

**INTEGRATED PRODUCT POLICY****UNICE OPINION**

Integrated Product Policy (IPP) is presented by the European Commission as a new approach to environment policy. DG XI has asked Ernst & Young to produce a study on IPP, which suggests that IPP be built on five “building blocks”, and proposes to hold a seminar on 8 December 1998 in order to define a common understanding of IPP. UNICE welcomes the European Commission’s initiative to discuss and clarify IPP.

Defining IPP is certainly a difficult task, and it is hoped that the seminar will provide useful reference parameters for such a definition. However by providing already in the invitation to the seminar a definition of IPP which it distinguishes clearly from “product management”, DG XI actually restricts the potential of IPP as a mobilising concept for industry.

The differentiation between IPP and product management is artificial. UNICE finds it difficult to accept that public authorities should assume all responsibility for IPP and questions the extent to which there is a need for Community action in this field.

Sustainable production and consumption, which should be the ultimate aim of an integrated product policy, encompass the challenge of integrating environmental, social and economic aspects of sustainable development. In UNICE’s opinion this goes far beyond what can be achieved by public policy and requires the commitment and action of all players involved in improving the environmental performance of society.

In this perspective, IPP would express the emergence of a new paradigm based on product systems, including resource efficiency and environmental impacts, and oriented towards sustainable consumption. Environmental considerations would be related to and balanced with other aspects such as product performance, safety, convenience, production, distribution, logistics and marketing.

**Role and responsibility of industry**

Industry is committed to producing in an environmentally sound and sustainable manner through continuous improvement in all process- and product-related activities. These different aspects of the life cycle of a product are a permanent concern for business, which develops appropriate instruments for the different aspects of product development and regularly improves its processes and products to achieve environmental objectives. In fact, integration of environmental considerations in company product policies takes place in many ways, for instance via:

- development and implementation of environmental management tools such as ISO environment management standards, eco-auditing, Life-Cycle Analysis (LCA), risk analysis<sup>1</sup> and designed tools;
- voluntary agreements/actions (e.g. AISE code of good environmental practice for household detergents, CEFIC initiative on product stewardship, ACEA's environmental agreement on CO2 emission reductions from passenger cars, etc.);
- compliance with existing environmental legislation.

All these tools and actions demonstrate that continuous improvement of the environmental performance of products is the task of companies, and they are aware of their responsibilities in this respect.

### **Role of public authorities and other stakeholders**

However, consumers, NGOs and public authorities have a role to play in the development and implementation of truly integrated product policies.

Public Policy should aim at creating the right conditions for products in a sustainable development perspective taking into account existing environment measures and policies of companies and authorities, whether voluntary or mandatory. Within IPP the role of public authorities will be to set principles underlying integrated approaches to product policies, define the objectives together with all concerned stakeholders, and contribute to the development of instruments to reach these objectives.

Products address a variety of society's needs expressed by final consumers as well as intermediate industrial customers. Continuous dialogue with these stakeholders should contribute to enhanced environmental performance. Consumers, customers and environmental NGOs can all play a useful role by echoing manufacturers' concerns, suggestions and expectations vis-à-vis products.

### **Conclusion**

The discussion about Integrated Product Policy could provide a valuable opportunity for further improving the relationship between public authorities and industry, through the creation of mutual trust. This can take various forms, such as environmental agreements, support for R&D, assistance with development of life-cycle methods, provision of information, avoidance of international trade barriers and promotion of shared responsibility.

Integrated Product Policy should not be seen by public authorities as a way to impose new regulation. It must mean a new approach, a framework, in which business plays the leading role in enhancing the environmental performance of products and which at the same time ensures coherence of public action to support the competitiveness of industry within a global and sustainable framework. Such a framework will require public authorities to clarify the definition and the objectives of an IPP, and to be prepared to propose, inter-alia, deregulation.

Products should be managed in an integrated approach in which sustainable production and consumption should be the ultimate aim.

---

<sup>1</sup> Risk analysis should be understood as a three-step approach which encompasses risk assessment, risk management and risk communication.

