



ANEC/BEUC PRELIMINARY THOUGHTS IN VIEW OF THE REVISION OF THE EU ACTION PLAN ON SUSTAINABLE CONSUMPTION & PRODUCTION (LONG VERSION)

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SUMMARY

Today, there is an urgent need for more ambitious and concrete actions at all levels of public policy towards sustainability. ANEC and BEUC therefore welcome the European Commission's upcoming review of the EU Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy adopted in 2008.

In this paper, we look back at the progress made so far under the Action Plan and make proposals for improving the plan to ensure it delivers for consumers and the environment. In this context, we highlight the importance of integrating the future EU SCP policy framework with other EU policies. Policy instruments and actions should be consistent and create synergies among existing and new policies. We insist on the need for the framework to address all aspects of sustainability and to tackle both production and consumption with equal ambition, with all societal actors involved. We also stress that the European sustainability strategy ought to be combined with ambitious and dynamic target-setting in relation to resource efficiency and sustainability.

Moreover, in order to ensure leaner and cleaner production and the provision of more sustainable products, we stress that existing regulatory measures ought to be strengthened and properly enforced (e.g. the Ecodesign Directive and existing EU labelling schemes) and new ones developed (e.g. on green claims). We insist for the revised SCP framework to rely on a mix of economic instruments and legal instruments, complemented by voluntary actions.

LEARNING FROM THE PAST AND MOVING FORWARD

Learning from past mistakes...

The main failure of existing and past sustainable consumption and production (SCP) strategies and national action plans has been an unbalanced and often insufficient focus on the production side. Moreover, the consumption side is almost only addressed through information and awareness campaigns encouraging consumers to make informed choices. Moreover, national and European SCP agendas have so far merely focused on small, easy changes; technical progress and innovations. We believe the multiple crises society is currently facing are related to these mistakes and a race towards infinite growth – which has long been a major policy objective of the Commission and Member States - while ignoring the finite resources of our planet.

Another drawback of the past and current strategies is that SCP policies are too often divorced from other policies. A good example of inconsistency of approach is that the European Commission encourages cross-border shopping of goods by individual consumers without considering the environmental impact related to the transport/air freight of such goods. This is an inconsistency that must be dealt with if the European SCP strategy is to be successful. SCP should indeed function as an umbrella policy and be integrated with other EU policies, in particular consumer policy. It needs to cover misleading advertising legislation at the EU level, industrial and trade policy as well as product standards (e.g. environmental product declarations).

In this context, ANEC and BEUC had great expectations from the European Action Plan on Sustainable Consumption Production and Sustainable Industrial Policy Action Plan (SCP/SIP AP), launched by the Commission in 2008. The Action Plan included revisions of already existing policy instruments such as the Ecodesign Directive, the Energy Labelling Directive, the European Ecolabel Regulation and the EMAS Regulation. It also included new initiatives such as the establishment of the EU Retail Forum¹. Our organisations have been actively involved in these various processes and initiatives. Unfortunately, we regretted that the Action Plan overall lacked ambition and long term perspective. It was not based on a sound analysis of the unsustainable path which our society has been following so far and did not show the fundamental change of direction which was needed. The Action Plan was indeed a patchwork of actions that were already on the political agenda and did not even address major areas of 'non-sustainability' such as housing, food and transport. Moreover, the Action Plan did not address other community policies which promote unsustainable developments, such as the Common Agricultural Policy and the Common Fisheries Policy. For instance, the extensive use of antibiotics in food production, and the giving of financial support to

¹ http://ec.europa.eu/environment/industry/retail/index_en.htm

build larger fishing boats, is not coherent with the aim of sustainable consumption. Many of the consumer concerns and requirements raised in our 2007 position paper² on the first version of the Action Plan are therefore still valid today.

... and moving forward

It is of utmost importance that the European Commission now takes the lead on changing mindsets, putting people and the environment first, aiming for a true citizen-centred, sustainable European Internal Market.

To achieve this, we do not believe the European sustainability strategy should be about stopping growth but, instead, questioning the incompatibility of the current European policy for maximum economic growth with the political efficiency targets set. We believe we need to set clear, ambitious sustainability targets, as was done in the EU 2020 strategy, as far as energy and greenhouse gas emissions are concerned, and to address economic growth from this perspective. The need to tackle global warming and climate change has at last been acknowledged in the last years by policy makers at national, EU and international level but there is still a lot to be done to move towards sustainability.

In this context, we welcome the Commission's announcement that resource efficiency (and economic growth) will be made a priority this year. We nonetheless believe the EU should work towards resource saving, and not only resource efficiency, as efficiency does not rule out over-consumption. We have in particular great expectations for the Commission's flagship initiative on resource efficiency, which should be launched this year, and the accompanying "roadmap to decouple growth from resource use"³. In our view, the revised SCP/SIP Action Plan should come within the scope of this flagship initiative and should show a high ambition level, with concrete targets, reflecting a long-term perspective.

The EU green product policy should become a true sustainability product policy, addressing all environmental impacts of products during their full life-cycles as well as economic and social impacts. A lowering of environmental impacts resulting in concrete environmental benefits would demonstrate the shared responsibility of all stakeholders. However, market barriers prevent industry from fully playing its role. Today, from the industry side, there is awareness of sustainability and environmental protection. Yet, as manufacturers often consider consumer demand as the main factor driving environmental improvements, they put most of the responsibility on other

² ANEC/BEUC joint position: "Consumer expectations on the Action Plans on SCP & SIP", September 2007: <http://www.anec.eu/attachments/ANEC-ENV-2007-G-028final.pdf>

³ We would like to stress that we do not believe in this concept. Surely, one can temporarily decouple economic growth from resource use in certain areas, but only if the processes used are highly inefficient and the potential for improvement is big. Once the efficiency has been improved however, any economic growth will result in an increase of resource use.

parties: consumers and recyclers. Businesses are also under the constraints of competitive markets. Therefore, regulation should set clear and ambitious targets (e.g. for energy saving) and provide taxation and fiscal incentives (e.g. encouraging green - or sustainable - private procurement) to help businesses meet the regulatory and societal expectations of the future. Only this will help to increase industry involvement and commitment in SCP and so ensure cleaner and leaner production

As far as the European sustainability strategy is concerned, we call for:

- **Addressing both the production and the demand side** with equal ambition
- The SCP framework to be considered an **umbrella policy** and be **integrated with other EU policies**
- A **fundamental discussion on economic growth** and its potential to undermine measures to enhance resource efficiency
- The **Commission to take the lead on changing the economic system and thereby the mindsets** of all actors of society
- **Concrete and ambitious obligatory targets** to be set for reduced resource use and sustainability alike
- The EU Sustainability strategy, in particular the SCP/SIP Action Plan, to be **based on a set of mixed instruments**, including regulatory measures, market based tools and voluntary initiatives

1. SUSTAINABLE PRODUCTS

1.1 Strengthening the Ecodesign Directive

At the time of its revision foreseen in 2012, we plead for the Directive to be turned into a truly key instrument, aimed at reducing the environmental impacts of a product during its whole life-cycle through adapted design, without compromising its functional quality and safety.

1.1.1 Extending the scope of the Directive

The EU sustainability strategy should address more (consumer) products than what is the case today. The recast of the Ecodesign of Energy-using Products Directive in particular saw the extension of the scope of the Directive to energy-related products, i.e. products that have an indirect impact on energy use, and emphasised the need to improve resource efficiency. However we believe the new Directive, renamed the

Ecodesign of Energy-related Products (ErP) Directive⁴, has still not achieved its full potential.

In our view, the Ecodesign Directive should be extended to *all* consumer products which have a considerable environmental impact, whether or not related to energy. For instance water-using products present a great improvement potential⁵, just like other consumer products which are already subject to a European Ecolabel (e.g. detergents, building materials like floor coverings, paper, mattresses). The scope of the future Ecodesign Directive should also include consumer products like furniture, toys and textiles which not only have an improvement potential but are also often looked for and demanded by consumers themselves.

The very first drafts of the 2008 SCP/SIP Action Plan acknowledged the importance of expanding the 2005 Ecodesign Directive as it was suggested to include non energy-using products such as household products, clothing & footwear, furniture, doors & windows and insulation materials. However, the adopted Action Plan was a step back compared with earlier Commission thinking.

1.1.2 Addressing all environmental impacts

The Ecodesign Directive should continue to be followed by ambitious sectoral implementing measures which outline more specific performance requirements. In particular, it should clearly require that all relevant environmental impacts in all the life-cycle phases of products are addressed. Product-specific ecodesign regulation should indeed not only include minimum requirements for energy-efficiency but, where possible, also for the use of natural resources and materials, the use of hazardous chemical substances, and waste management (including recycling, reparability and re-use). It is still too rare to see implementing measures address aspects beyond energy efficiency.

1.1.3 Making benchmarks mandatory

We believe that benchmarks should become the motor of an Ecodesign Directive that encourages a « race to the top » of the best performing technologies. The current Ecodesign Directive requires the setting of benchmarks in each product specific implementing measure. However, we question the relevance of this provision as the function of these benchmarks is unclear: it is neither mandatory for manufacturers to reach the benchmark level after a given time period nor an obligation for the

⁴ Directive 2009/125/EC establishing a framework for the setting of ecodesign requirements for energy-related products.

⁵ See ongoing JRC-IPTS study "Environmental prioritisation of products: Towards a workplace for Ecolabel and GPP".

Commission to take account of the benchmarks when revising product-specific Ecodesign Regulations.

In our view, not only should benchmarks address all relevant environmental aspects⁶ but they should also be made mandatory for all products within a category after a given time period i.e. they should become the new minimum requirements for these products after a certain period of time (e.g. five years).

1.1.4 Favouring regulatory measures over voluntary approaches

Regulatory mechanisms must play a central role in product sustainability policy in order to achieve truly ambitious objectives. Although we acknowledge the need to balance regulatory and market-based instruments, the use of mere voluntary instruments is an insufficient, non-dynamic and inefficient way of enhancing the environmental performance of products⁷. Such instruments often lack transparency and balanced stakeholder participation. We therefore regret the strong emphasis put on industry self-regulation in the Ecodesign Directive. In this context, we reiterate⁸ our call for the Commission not to favour voluntary agreements by industry against the setting of product specific targets and requirements via legislation. VAs should be used only if carefully combined and managed with effective regulation and other policy incentives. In this context, it is of utmost importance that the European Commission develops clear guidelines for the use of VAs in the ecodesign implementation process. These guidelines should among other things stress that the Commission will step in and regulate every time industry VAs are deemed insufficient from the onset, or appear not to be efficient after a fixed period of time. Moreover, they should set up rules in order to:

- guarantee the involvement of all stakeholders which are members of the Ecodesign Consultation Forum in the drafting, implementation and assessment of the VAs;
- ensure transparent monitoring and access to information for stakeholders;
- ensure that a sufficiently large part of economic operators and a sufficient number of products will fall within the scope of the VA thereby contributing to the effectiveness of the VA;

⁶ Such as resource and material efficiency, energy and water consumption, noise, the use of hazardous chemicals, life-time extension and recycling/reuse.

⁷ See ANEC/BEUC position "Voluntary environmental agreements", October 2006:
<http://www.anec.org/attachments/ANEC-ENV-2006-G-048.pdf>

⁸ See ANEC/BEUC position "Voluntary agreements can only deliver if subject to minimum requirements – The case of VAs in the ecodesign implementation process", January 2010:
<http://www.anec.org/attachments/ANEC-PT-2009-EuP-071final.pdf>

- demonstrate that a VA will achieve the same aims as a Regulation within the same timeframe but in a less costly and quicker manner.

Finally, we stress the need to regularly update the requirements set in VAs, just as in product-specific ecodesign implementing measures, in order to take into account technological progress and ensure continuous improvement.

1.1.5 Using standards for purely technical issues only

In face of the need to speed up standardisation activities related to implementation of the Ecodesign Directive, the European Commission will soon propose a horizontal mandate on ecodesign to the European Standards Organisations⁹ (ESOs). The mandate will replace all product specific mandates in the future. It will contain two annexes detailing the standardisation needs product-by-product.

We acknowledge that the ecodesign standardisation process needs to be speeded up in order to ensure, as far as possible, that the standards needed to support Implementing Measures (IM) are in place when the legislation enters into force. However, our concern is that the horizontal mandate and the close, continuous cooperation foreseen between the EC and the ESOs will translate into a delegation of decision-making to the ESOs as regards the ecodesign IM and translate into a shift of responsibility to the ESOs. We thus urge the following conditions to be set:

- the mandate and its annexes should be drafted in a highly detailed manner and all parts should have normative status;
- the horizontal mandate and annexes should be reviewed whenever necessary;
- the 98/34 Committee (or successor created by the proposed Standardisation Regulation) and the Ecodesign Consultation Forum ought to be consulted on the mandate and all major amendments;
- a systematic monitoring and regular review of the standardisation work, and of the effectiveness of the horizontal mandate, should take place. Should the mandate prove unsuccessful, the Commission should review the mandate or reconsider the process.

⁹ CEN, CENELEC and ETSI

In view of the revision of the Ecodesign Directive, we call for:

- An **extension of the scope** to non-energy related products
- **All relevant environmental impacts** of products to be addressed and for a more systematic approach to be adopted e.g. to chemicals
- A **top-runner approach to be introduced**, i.e. today's benchmarks should become the minimum requirements of future Ecodesign measures
- **Favouring legislation** over self-regulation
- **Standards to be used for technical issues only**, with no delegation of policy decisions to the ESOs

1.2 Ensuring the Energy Label is a useful tool for consumers

The 2008 SCP/SIP Action Plan included a revision of the EU Energy Labelling Directive. ANEC and BEUC welcomed this initiative as the scheme, a victim of its own success, had reached a point where most domestic appliances on the EU market were labelled in the top A class and above (hence the creation of new classes on top of A, such as A+, A++, by businesses alone). In our view, the EU energy labelling scheme needed to be made more dynamic through a review of the thresholds of the various classes: for example, each time a set percentage (e.g. 20%) of appliances on the market reach the A grade, with "A" alone continuing to indicate the best. A survey, which ANEC and BEUC carried out in collaboration with partners in 2008¹⁰, confirmed that the A-G rating was the easiest to understand and remember. Between 97% and 99% of respondents identified "A" as indicating the most energy-efficient household appliances.

Unfortunately, political compromises led to the adoption in May 2010 of a revised Directive¹¹ which will not continue to empower consumers to act more sustainably by choosing the most energy-efficient appliances. Although the revised directive sees use of the well-known Energy Label extended to products other than domestic appliances, the previous message of 'Buy A' is soon to be lost as the new Directive allows for the

¹⁰ ANEC, BEUC, Consumer Focus (UK), the UK Energy Saving Trust and the UK Department for Environment, Food and Rural Affairs (DEFRA) asked Ipsos MORI to carry out empirical research concerning consumers' perception of the A-G Energy label. Summary available at: <http://www.anec.eu/attachments/ANEC-FNV-2008-G-040a.pdf>

¹¹ Directive 2010/30/EU on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products.

new label to feature up to three additional classes - A+, A++ and A+++ - depending on the product group.

Having changed the well-known scheme to one where the label will appear different depending on time and product category will simply confuse consumers, and undo the excellent work of the past fifteen years. The SCP/SIP Action Plan highlighted the need to improve the energy and environmental performance of products while fostering their uptake by consumers. We doubt this will be achieved by the new Label.

The new Directive foresees a review of the Energy Label in 2014. However, we believe such a review should be conducted no later than one year after the entry into force of the Label, along with a survey of consumer perceptions. We consider this is the only way to lead to a reorientation of the Label that will help consumers take the most sustainable decisions in their purchases and encourage manufacturers to innovate in the production of ever more energy-efficient products.

As far as the Energy Label is concerned, we urge :

- **The review of the Energy Label foreseen in 2014 to be conducted earlier**, i.e. no later than one year after the entry into force of the new Label
- **A survey of consumer perceptions and understanding** of the new layout of the Label to be carried out as a basis to the review process
- **The Commission to go back to a closed A-G scale** in case the new layout is found not to be effective in steering the market towards more efficient products and the greening of consumption

1.3 Dynamic performance requirements: improving the Ecolabel Scheme

The revision of the Ecolabel Regulation in 2009 brought important achievements, in particular with regard to the use of chemicals. The new Regulation requires substituting hazardous substances with alternative materials or product design features whenever feasible. Moreover, products containing CMR substances¹² cannot be granted an Ecolabel. The Regulation also states that the Ecolabel criteria should aim at the 10-20% best performing products on the market in environmental terms.

¹² Based on Regulation (EC) No 1272/2008 on Classification, Labelling and Packaging of substances and mixtures Regulation.

However, we see an urgent need for the Commission to take further action on the implementation of the Ecolabel Regulation in order to position the Ecolabel as a tool of environmental excellence. First, a conclusive interpretation of the abovementioned reference to the level of ambition is still missing. Moreover, it is very often not possible to evaluate if this requirement of the Regulation will be met by the criteria because of the lack of data provided in the background reports. We therefore call on the Commission to develop a system that will ensure comparative benchmarking in all stages of criteria development processes. Second, the process of revising existing Ecolabel criteria, or developing new ones, needs to be made faster, more transparent and more effective. To this aim, the decision-making process and coordination among the different Commission Services involved ought to be improved. Finally, there is currently no system in place to ensure a consistent and proper implementation of the Ecolabel scheme and its criteria. The revised Regulation established a Competent Body Forum to allow information sharing among national Competent Bodies but this does not overcome the lack of independent controls. Consumers have thus little guarantee that the Ecolabel criteria are interpreted in the same way in different Member States. We therefore urge the Commission to establish a quality management system that will systematically monitor and control the implementation of the Ecolabel Regulation across the EU.

In relation to the Ecolabelling scheme, we call for:

- A high level of ambition in the development of product specific criteria ensuring that indeed only the best 10-20% of the products on the market can receive the award
- **Improving the decision-making process** of Ecolabel criteria development with the aim of increasing the efficiency and transparency of the scheme
- Establishing a **quality management system** to monitor and control the implementation of the scheme in all EU Member States

1.4 Using labelling intelligently and parsimoniously

ANEC and BEUC have long criticised the wrong assumption of governments and others that labelling and product information alone can help change consumption behaviours. This unfortunately often leads politicians to take the wrong decision regarding labelling (e.g. the recent change of the layout of the EU Energy Label, which will be hardly understood by consumers).

Moreover, businesses often consider labelling essential to communicating commitment to environmental standards to consumers. There is thus a continuous rush of businesses, which want to be seen as green, developing their own – often unclear – labels. There is often no prior evaluation of consumers’ understanding of the labels or their usability, with no coherence or comparability with existing labels. Unfortunately, the European Commission and national governments themselves are confused and lost in face of industry self-claims, leading to political inaction.

As far as consumers are concerned, people have to find their way among a jungle of claims, often unclear and hardly reliable, with few covering all environmental aspects of products. A flash Eurobarometer survey¹³ carried out in 2009 showed that Europeans were divided about the claims made about sustainable products with about 49% stating they trusted claims against 48% saying the complete opposite. All these labels and claims hardly help consumers make informed choices or compare products within a category. This unsurprisingly leads to confusion and, more worryingly, demotivation and inaction thereby indirectly limiting the market of sustainable products.

In our view, labelling/product information is often not the right way forward and should, on the contrary, be considered carefully. Not only has labelling proven not to work alone, but more importantly, there is no “One Fits for All” solution as far as labelling is concerned. It has been shown that priority must be given to the establishment of regulatory product requirements ensuring that poor performing products are eliminated from the market. Nevertheless, labelling could be justified in certain cases.

Before developing a labelling scheme, one should always consider what aims are meant to be achieved; which other instruments are in place to achieve these aims; if consumers have a role to play in achieving these objectives, and if labelling is the right tool to encourage them to play this role. Furthermore, one should carefully assess whether a labelling scheme would be relevant, useful and how it could be made reliable. This exercise was partly done in a recent ANEC study on product carbon footprint labelling¹⁴, where several product categories, such as cars, building materials, foods and textiles, were looked at and the relevance of a carbon label was analysed for each of the category. The study concluded that, for many product groups, other kinds of labelling (e.g. energy labelling) or other forms of communication (simple messages such as “Eat less meat”) may be cheaper and more reliable to address environmental protection in consumer information. The development of environmental labels by

¹³ Flash Eurobarometer of the citizens’ attitudes towards sustainable development and eco-labelling, April 2009.

¹⁴ ANEC study “Requirements on Consumer Information about Product Carbon Footprint”, June 2010: <http://www.anec.eu/attachments/ANEC-R&T-2010-FNV-003final.pdf>

businesses alone is a matter of concern for ANEC and BEUC¹⁵. They can be only a form of advertising. Environmental labels should be developed under the supervision of governments and in a democratic process.

Labelling and other environmental product information should be clear, correct, verifiable, relevant and harmonised at the EU level. They should allow quick identification of the best available products as well as easy comparison between products without misleading consumers. To be trusted, they should also be elaborated in collaboration with all stakeholders, not only the industry. This was confirmed by a study carried out by the UK consumer organisation, Consumer Focus, which shows that, in order to ensure confidence and trust in green claims, companies and governments need to follow the 3Cs principle: clarity, credibility and comparability¹⁶.

In particular, third-party verified or compulsory labelling schemes, such as the EU energy labelling scheme, play an important role, not only in enabling consumers to make informed choices but, more importantly, in raising the stakes for industry by steering the market towards more sustainable products. Such schemes also help phase out unsustainable products and provide policy-makers with information on how the market develops.

Above all, labelling/product information is only effective if combined with other policy instruments, including product policy and market-based instruments, and when applied to particular product groups where proven relevant and effective.

Finally, whatever the labelling scheme, it can only deliver benefits if monitoring and enforcement of the scheme and related standards is ensured at the national level. In the case of the EU energy labelling scheme as shown by an ANEC study¹⁷, market surveillance by the Member States needs to be considerably strengthened through collective European action supervised by the European Commission.

¹⁵ Such as the label developed by Carbon Trust and promoted by the company TESCO in the UK.

¹⁶ Consumer Focus report "Green expectations, Consumers' understanding of green claims in advertisement", 2009: <http://www.consumerfocus.org.uk/assets/1/files/2009/06/Green-expectations-single-page.pdf>

¹⁷ ANEC study "A review of the range of Member State activity related to compliance with the EU Energy Label regulations", May 2007:
[http://www.anec.eu/attachments/ANEC-R&T-2006-ENV-008%20\(final\).pdf](http://www.anec.eu/attachments/ANEC-R&T-2006-ENV-008%20(final).pdf)

With regard to labelling and product information, we stress that:

- The need for labelling should always be **carefully considered** and should not be a substitute for product regulation, which should be given priority
- Labelling and other environmental product information should be **clear, correct, verifiable, relevant** and **harmonised** at the EU level
- Labelling should allow **quick identification of the most sustainable products** and **easy comparison between products**
- Existing **carbon footprint labels** are questionable from a methodological as well as from a consumer comprehensibility perspective. They should not be supported nor promoted by the European Commission and Member States
- Labelling schemes ought to be elaborated **in collaboration with all stakeholders in a democratic process and should not be left to private organisations**
- **Third-party verified or compulsory labelling schemes**, such as the EU Energy Label should be favoured
- Labelling/product information should be **combined with other policy instruments**
- **Monitoring and enforcement** of labelling schemes need to be ensured

1.5 The need for a legislative framework for the provision of information

A legislative framework for the standardised provision of environmental product information should be envisaged. Such a framework ought to cover the existing EU Ecolabel, the energy labelling schemes and other environmental information such as Type III eco-labels ('environmental product declarations', EPDs) and also a potential future communication of the ecological footprint of products¹⁸. The final report of the EU Commission's IPP Working Group on Product Information Needs refers to an 'improved legal framework' based on existing European legal instruments. This could be done by e.g. establishing a separate instrument encompassing the EU Energy Labelling and Ecolabelling schemes and other forms of labels or incorporating existing labelling schemes into an expanded Ecodesign Directive. Such recommendation from the IPP Working Group is certainly an important step in the right direction in that it

¹⁸ Based on EC Communication COM(2010) 608 final/2 "Towards a Single Market Act", the Commission intends to look into the feasibility of an initiative on the Ecological Footprint of products.

includes the possibility to specify detailed, compulsory requirements for certain product groups of high environmental concern via implementing measures.

Consistency between existing labelling tools should also look beyond EU actions and take account of international developments at the ISO level. In this regard, we do not believe it sufficient to specify principles using e.g. current ISO standards, or to encourage voluntary industry initiatives alone. Although the ISO 14020 series on environmental declarations and labels¹⁹ could serve as a partial basis, it is important to stress that these standards are insufficient in their current form²⁰. The ISO 14020 series of standards currently omits marks of high relevance to consumers in the current classification scheme (types I – III). For example, the EU energy label is entirely outside the ISO classification. The problem could be solved by either defining additional labelling/declaration types, or broadening the scopes of the existing types (e.g. by incorporating other 'type I' like labels in the ISO 14024 (type I) scope). ANEC is participating in ISO TC 207 within which the possible review of ISO 14020 series is being discussed and we will work to ensure any review leads to improved standards taking the consumer views into account.

Finally, we stress that a mix of tools featuring environmental labelling schemes and policy instruments is crucial to an effective European sustainability strategy. Only such a policy toolbox, providing a high level of consistency among the different schemes and tools, will help promote sustainable products, eliminate unsustainable ones and guarantee continuous improvement of products and production processes.

¹⁹ The ISO 14020 series contains ISO 14021 on self-declared environmental claims (type II), ISO 14024 on type I environmental labelling and ISO 14025 on type III environmental declarations.

²⁰ [Joint ANEC/ECOS comments on the ISO 14000 series review:](http://www.anec.eu/attachments/ANEC-ENV-2007-G-030final.pdf)
<http://www.anec.eu/attachments/ANEC-ENV-2007-G-030final.pdf>

Regarding the need for increased coherence between existing labelling schemes, we urge:

- The development of a **legislative framework for the standardised provision of environmental product information**, based on existing European legal instruments (e.g. a legal instrument encompassing existing EU labelling schemes)
- Consistency among existing labelling tools to **take account of international developments at the ISO level**, in particular the ISO 14020 series of standards if improved in the consumer interest
- A **mix of instruments** gathering existing labelling schemes and product policy instruments to form the basis of the European sustainability strategy

1.6 Strengthening the role of Sustainable Public Procurement

We welcomed that the 2008 SCP/SIP plans included recommendations for 'greener' public procurement rules in order to stimulate demand and uptake of energy-efficient and sustainable products, with a proposal for a new directive on green public procurement. In our view, the future EU SCP policy should go further by considering Sustainable Public Procurement (SPP), i.e. including environmental and social considerations in public purchasing practices, a priority.

With annual purchases of over 2 Trillion Euros, the public sector is the single biggest consumer market²¹. Public authorities should thus lead efforts to buy and use more sustainable products and services. These sustainable purchase decisions of public authorities would thus have significant impact on the market, making the entire supply chain more sustainable and increasing availability of more affordable sustainable products. This would indirectly encourage businesses and consumers to follow the same trends and change their production and consumption behaviours.

Unfortunately, current EU policies with regard to sustainable public procurement are fragmented and voluntary. In a Commission's Communication²² which was part of the 2008 SCP/SIP Action Plan, Member States were proposed to reach a 50% target of GPP in their procurement procedures by 2010. Although announced, the Commission has unfortunately not started assessing Member States' efforts. ANEC and BEUC thus

²¹ According to Mario Monti's report to the President of the European Commission, José Manuel Barroso 'A new strategy for the Single Market', May 2010: "In 2008, EU public procurement amounted to around 2155 billion Euros, equivalent to 17-18% of EU GDP. Out of this, public procurement tenders worth approximately 389 billion Euros were covered by the rules set out in the EU Directives on public procurement."

²² Commission's Communication COM(2008) 400/2 on 'Public procurement for a better environment'.

call for the Commission to evaluate Member States' progress towards the voluntary target and to set clear-cut European minimum requirements. We also call for Member States to progressively increase Sustainable Public Procurement and agree more ambitious policies with binding targets and ambitious timeframes. To this aim, more clarity regarding the inclusion of social criteria into SPP is needed.

With regard to Green Public Procurement, we stress that:

- **Authorities play an important role** in leading by example
- Public authorities should continue to **lead efforts to buy and use more sustainable products and services**
- **A set of obligatory minimum requirements** to be met by Member States is needed
- The future EU SCP policy should go beyond GPP and **promote Sustainable Public Procurement**

1.7 Ensuring consistency between the various sustainability policy tools

Synergies and consistency among sustainability-related approaches, such as the EU Ecolabelling and energy labelling schemes and Ecodesign approach, should be the aim. An example of synergy could be to use the Ecolabel criteria as the mandatory benchmarks for Ecodesign requirements e.g. 5 years after the entry into force of a product-specific implementing measure. In this context, we believe institutional changes to accommodate the revised SCP policy may be necessary. The EU institutions, in particular the European Commission, must secure the means, in terms of both financial and human resources, to face the challenge of an ambitious SCP policy. Unfortunately, the means are often there and have even decreased in certain Commission Services. For instance, although we welcome the establishment of the Product Bureau²³ within the Commission's Joint Research Centre in Seville, we are concerned about the progressively decreasing size of the Ecolabel team within DG Environment. Considering the upcoming review of the SCP/SIP Action Plan and increasing political focus on Resource Efficiency, we urge the Commission to secure sufficient resources.

²³ The Product Bureau (PB) was created at the end of 2009 as a result of the SCP Action Plan calling for greater coherence between product policy instruments (Ecolabel, GPP and Ecodesign) and the provision of the new Ecolabel Regulation allowing different parties to lead criteria development.

We call for:

- **Synergies and increased consistency** to be the aim within the revised SCP/SIP Action Plan
- **The European Commission to secure sufficient resources** in order to ensure an effective EU sustainability policy

2. SUSTAINABLE CONSUMPTION

2.1 Consumers at the centre of the 7th Environmental Action Programme

The development of the 7th Environmental Action Programme, to succeed the 6th Programme ending in 2012, should put the environment and consumers at centre stage of the strategy. In this respect, it is essential to depart from the wrong belief that giving information to consumers is sufficient to change consumption habits. Commission Services should thus be engaged not only in labelling, but on the need for real action, taking behavioural economics into account. Participants in the Belgian Presidency Conference dedicated to the 7th Programme²⁴ agreed that the future programme should include a new global approach linked to more sustainable lifestyles (be it related to consumption, production or trade) taking into account the shortage of resources, the need to promote eco-technologies and energy efficiency, and changes in behaviour and adapting our way of life.

The 7th Environmental Action Programme should:

- **Place consumers at the centre of the 7th Environmental Action Programme and ensure active involvement of their representatives in the action programme**
- **Promote a new global approach linked to more sustainable lifestyles**

²⁴ For more information, see the conference's webpage:
<http://www.eutrio.be/towards-genuine-7th-environment-action-programme>

2.2 Raising consumer awareness through social marketing campaigns

Most information/awareness raising campaigns have failed in changing consumer behaviours, especially in the long term. The failure of information campaigns stems from the fact that they have often been wrongly considered as sufficient policy tools in themselves. Moreover, information campaigns have often delivered messages unfit for their targets.

Awareness raising should not be seen as a substitute for regulatory approaches and it needs to be stressed that the effectiveness of any campaign is rather limited. A shifting of political responsibility to consumers is also not desirable.

Learning from past failure, the EU and Member States should work to develop social marketing campaigns for the good of the environment, using behavioural segmentation techniques (i.e. dividing consumers into categories with e.g. similar needs, expectations and behaviours) and promoting the right messages to the right audience. For example, one should distinguish between consumers who are already 'green' (e.g. those buying, on a regular basis, sustainable products such as those bearing the European Ecolabel) and e.g. those who have not even started sorting domestic waste yet. Of course, any campaign should always be combined with other policy instruments - using the 'stick and carrot' - to bring about permanent behavioural changes (e.g. tax refunds for purchase of 'greener' products).

However, raising consumers' awareness and, more generally, designing a workable European SCP strategy, primarily require a realistic understanding of consumers as they actually are, and not as we wish them to be. It implies the need for a better understanding of consumers in general, connecting with their concerns, desires and barriers for sustainability (see next point), and consumer behaviour and purchasing decisions.

These campaigns could also be used to better inform consumers of their responsibilities and of the responsibilities and commitments of other actors, such as governments. They could also enlighten consumers as to the impact of their everyday choices and as to how SCP can affect their quality of life in practical terms (e.g. cost savings by using energy-efficient light bulbs).

The European Commission should develop projects to this aim. A first step to be welcomed at EU level is the conference organised by DG SANCO in November 2010 on behavioural economics in the retail investment services sector²⁵. We hope this is just the start of more extensive research towards understanding consumers and their behaviours and that the knowledge acquired will be used for better shaping and/or

²⁵ Conference "Behavioural economics, so what: should policy-makers care? - Particular focus on retail investment services", Brussels, 22 November 2010.

testing policy interventions and instruments before their adoption. The output of other Commission research resources, such as the JRC or the IEE programme, should also be systematically considered by the Commission's policy-making directorates when designing policies.

In order to effectively raise consumer awareness, the Commission and Member States should:

- Make use of **social marketing campaigns** for the good of the environment, using behavioural segmentation techniques and promoting the right messages to the right audience
- Make sure **every campaign is combined with other policy instruments** using both 'stick and carrot' to bring about permanent behavioural changes
- **Acquire a realistic understanding of consumers** as they actually are, and not as we wish them to be, by developing more extensive research towards understanding consumers and their behaviours
- **Use this knowledge to better shape and/or test policy interventions and instruments** before their adoption

2.3 Regulating green claims and greenwashing

The advertising and marketing of products, especially unsustainable products, influences consumer choice. The increasing number of manufacturers and retailers' own-labels, as well as misleading/incorrect labels and misleading advertising, is confusing for consumers. The use of the adjective 'recyclable' for products in comparison with the use of the word 'recycled' is a common example of misleading information²⁶. A more 'ethical' marketing of products is therefore urgently needed.

As a starting point, the Commission should acknowledge the lack of effectiveness of its 2000 Guidelines on Environmental Claims²⁷ on industry's marketing behaviour. The Commission should then explore policy routes in order to prevent the use of misleading and unreliable green claims²⁸ and better control 'green washing', i.e. green

²⁶ Consumers often believe that the Green Point on product packaging means that the product will for sure be recycled, even though this is not necessarily the case.

²⁷ Guidelines for Making and Assessing Environmental Claims, December 2000: http://ec.europa.eu/consumers/cons_safe/news/green/guidelines_en.pdf

²⁸ According to an issue paper of the OECD workshop "Enhancing the value and effectiveness of environmental claims: Protecting and empowering consumers", Green claims are assertions made by manufacturers and retailers about the environmentally beneficial qualities or characteristics of their products. They can take the form of written text, symbols, or graphics, but also include transmission through digital and electronic media such as television, radio, smart phones or the Internet. See: http://www.oecd.org/document/48/0,3746,en_2649_34267_44582320_1_1_1_1,00.html

marketing and advertising. One option to be considered is amending the Unfair Commercial Practices Directive²⁹ (UCPD) to introduce specific requirements for green claims and green washing. Examples of green claims should also be included in Annex 1 of the UCPD which lists commercial practices that are in all circumstances considered unfair. Furthermore, a more effective implementation of this directive – which differs among Member States – ought to be guaranteed. Another option could comprise the development of legislation on green claims whereby any claim would be required to be substantiated by business and approved by an independent body before being used on a product. Such a mechanism already exists for nutritional and health claims for foods³⁰.

In our view, industry self-claims should also be subject to strict international standards, including standards for ethical claims. The truthfulness of claims should be monitored along with compliance with product standards and misleading claims should be penalised effectively under the Unfair Commercial Practices Directive.

With regard to green claims and greenwashing, we urge the Commission to:

- Acknowledge the **lack of effectiveness of its 2000 Guidelines on Environmental Claims**
- **Explore policy routes** to prevent the use of misleading and unreliable green claims and better control green marketing and advertising
- To this aim, consider amending the Unfair Commercial Practices Directive (UCPD) to address green claims or introduce new legislation (based on the model of the health/nutritional food claims directive)

2.4 Promoting choice editing and further involving retailers

Choice editing, targeted campaigns and the greening of retailers all together can contribute to changing consumer behaviour, but again should not be considered as substitutes for regulatory approaches.

2.4.1 Promoting choice editing through product roadmaps

Choice editing for quality and sustainability is a critical driver towards SCP, as shown in a 2006 UK research report³¹. It is achieved when industry removes from the retail stream - voluntarily or in response to regulation - unsustainable or less sustainable products in favour of a large choice of sustainable products and services in all price

²⁹ Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market

³⁰ See Regulation (EC) No 1924/2006 on nutrition and health claims made on foods: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:404:0009:0025:EN:PDF>

³¹ Research report from the UK Sustainable Development Commission and the National Consumer Council "Looking back, looking forward: lessons in choice editing for sustainability", May 2006.

ranges. This directly shifts the field of choice for consumers towards real sustainable products. An example of effective choice editing is the progressive removal of the lowest energy efficiency rated appliances from shops.

In our view, the future EU product policy should introduce product roadmaps for the elimination of unsustainable products from the market in order to deliver market transformation for priority products. In this context, working with, and 'greening', retailers (e.g. supermarkets) is key and can easily be done at the European level, since many of them are multinational and trade across several countries.

2.4.2 Turning the Retail Forum into a true Centre of action

ANEC and BEUC welcomed the launch of an EU Retail Forum in 2009 as part of the SCP Action Plan. Unfortunately, although the forum may have added value in that it provides a platform for retailers to share best practices, the true benefits for both consumers and the environment is hardly perceivable due to several factors.

For instance, participation in the forum and the implementation of the proposed activities for e.g. greening the sector and its supply chain is only voluntary. Moreover, although the Retail Forum regularly suggests possible areas of action for policy-makers, retailers and other actors in its so-called "issue papers"³², the terms used are often vague and do not include any measurable indicators. Retailers also prevent any (policy) recommendations from being included in these issue papers so as to avoid seeing their performances made transparent and comparable.

In this context, we urge the Commission to review the Retail Forum, ahead of the revision of the SCP Action Plan, and consider ways to make retailers fulfil their responsibilities and deliver true results. Some retailers are far more advanced than others. Therefore, the Commission should set ambitious binding targets for retailers within clear deadlines to make sure the laggards will also deliver on sustainability. Should retailers not deliver within the given timeframe, the Commission should take further actions.

Finally, retailers - within the Retail Forum at least - should be encouraged to perform choice editing for the good of the environment. They already use this technique for marketing purposes almost daily in order to influence customers to buy old or over stock. They should be able to use the same technique for the good of the environment.

³² See Retail Forum website:
http://ec.europa.eu/environment/industry/retail/index_en.htm

With regard to choice editing and the retailers' role in sustainability, we call for:

- The EU product policy to **introduce product roadmaps for elimination of unsustainable products** from the market and to deliver market transformation for priority products
- The **role of retailers to be better underlined and strengthened** in the EU sustainability policy
- The **Retail Forum to become a true 'centre of action' with clear targets** imposed on retailers. Should retailers not deliver within the given timeframe, the Commission should take actions
- **Retailers to be encouraged to perform choice editing**

2.5 Offering true incentives for getting greener

A more sustainable economy should be built with producers and consumers alike opting for quality over quantity. This could be seen through tax incentives and fiscal instruments applied to industry, as well as to consumers, in order to provide more cost-efficient, sustainable products.

At national level, tax incentives reflecting the energy and resource efficiency of products have often been used and have shown to be effective in stimulating the development of products, such as energy efficient appliances and low-emission cars. For example, in the UK, taxation has been proven to be effective for phasing out cars that run on leaded petrol. These incentives also push producers in the direction of more sustainable production methods and to promote sustainable products.

The European Commission should thus support and coordinate ecological tax policies and reforms by Member States, such as tax differentiation (e.g. reduced VAT on eco-friendly products) and enhanced use of fiscal incentives (e.g. local tax rebates on households that recycle more than x% of their waste, or if consumers insulate their homes). Other market-based instruments (e.g. pricing of energy) could also encourage consumers both to buy and use more efficient products and reduce their personal energy consumption.

A joint proposal to reduce VAT rates for green products and services made in 2007 by France and the UK was not supported by a sufficient number of Member States, but we trust discussions will start again in view of the revision of the SCP/SIP Action Plan. As noted by the Organisation for Economic Cooperation and Development (OECD), in a

2008 study on sustainable consumption³³, "subsidies and tax incentives only work if they close the price gap for more sustainable products or create significant tax rebates for their use". Only then can these market based instruments help create demand for more sustainable products.

In 2011, the Commission intends to issue a proposal to revise the Energy Tax Directive³⁴ so as to better reflect the EU climate and energy objectives in the fiscal context, by basing the minimum duty rates on CO₂ emissions and energy content. We hope this proposal, among other future initiatives, will contribute to meet the consumer expectations expressed above. However, as eco-taxes such as rising energy prices may have negative effects on vulnerable consumers, future measures need to ensure that the revenue from rising prices will be given back to consumers, e.g. through investment in sustainable technology in the area of food, transport and housing. This means future measures on sustainability need to encompass corrective provisions that take account of special needs.

In order to encourage businesses and consumers to go green, we call for:

- The Commission to **support and coordinate ecological tax policies and reforms** at the national level. The use of market-based instruments ought to be encouraged.
- The Commission and Member States to **reconsider introducing reduced VAT rates for green products** (e.g. Ecolabel products) and services

2.6 Not ignoring the rebound effects

We strongly encourage the European Commission to take into account the rebound effect³⁵ when analysing and developing new policy instruments or encouraging green technologies. This could avoid partly or entirely offsetting the environmental improvements intended. In extreme cases, it could avoid overcompensation³⁶ i.e. an increase of environmental burden. It should be noted that this is not primarily a consumer behaviour issue, but is often related to the growth paradigm (see [first](#)

³³ "Promoting Sustainable Consumption - Good practices in OECD countries promoting sustainable consumption", 2008: <http://www.oecd.org/dataoecd/1/59/40317373.pdf>

³⁴ Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity.

³⁵ In a 2008 report from the European Joint Research Center – IPTS "Environmental improvement potentials of meat and dairy products", rebound effects are defined as "*the derived changes in production and consumption when the implementation of an improvement option liberates or binds a scarce production or consumption factor*".

³⁶ By overcompensation we mean for example that consumers which save money because of using more energy efficient appliances often spend this money for even more polluting activities such as for purchasing an air plane ticket.

[section](#)). Considering the rebound effect³⁷ in our understanding of consumer behaviour is also key to better adapting information campaigns and developing proper information tools (e.g. labelling schemes).

We call for the Commission to:

- Analyse and take account of the rebound effects** before developing new policy instruments
- Explore ways to avoid rebound effects**

3. SUSTAINABLE PRODUCTION

Sustainability is affordable and represents both a competition and an innovation opportunity for EU producers and businesses. It should no longer be seen as merely necessary to comply with legislation but rather as a tool for pursuing new market opportunities and future growth.

The costs related to (un)sustainable aspects of production chains and full life-cycle impacts of products are often not taken into account by industry itself. Yet incorporating sustainability concerns, via environmental management schemes, into product designing and delivering services may lead to a reduction in the use of raw materials, water and energy, and the minimisation of waste and toxic dispersion as well as reduced risks to human health and safety. It is therefore important to stress that the greening of supply chains, or making them more sustainable by applying an integrated preventive environmental strategy, can lead to significant cost savings. However, ANEC questions the usefulness of environmental management schemes such as the European Eco-Management and Audit Scheme (EMAS) and ISO 14001³⁸. An ambitious review of these schemes is necessary in order to achieve real environmental benefits (see 3.1).

³⁷ E.g. as consumers tend to always spend the same amount of money, they may spend the money they have saved by using energy efficient appliances for travelling abroad more often. This leads to an increase in the household's green house gases emission level cancelling out the energy savings from the use of greener appliances.

³⁸ ANEC/BEUC/ECOS/EEB Position "Making EMAS a system of excellence – Going beyond EMS", October 2006.

3.1 Sectoral indicators to allow comparisons between companies

Unfortunately, the last revision of EMAS in 2009³⁹ did little to improve the ambition of the scheme. In a joint press release⁴⁰ with ECOS, ANEC regretted that the opportunity to transform the European scheme into a true system of excellence had again been missed by the European institutions.

No substantive performance requirements have been introduced in the scheme, but emphasis has been put instead on making the scheme more attractive for organisations by reducing administrative burdens, and through extending the scheme to organisations outside Europe. We question this strategy, as well as the usefulness of the generic core performance indicators introduced in the new regulation, as a basis for EMAS registered organisations when reporting on their environmental performance.

In our view, the sole improvement to the scheme is the introduction of sectoral reference documents, which are also to be taken into account by organisations in their environmental reporting. These sectoral reference documents, including sector-specific performance indicators and benchmarks, will indeed allow for more meaningful comparisons between organisations' environmental impacts. The new regulation required the Commission to establish a working plan, setting out an indicative list of these sectors, by the end of 2010 but the work has been delayed. Unfortunately the use of these documents has not been made mandatory in the new regulation (i.e. the benchmarks do not need to be complied with but constitute a reference for reporting).

With regard to sectoral indicators to allow comparisons between companies, we propose to:

- **Foster the development of sectoral reference documents** and ensure they include sector-specific performance indicators and benchmarks
- **Establish a working plan** with a list of sectors for which reference documents should be developed
- **Make the use of sectoral documents mandatory** in the future Action Plan

³⁹ Regulation (EC) N° 1221/2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) – also called EMAS III Regulation.

⁴⁰ Joint ANEC/ECOS press release "Revised Eco-Management and Audit Scheme lacks teeth" : <http://www.anec.eu/attachments/ANEC-PR-2009-PRL-008.pdf>

3.2 Sustainability and resource efficiency targets still missing

Specific sustainability targets were missing in the 2008 SCP/SIP Action Plan and should be reconsidered in the review. An example could be to set the target of reaching the 1990's consumption level by 2020, or of taking into account e.g. citizens' well-being and health together with economic growth in the chase towards a sustainable European Union.

In particular, although we welcome that resource efficiency was announced as a high priority on the EU agenda for the next couple of years, we believe there is also a need here for ambitious targets and measurable indicators to be set in order to promote resource efficiency and eco-innovation. However, mere focus on efficiency may lead to an overall increase in resource use as a result of economic growth and rebound effects. Hence, it is necessary to define not only efficiency goals but also targets concerning the overall amount of resource needs (such as a 20% reduction in energy consumption). These targets should be obligatory rather than optional. As the EU has unfortunately never really measured the use of resources, it would hardly be able to assess whether its sustainability policy is actually contributing to reducing the use of finite resources. Harmonised methods to measure resource efficiency therefore ought to be agreed upon as soon as possible⁴¹.

With regard to sustainability and resource efficiency, we advocate for:

- **The introduction of specific sustainability targets** in the future SCP Action Plan
- Likewise, the creation of **ambitious obligatory targets and measurable indicators** in order to promote resource saving and eco-innovation
- To this aim, the development of **harmonised methods to measure resource efficiency**

⁴¹ A proposal for measuring resource use (by applying e.g. land use, material production, water use and greenhouse gas emissions as indicators) has already been put forward by Friends of the Earth and could potentially be used as a basis for a European methodology:
http://www.foe.co.uk/resource/briefings/measuring_resource_use.pdf

3.3 Harmonised LCA/PCF methodologies

With climate change high on political and business agendas, life-cycle assessments (LCA) and product carbon footprinting (PCF) have become fashionable. The revised SCP/SIP Action Plan should include any actions the EU is considering with regard to LCA or PCF in order to ensure consistency among sustainability policy tools. However, ANEC warns that LCA and PCF methodologies still suffer from serious limitations and drawbacks that need to be addressed before moving further. We urge the Action Plan to clearly acknowledge these shortcomings.

Regarding LCAs, an ANEC study published in 2008⁴² showed that indicators based on LCA methodology may not be the best option to suitably characterise and declare the environmental performance of products. ANEC has long questioned the usefulness of so-called Environmental Product Declarations in facilitating consumers' purchasing decisions, and has therefore developed alternative concepts. Although LCA methodology offers unique advantages, such as comparisons of system alternatives or providing orientation, it also suffers from serious limitations including omission of many relevant environmental aspects (e.g. site-specific emissions such as noise, or non-quantifiable impacts such as biodiversity), as well as low accuracy and reliability of data. Hence, in many cases, significant production or use phase indicators (e.g. energy efficiency, indoor emissions), derived from a variety of tools (e.g. chemical risk assessment), are a better choice for product labelling as these allow for differentiation among similar products compared with LCA indicators. A process for the identification of all relevant environmental aspects product-by-product, and involving all relevant stakeholders, is proposed.

Similarly, another ANEC study of February 2010⁴³ showed that Product Carbon Footprint information from different businesses is not always reliable and is difficult to compare due to existing methodological constraints and lack of harmonised methodologies. PCF also presents a threat whereby the focus on greenhouse gas emissions may lead to other environmental impacts (for example, water consumption) being ignored, or even amplified. Moreover, carbon footprint labels for consumer products that rely exclusively on numerical values of CO₂ emissions are pointless. Tools other than PCF may indeed be cheaper and more reliable in addressing the inclusion of climate protection in consumer information. Such tools could be measurable energy efficiency parameters or even messages such as "Eat less meat, eat local and

⁴² The study investigated Life Cycle Assessment (LCA) methodology with respect to its suitability for labelling, product differentiation and benchmarking. It is available at: <http://www.anec.eu/attachments/ANEC-R&T-2008-ENV-005final.pdf>

⁴³ Building on the results of our 2008 study, this study aimed to determine the requirements for consumer information on Product Carbon Footprint (PCF or CO₂). A summary of the study can be found at: <http://www.anec.eu/attachments/ANEC-R&T-2010-ENV-003final.pdf>

seasonal". PCF studies could nevertheless provide a starting point for the development of ecolabels associated with independent, third-party verification, such as the EU Ecolabel.

With regard to LCA/PCF methodologies, we advocate for:

- **the inclusion of any actions related to LCA or PCF in the revised SCP/SIP Action Plan** in order to ensure consistency among sustainability policy tools
- **the limitations of LCA and PCF methodologies to be addressed**
- **The use of LCA and PCF methodology only for comparing system alternatives or providing orientation**, not extended to product labelling
- The use of **significant production or use phase indicators** (e.g. energy efficiency, indoor emissions) **derived from a variety of tools** (e.g. chemical risk assessment) **for product labelling** as these allow for differentiation of similar products compared to LCA indicators.

3.4 Transparency of companies' social responsibility should be enhanced

The future SCP Action Plan should explore means how to advance social responsibility of organizations and companies offering products and services to EU consumers.

Social responsibility is a concept which refers to social, ecological and economic company and organizational activities that go beyond legal compliance. These voluntary activities of companies are frequently presented to consumers in glossy reports. However, as comparable and mandatory indicators for reporting are currently missing, and as reporting is not mandatory for all companies, this information is not meaningful and, in some cases, merely serves a public relations purpose. To enable consumers to consider the social responsibility of companies in their making their purchase decisions, the disclosure of non-financial information by companies⁴⁴ has to be improved.

For this purpose, the EU should initiate a process to develop comparable corporate key performance indicators, allowing performance comparisons between companies, and the establishment of benchmarks, taking into account relevant existing regulation, guidance documents, best practice reports, voluntary schemes covering all dimensions

⁴⁴ In the EU, the mandatory disclosure of such non-financial information is currently under discussion. A public consultation of the European Commission on disclosure of non-financial information by companies closed on 24 January 2011, http://ec.europa.eu/internal_market/consultations/2010/non-financial_reporting_en.htm

of sustainability such as for example ISO 26000⁴⁵ and the OECD Guidelines for Multinational Enterprises⁴⁶. The development of sectoral reference documents in EMAS may be seen as a first step in this direction. Reporting should become mandatory for companies based on these common indicators once they are available. Moreover, measures have to be developed to ensure that the disclosed information is correct and whether companies stick to their commitments or not. The publication of wrong information should be subject to sanctions.

In view of **consumers' rights to be informed** about how products and services are produced, we call for:

- Initiating a process to **develop comparable corporate key performance indicators**, allowing performance comparisons between companies and the establishment of benchmarks covering all dimensions of sustainability, including a suitable methodology
- Establishing general disclosure obligations for all organisations above a certain size/annual turnover and having business relations based on common key performance indicators.
- In a next step, establish minimum performance requirements for companies based on these key performance indicators.

END.

⁴⁵ International Standard ISO 26000:2010 "Guidance on social responsibility". ISO 26000 is a voluntary guidance standard that will not be used for certification purposes.

⁴⁶ See: http://www.oecd.org/departement/0,3355,en_2649_34889_1_1_1_1_1,00.html