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## CLIMATE CHANGE: WHAT PLACE FOR CO<sub>2</sub> FOOTPRINT PRODUCT LABELLING?

This question is increasingly being debated as part of the Climate Change and Sustainable Consumption and Production (SCP) agendas. Technical work on how to measure and communicate the CO<sub>2</sub> footprint of products as well as policy initiatives is underway at national, European and international levels. The question requires close consideration and great caution is needed.

The importance of providing reliable environmental information about products to consumers is admitted across society. This is a way to support consumers taking a more active role in society's climate change and environmental challenges. And, together with other means of communication such as e-technologies, labelling can play a role to inform consumers about product characteristics. As an example, the revised Energy Labelling Directive will strengthen information towards consumers on a product's energy use.

**However, the EU industry community strongly questions the relevance and the feasibility of moving towards mandatory CO<sub>2</sub> footprint labelling of products.** This is primarily for the following reasons:

- Labelling is of its essence a simplistic representation of a very complex issue. If it is not handled properly, it can be misleading. A multiplication of labels/information on products also runs the risk of providing confusing or even sometimes conflicting information to consumers. For instance, a food product could be beneficial from a nutritional viewpoint, but score less well from an environmental viewpoint, or vice versa.
- Its focus is limited to the amount of greenhouse gas that enters the atmosphere as a result of the production, use and end-of-life of a product. Although it addresses one of the key challenges facing society today, it neglects all other environmental factors. Therefore, it could give a biased picture of the environmental performance of the given product.
- A worldwide consensus on a methodological framework for measuring CO<sub>2</sub> footprint of products is not yet available, let alone agreement on how to communicate the information.

Policy initiatives on CO<sub>2</sub> footprint of products are underway in some Member States and a number of voluntary initiatives are being taken by companies. The risk is high that without a certain level of coordination and harmonisation, these initiatives will distort the internal market and affect market access worldwide.



Against this background, BUSINESSEUROPE makes the following policy recommendations:

1. Efforts should concentrate on developing international standards for measuring and communicating CO<sub>2</sub> footprint of products. Work by international organisations such as the International Organization for Standardization (ISO) and the Greenhouse Gas Protocol Initiative should be pursued with a view to reaching an agreement on harmonised reliable criteria and methodology. These criteria should be developed in close consultation with all stakeholders as well as based on full life-cycle approach with multi-criteria evaluation and on sound science (see general principles in Annex).
2. Legally binding requirements on measuring and labelling the CO<sub>2</sub> footprint of products must be avoided. The number of voluntary initiatives by companies and industrial sectors to communicate meaningful environmental information to customers and consumers illustrate their willingness to act. Governments and operators interested in communicating products CO<sub>2</sub> footprint to consumers should converge towards a voluntary use of future internationally-agreed standards, taking into account specificities of industrial sectors. BUSINESSEUROPE underlines that any voluntary labelling must be built on scientific evidence, sound data as well as a reliable and representative methodology to avoid market distortion and unfair competition in the marketplace.
3. A broad reflection and in-depth stakeholder consultation on the future of the EU environmental information policy should be pursued with a view to achieving genuine coherence and consistency. All suitable means of communication to raise awareness and inform consumers should be explored (websites, leaflets, etc.). In the communication of results, the multiplication of various schemes at EU and national levels should be avoided.

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**Annex: principles for measuring and communicating environmental information of products**

Information should be accurate, verifiable, relevant, understandable, complete and not misleading.

*Principles for the voluntary assessment of products' environmental performance:*

- Principle 1: Assess the most significant life cycle stage(s)
- Principle 2: Assess the most significant environmental impact(s)
- Principle 3: Maintain the environmental assessment updated
- Principle 4: Apply recognised scientific methodologies

*Principles for the assessment and implementation of products' costs and social performance:*

- Principle 5: Assess the most significant cost factors from the end consumers point of view
- Principle 6: Assess the most significant social impact(s)

*Principles for the voluntary communication of environmental information:*

- Principle 7: Provide factual information to support individual choice
- Principle 8: Use the most suitable means of communication
- Principle 9: Provide easily understandable information
- Principle 10: Ensure clarity regarding the scope of environmental information
- Principle 11: Ensure transparency of information and underlying methodologies

*Principles for both voluntary assessment and communication:*

- Principle 12: Grant open access to all companies (including SMEs)
- Principle 13: Support innovation
- Principle 14: Safeguard the Internal Market and international trade
- Principle 15: Base on an integrated approach of the three pillars of sustainability