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EU ACTION PLANS ON SUSTAINABLE CONSUMPTION AND PRODUCTION AND SUSTAINABLE INDUSTRIAL POLICY

BUSINESSEUROPE, the Confederation of European Business, is the voice of more than 20 million small, medium and large companies. BUSINESSEUROPE's members are 39 central industrial and employers' federations from 33 countries, working together to achieve growth and competitiveness in Europe.

In early 2008, the European Commission intends to publish action plans on Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy (SIP) in the context of implementing the EU's energy and climate change policy objectives. While BUSINESSEUROPE supports such a holistic, integrated approach to product policy that encompasses all three pillars of sustainability (economic, social and environmental) and is committed to the integration of environmental thinking into product design from a lifecycle perspective, European industry yet remains to be convinced about the added value of the announced action plans and that they will not jeopardise EU's competitiveness, innovative ability and economic growth.

BUSINESSEUROPE would like to specify its positions on a number of product-related policies and instruments which are being considered by the Commission as stated in its background paper:

- For decades, European industry has been successfully committed to designing, manufacturing and supporting products in an environmentally conscious, socially acceptable and economically viable manner. BUSINESSEUROPE therefore suggests that the Commission collaborates extensively with the businesses and industries concerned. In order to make a successful and workable SCP and SIP, the implementation side should be left to industry, with its innovative strength, and the market.
- At this stage, the proposal to extend the scope of the directive 2005/32/EC on eco design of energy using Products (EuP directive) to other sectors is not satisfactory and would be against Better regulation principles, since those industries have not been consulted at the time of developing the EuP directive. At the same time those industries which are subject to the EuP directive strongly object to an amendment of this recently adopted directive, which is under implementation and is contributing to the realisation of the EU's energy and climate change policy objectives within a clearly determined and dynamic framework. In general, legislating for the design of products should not be the priority route since market forces generally drive innovation. Lastly, the Top-Runner programme as organised in Japan would not be applicable to the more complex and heterogeneous system in the EU.



- It is of major importance to complement existing product policies by promoting lifecycle thinking as a key element towards sustainable development. The lifecycle thinking concept incorporates all environmental aspects that could occur from cradle to grave of a product, e.g. during its production, use, transport, recycling/recovery or disposal phase. The upcoming action plans should help foster this lifecycle thinking amongst industrial activities in order to promote overall continuous improvements of product performance.
- In the light of the Lisbon agenda and competitiveness of European industry, a product performance should not be assessed against environmental criteria only, but should equally take into account other important aspects such as economic performance for the producer and user, safety, material use, logistics, functionality, production, health and nutrition, marketing, consumer choice, safe recovery or disposal and societal concerns.
- As different sectors face different sustainability challenges, the suitability of a certain policy instrument will strongly depend on the sector and product in question. BUSINESSEUROPE therefore supports a comprehensive sectoral approach within SCP and SIP, involving all key stakeholders. In this respect, BUSINESSEUROPE would welcome the setting-up or strengthening of platforms for cooperation between Commission, Member States and industry in order to define and share, by sectors, the best environmental practices along a product's lifecycle.
- When eco-labelling is being developed, BUSINESSEUROPE stresses the need to base criteria on clear, science-based facts, in consultation with all stakeholders concerned and meeting the dynamics of and demand from the market. To be meaningful, consumer information should cover all relevant environmental aspects of products along their life-cycle. The question of assessing compliance of products with labels-related criteria should also be looked at carefully as it is highly resource-intensive, in financial and human terms, especially for SMEs. Lastly, it is essential that eco-labels continue to be applied on a voluntary basis.
- BUSINESSEUROPE welcomes the Commission's approach of working towards sustainable consumption and production commitments at an international level. An EU SCP and SIP policy should not form a new obstacle to internationally traded goods. From this follows the recommendation that these matters should preferably be discussed and harmonised at global level. Lacking international guidance entails a risk that policies develop differently in different markets and even within a market, creating trade barriers.
- Raising consumer awareness should be a key step in promoting SCP and SIP, both in regard to explaining the need and advantages of sustainable consumption, as well as instructing and informing consumers about how to use products in a sustainable manner. In addition, there will be no market for new technologies if the consumer is not aware of the need to take the aspects of sustainable consumption and production into account when purchasing new products, or if the consumer cannot afford to buy such products. Awareness can only be raised through a large and well organised effort.



- BUSINESSEUROPE has serious concerns about the concepts of “Environmental Performance Agreements” with retailers and of an EU logo of “environmental commitment” for retailers which sell a certain amount of “highly performing” products. This would be misleading and confusing for the consumer as it would not allow him to draw any meaningful conclusions on the environmental performance of the actual product he buys. It would also run the risk of creating dominant positions for retailers and distributors in the market place.

In addition to the above product-related issues, BUSINESSEUROPE has concerns about other actions being considered by the Commission as presented in the background paper:

- BUSINESSEUROPE does not see any need for further development of the Eco-Management and Audit Scheme (EMAS), due to the existence of the Environmental Certification Scheme ISO 14001.
- BUSINESSEUROPE believes that resource efficiency targets for manufacturing processes and recycling targets for end-of-life products are counterproductive, as they put emphasis purely on satisfying that target rather than exploring the full potential to improve the overall performance of a product across its entire lifecycle. The EU should therefore concentrate on providing the right framework conditions for innovation, leaving competitive market forces to drive rationalisation to deliver greater resource efficiency.

Beyond these product-related comments, BUSINESSEUROPE can provide further comments on other policies and instruments under consideration. In particular, BUSINESSEUROPE has elaborated positions in the following areas: innovation and promoting lead markets; promoting global sectoral approaches; green taxation policy; market surveillance and green procurement.

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