

## Action Plan for sustainable consumption, production and industry

*Our current patterns of consumption and production have significant environmental impacts, including greenhouse gases, pollution and the depletion of natural resources. Much can be done to make the way we consume and produce in Europe more sustainable, without additional costs for companies and households, and can bring benefits. The European Commission therefore today proposed a package of actions and proposals to improve the environmental performance of products and stimulating the demand for more sustainable goods and production technologies. EU industry will be encouraged to take up new opportunities and innovate in order to ensure its continued leadership in environmental performance. The Action plan also explores means for promoting sustainable production and consumption internationally.*

The list of actions encompasses:

- Ecodesign requirements for more products;
- Reinforced energy and environmental labelling;
- Incentives and public procurement for highly performing products;
- Green public procurement practices;
- Consistent product data and methodologies
- Work with retailers and consumers;
- Supporting resource efficiency, eco-innovation and enhancing the environmental potential of industry;
- Promoting sustainable production and consumption internationally.

### 1. A new framework for environmental product policy

A range of policies at EU and national level already foster resource efficient and eco-friendly products and raise consumer awareness, such as the EU framework for the Ecodesign of energy-using products, labelling schemes, and financial incentives granted by Member States to those that buy eco-friendly products. The Action Plan complements and integrates the potential of these different policy instruments, and provides for new action where gaps exist.

#### **Energy and resource-efficient products: The Ecodesign Directive**

The **Ecodesign Directive** so far allows setting compulsory minimum eco-design requirements for energy-using products, such as boilers, water heaters, computers, televisions or industrial fans. Energy-using products consume a large proportion of energy and other natural resources in the EU. It is proposed to extend the directive to all **energy-related products** – products which do not consume energy during use but have an indirect impact on energy consumption, such as water-using devices or windows.

For example, water-saving taps and shower heads can reduce water consumption and therefore the energy used for hot water, and by consequence save resources and money, without altering the user's perceived well-being.

Next to minimum requirements, the Ecodesign directive will also define **voluntary benchmarks of environmental performance**, achieved by highly performing products. If some water boilers reduce their energy consumption to a larger extent than other similar products, this high performance should indeed serve as a benchmark for industry.

### **Reinforced energy and environmental labelling**

While the Ecodesign directive ensures a technical improvement of products, labelling enhances transparency for consumers by indicating the energy or environmental performance of products.

The Commission proposes that **mandatory labelling** of products according to their energy or environmental performance is extended to **a wider range of products**, including energy-using and energy-related products. The **Energy Labelling Directive (92/75/EC)** so far obliges manufacturers and retailers to provide consumers with labels indicating the energy consumption of household appliances, such as washing machines, dishwashers, ovens or air-conditioning appliances. A wider range of products will be labelled about their energy or environmental performance to improve consumers' awareness. For example, labels indicating the insulation capacity of windows would help consumers to choose better windows when renovating their home, and save money on their electricity or gas bill.

**The EU Ecolabel** is a **voluntary label** which is awarded to the most environment-friendly products on the market. It enables private consumers and public authorities alike to identify and buy 'greener' products. The scheme will be strengthened by widening the number of products covered and making the system less costly and bureaucratic. It will thus act as an incentive for manufacturers to go beyond the mandatory minimum product standards. Due to its broader scope the Ecolabel will also cover products and services, including food and drink products, for which ecodesign and energy related requirements will not be set.

### **Setting Incentives**

The Action Plan proposes that only products attaining a certain **level of energy or environmental performance** can receive **incentives** and be **procured** by Member States and the EU institutions. This level will be identified through one of the labelling classes, when mandatory labelling is set for a particular product group (see above). But it will be up to Member States whether and in which form to provide incentives. Today, national or regional incentives to consumers that buy eco-friendly products are granted for very different levels of energy or environmental performance. For example, the insulation performance required for getting incentives for an energy-efficient window is twice as high in some regions than in others close by and with similar climatic conditions. This hampers economies of scale for eco-friendly products.

### **Promoting Green Public Procurement**

Public authorities spend **16% of EU GDP** on the purchase of goods and services. In particular in certain sectors such as construction, transport, office equipment, cleaning services, public purchasers could give strong signals to the market place by asking for greener goods, thereby stimulating the supply of more environmentally friendly goods and services. In addition to the instruments above, further **voluntary measures** aim to increase the potential benefits of Green Public Procurement:

The Commission will provide guidance and tools for public authorities to green their procurement practices. This will include common environmental criteria, the setting of targets and providing model tender specifications. This shared approach will help to avoid market distortions in Europe. A separate **Communication on Green Public Procurement** details these measures.

### **Consistent data and methods on products**

To implement this policy, consistent and reliable data and methods are required to assess the overall environmental performance of products and their market penetration and to monitor progress. The Commission will build on ongoing work in this field, so that, inter alia, data on products and related environmental impacts collected under different tools are shared.

### **Work with Retailers and Consumers**

Retailers are in a strong position to influence sustainable consumption. Individual retailers will commit for example to offering more sustainable timber products, to promote the purchase of energy-saving light bulbs, and to reduce their own carbon footprint.

A **Retail Forum** will be set up to promote the purchase of more sustainable products, to reduce the environmental footprint of the retail sector and its supply chain, and to better inform consumers. Other stakeholders, such as producers, consumer and other non-governmental organisations, will also be involved.

The Commission will also support actions to increase consumer awareness and help them make more informed choices, for instance by developing tools to inform young people and on-line education tools for adults on sustainable consumption.

## **2. Promoting eco-friendly and leaner production**

A range of actions will provide **further impetus to promote resource efficient and eco-innovative production**:

### **Boosting resource efficiency**

Resource efficiency means creating more value while using fewer resources. In the EU, resource productivity (measured by GDP per resource use, €/kg) has improved 2,2% per annum in real terms over the past 10 years. This means that the EU has been able to stabilise resource use in a growing economy. This should continue at least at the same pace. Tools to monitor, benchmark and promote resource efficiency will be further developed; detailed material-based analysis and targets will be addressed in a second step.

### **Supporting eco-innovation**

The level of innovation can be measured by the amount of patents in the area. According to the OECD, eco-innovation patents in the EU are on the rise and best performing Member States grant 3.5 patents per € 1 billion of GDP. Tools will be developed to monitor, benchmark and boost the uptake of eco-innovation in the EU as part of a wider EU innovation policy.

Furthermore, an **EU wide environmental technology verification scheme** will be established to provide reliable third-party verification of the environmental performance of new technologies. This will be a voluntary, partially self-financed scheme, based on a regulatory framework. It will help to provide confidence to new technologies emerging on the market.

## **Enhancing the environmental potential of industry**

### **Revise the EMAS Regulation**

The voluntary EU eco-management and audit scheme, [EMAS](#), helps companies to optimise their production processes and make more effective use of resources. The scheme will be significantly revised to **increase the participation of companies**, and reduce the administrative burden and costs to Small and Mediums Sized Enterprises (SMEs).

### **Developing industrial policy initiatives for environmental industries**

Environmental industries provide solutions for measuring, preventing and correcting environmental damage to water, air and soil, and for problems such as waste, noise, and damage to eco-systems. They include sectors such as waste and waste water management, renewable energy sources, environmental consulting, air pollution, and eco-construction.

The global market for environmental industries was estimated to be €1000 billion in 2005 and could reach €2200 billion in 2020.

The Commission will first analyse the barriers to the expansion of eco-industries and to their full uptake by traditional industries, such as administrative burdens and obstacles to financing of innovation. The objective is to create a friendly regulatory environment for the development of environmental industries in the EU. The potential of ICT for delivering sustainable solutions will also be explored.

### **Helping Small and Medium Size Enterprises**

The [Enterprise Europe Network](#) and other channels will encourage SMEs to adopt environmentally friendly and energy efficient solutions. The action will also aim at developing content for training and disseminating tailor-made information and know-how about energy saving and environmental compliance for small companies.

## **3. Contributing to sustainable consumption and production internationally**

### **Promote sectoral approaches in international climate negotiations**

Industry sectors are starting to develop agreements in order to commit to specific emission reductions or energy efficiency targets. Businesses in emerging as well as developed economies thus commit to reduce their greenhouse gas emissions. It also avoids that some companies of a sector suffer from carbon constrain while others competitors benefit from carbon havens. The Commission will support such approaches in the context of future international negotiations on climate change. Activities will include capacity-building in key emerging economies and determining key elements to build such approaches as part of a comprehensive international climate change agreement for the period after 2012.

### **Promote and share good practice internationally.**

Sustainable consumption and production policies (SCP) will be promoted, in particular as part of the United Nations SCP 10-Year Framework Programme (Marrakesh Process). The Action Plan will provide a contribution for future work that is carried out in collaboration with the UN, and additional action will be taken to strengthen partnerships in this field.

In addition, the European Commission in its Energy Efficiency Action Plan proposed to act on energy efficiency in international relations. This has taken shape on June 8 with the launch of the International Partnership for Cooperation on Energy Efficiency which brings together G8 countries, China, India, Korea and the European Community. The IPEEC will be a high level, open, broad and inclusive partnership of the nations seeking to maximise the benefits of energy efficiency through voluntary cooperation.

#### **Promote international trade in environmental goods and services.**

The EU continues its efforts for trade policy and industry dialogue to work towards the elimination of tariffs for trade of low carbon technologies and environmentally friendly products and services.

#### **4. Examples of gains in efficiency and cost reduction**

Efficient use of resources is attractive, because it reduces the negative environmental impacts and increases the competitiveness of the economy. **30% of energy used in buildings could be reduced with positive economic effects in 2030.** Better window insulation could reduce a household's heating energy needs by more than one fifth, while reducing related costs by 11%. Significant gains are also estimated for baths, showers and taps.

#### **5. Legal documents proposed and roadmap**

The following documents accompany today's Action Plan:

- Proposal for the extension of the Ecodesign Directive
- Proposal for the revision of the Ecolabel Regulation
- Proposal for the revision of the EMAS Regulation
- Communication on Green Public Procurement

This will be shortly followed by the:

- Proposal for the revision of the Energy Efficiency Labelling Directive
- Proposal for a Regulation for an Environmental Technology Verification scheme.

The Commission will present the legislative proposals to the EU Council of Ministers and the European Parliament. The proposals will go through the "co-decision" procedure, in which the European Parliament adopts legislation jointly with the Council.

#### **More information**

Commission DG Environment

[http://ec.europa.eu/environment/eusss/escp\\_en.htm](http://ec.europa.eu/environment/eusss/escp_en.htm)

Commission DG Enterprise and Industry

[http://ec.europa.eu/enterprise/environment/sip\\_en.htm](http://ec.europa.eu/enterprise/environment/sip_en.htm)