst-case approach **may disincentivise environmental improvements**. If superior practices cannot be credibly reflected in declarations, SMEs have little reason to invest their limited resources in them.

Distortion of building-level assessments

Similarly, applying **worst-case values at the product level risks systematically inflating the GWP across construction projects**. When aggregated at the building or project level, these inflated values create distorted sustainability profiles that can mislead procurement and investment decisions, certification schemes, and policy evaluations, ultimately undermining environmental goals.

Limitations of Worst-Case Logic

Unlike performance characteristics, which are measurable, environmental performance parameters such as transport distances or energy mix fluctuate over time and across production batches. Applying fixed worst-case values to such variables is both **scientifically questionable and logistically impractical**, especially for SMEs with limited control over upstream inputs. This disconnect reduces the **credibility and usefulness** of environmental declarations, while increasing reporting and administrative duties.

Impact on users

The impact on users of construction products should also not be overlooked. When information becomes overly conservative or fragmented, users may struggle to compare products fairly or make informed environmental choices. This undermines the CPR's broader objectives and reduces the practical usefulness of sustainability data in the real economy. **A more nuanced and proportionate implementation will not only benefit SMEs but also empower users across the construction value chain to drive greener outcomes.**

OUR PROPOSALS

The rigid application of worst-case scenario approach to environmental declarations risks disproportionately impacting SMEs. To preserve proportionality while maintaining reliability, we call for a more practical approach:

- Allow the **use of averaged environmental performance values** over a reasonable timeframe (e.g. one year), particularly when production conditions remain stable and traceable.
- Establish **clear thresholds** to determine when differences in environmental performance are significant enough to justify separate product types. Minor variations that result in less than a 20% difference in impact should not trigger new declarations.

- Allow the **flexibility to define product types pragmatically**, provided manufacturers justify their approach and demonstrate how performance variability is addressed.
- Provide **detailed guidance** on acceptable grouping criteria for product types, such as production site characteristics, energy profiles, material sourcing, or factory configurations, to support consistent interpretation and implementation across the EU.
- Treat transport distance of raw materials as a **separate, transparently reported indicator**, rather than integrating it into the core environmental impact values (e.g. GWP). This would reduce the need for frequent recalculations of LCA data triggered by logistical fluctuations outside the manufacturer's control, while still providing relevant information for downstream users.

ON THE SIMPLIFIED PROCEDURES

The challenges posed by **worst-case declarations are further amplified when shared or cascaded procedures are used** for performance assessment, two procedures essential for SME participation. These practices, already common for other characteristics, enable SMEs to pool resources or rely on upstream data. Collective Environmental Performance Declarations (EPDs) and sector-wide averages have also been widely used voluntarily.

For SMEs, simplification is not optional; it is essential. Many cannot afford individual LCAs or repeated conformity checks. Simplified tools that maintain accuracy without duplication are the only viable path under the CPR. However, **under current interpretations, shared declarations must reflect the worst-performing contributor**, reducing the incentive for cooperation and making shared tools economically unviable.

This is also true for the **Declaration Without Testing**, enabled by upcoming delegated acts. While it is presented as a simplification measure, the lack of concrete information is problematic. While guidance is expected before the end of the year, sectors are expected to draft Complimentary Product Category Rules (cPCRs) without knowing whether and how this tool will apply. If the methodology remains unknown, the risk is high that SMEs will rely on EPD providers applying their own approach, with associated costs and thus legal uncertainty. This contradicts the aim of harmonisation and affordable compliance.

OUR PROPOSALS

National practices already offer useful models. In France, collective EPDs allow micro-enterprises to use shared declarations coordinated by industry bodies. In the Netherlands, joint LCAs are permitted if contributors stay within ±20% variation. These **more SME-friendly systems reflect market realities and provide a reasonable level of assurance**, without the disproportionate burden that full individualisation would entail.

These models should inspire EU-level implementation. While we appreciate the inclusion of simplified procedures in the CPR, their application remains unclear. To prevent structural disadvantage for SMEs, implementation should support:

- The development and recognition of **shared and cascaded declarations** based on robust, proportionate methodologies or recognised already established systems.
- A **threshold-based approach** to grouping, where shared declarations remain valid within defined margins of variation.
- A commitment to maintain **traceability** without requiring unnecessary duplication of assessments or declarations.
- The **swift publication** of detailed instructions on the use of Declaration Without Testing, including methodology, required data and format, to ensure that this tool can be used effectively and affordably by SMEs.

ON THE AVAILABILITY AND AFFORDABILITY OF BACKGROUND DATASETS

While the integration of environmental indicators into the CPR aims to bring greater transparency and comparability, these objectives will not be met unless all manufacturers, regardless of size or location, have **equitable access to the data** that is verified and transparent.

The European Commission has confirmed its intention to publish endorsed background datasets for selected product families and to make them freely available through a public tool. This is a welcomed and necessary first step. However, it has also been made clear that the **availability of such endorsed datasets will remain limited**. Most products will still require commercial datasets, which vary in quality and are often costly.

According to the CPR provisions, only endorsed datasets may be used, and these must be verified by notified bodies. Without a **robust and transparent endorsement framework**, SMEs risk paying for non-compliant data or being unable to afford compliance at all. The cost of such errors will be borne not only by the manufacturer but potentially passed on to clients, thereby raising the costs across the value chain. Moreover, the process of dataset endorsement and verification may introduce an additional layer of expense, which will again fall disproportionately on smaller operators, with potential repercussions on clients.

The Regulation also refers to a software tool for calculating environmental performance. However, the Commission has clarified this tool will only provide characterisation factors, not perform assessments. While such a tool may ensure consistency, **it is not sufficient. A fully functional tool is needed in the long term to support SME compliance.**

OUR PROPOSALS

For the CPR's sustainability provisions to be workable in practice, we strongly believe that SMEs must be supported through a **comprehensive and long-term solution**. This means:

- **Affordability must be a formal criterion** in dataset endorsement. Datasets that are technically valid but prohibitively expensive should be excluded.
- The **free public database must be progressively expanded** to cover more product categories, with clear priorities and stakeholder input.
- A **monitoring and feedback system** should be established to identify dataset gaps, inconsistencies, and excessive costs.
- In the long term, a **comprehensive calculation tool** should be provided—combining characterisation factors, verified datasets, and basic LCA functionalities.

ON INITIAL INSPECTIONS BY NOTIFIED BODIES

The CPR introduces a set of Assessment and Verification Systems (AVS), designed to reflect the risk level of different product characteristics. For environmental sustainability characteristics, AVS 3+ applies. This system establishes a specific, but proportionate, role for notified bodies, which are designated as assessment validation bodies under the CPR. Under AVS 3+, notified bodies are thus responsible for **validating** the manufacturer's assessment of environmental sustainability characteristics. This includes reviewing assumptions, modelling, and software use.

The CPR mentions an *initial inspection of the manufacturing plant* in the context of AVS 3+. This provision has been interpreted by some parties as requiring a **mandatory, full-day physical inspection** at the site for every declaration, regardless of complexity or other factors. However, AVS 3+ concerns the validation of calculations, not the physical testing of product performance. Interpreting the requirement for an initial inspection of the manufacturing plant as a systematic obligation for full-day, on-site verification is **not substantiated** by the Regulation and contradicts the principle of **proportionality** under EU administrative law.

Such a requirement would impose unnecessary costs on SMEs without demonstrable added value in verification quality. **Administrative burdens must be justified and necessary in relation to the regulatory objective.**

OUR PROPOSALS

The validation requirements under AVS 3+ play a central role in ensuring the reliability of sustainability declarations. To maintain credibility while safeguarding feasibility, we support:

- A **risk-based approach to validation under AVS 3+**, recognising the importance of notified bodies in verifying environmental claims, but stressing that their role must be proportionate to the actual verification needs.
- **Physical inspections should not be required by default**. Instead, they should be limited to situations where the environmental modelling is particularly complex, deviates from established rules, or where company-specific data significantly affect the declared values.
- These criteria could be **defined in the harmonised technical specifications** to ensure clarity and consistent interpretation.
- In all other cases, **remote or document-based verification procedures** should be considered sufficient, provided the manufacturer ensures traceability and documentation is available for review.
- The development of **guidance** to ensure that the application of AVS 3+ remains **practicable, consistent, and SME-sensitive** across Member States, preventing unnecessary fragmentation and disproportionate enforcement.

ON THE IMPLEMENTATION CHALLENGES IN THE EU'S OUTERMOST REGIONS

The sustainability obligations introduced by the revised CPR pose particular challenges for **economic operators in the EU's Outermost Regions (RUP) due to several inherent limitations.** The geographic remoteness of these territories results in limited access to essential infrastructure, including **specialised testing facilities and digital tools** necessary for environmental data collection and analysis. Moreover, the **scarcity of local suppliers and the heavy reliance on imports** make it difficult for SMEs to obtain accurate and region-specific environmental information. The small size of many local markets also restricts the availability of **skilled personnel and financial resources** needed to conduct comprehensive LCAs. These constraints collectively hinder the ability of SMEs in the RUP to meet the stringent data and reporting requirements associated with sustainability compliance under the Regulation.

OUR PROPOSALS

Recognising the unique and persistent structural challenges faced by the RUP, we support:

- **Adapted timelines** for compliance to reflect remoteness, insularity, and limited local capacity.
- **Facilitated access to notified bodies** to help SMEs in these regions meet verification and certification requirements without excessive delays or costs.
- **Recognition of locally sourced materials** in sustainability assessments, acknowledging the realities of supply chains and promoting regional economic development.

- **Reinforced technical and financial support mechanisms** to assist RUP-based SMEs in overcoming structural disadvantages and fully participating in the green transition.

CONCLUSION

The integration of environmental sustainability into the CPR represents an opportunity to support the EU's climate and environmental objectives. However, implementation must remain realistic and inclusive. A rigid, one-size-fits-all approach **risks discouraging SME participation**, **increasing compliance costs**, and **distorting market outcomes**.

We call for a system that is **transparent, practical, and proportionate,** that recognises the diversity of business models in the construction sector and offers fair opportunities for SMEs to comply. This includes access to affordable data, flexibility in verification methods, recognition of shared declarations, and tools that are designed with SMEs in mind.

SME users should also be taken into consideration, as they rely on environmental information that is both reliable and affordable to guide their purchasing and design decisions. If data is inflated due to worst-case assumptions or fragmented across an excessive number of product types, it becomes less useful and harder to interpret. This not only increases costs but also undermines trust in the system. Ensuring that environmental declarations are proportionate, comparable and accessible is essential for SME users to engage meaningfully in sustainable construction practices and support the CPR's objectives.

We remain committed to contributing constructively to this process and encourages the Commission, the Member States, and other stakeholders to ensure that SME-specific impacts are considered at every stage of implementation.

Founded in 1990, the European Builders Confederation (EBC) is the employer organisation representing micro, small and medium-sized enterprises and craft trades in the construction sector. Recognised as a European sectoral social partner, EBC is part of the employers' delegation in the EU Sectoral Social Dialogue committee for construction. EBC is a member of SMEunited and co-founder of Small Business Standards SBS.

Small Business Standards (SBS)' goal is to represent and support SMEs in the standardisation process, both at the EU and international levels.

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