

ASSOCIATION DES INDUSTRIES DE MARQUE
EUROPEAN BRANDS ASSOCIATION
EUROPÄISCHER MARKENVERBAND

AIM® POSITION PAPER



THE PROPOSED REVISION OF THE ECO-LABEL SCHEME



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AIM Position on the proposed revision of the eco-label scheme

Background on the proposal

Eco-labelling in the European Union has been in place since 1992 and is currently defined by Council Regulation 1980/2000. It is voluntary. It is updated in the Commission's 2008 proposal (COM 401/3). The 1992 proposal aimed to prevent, reduce and eliminate pollution, and to encourage sound management of raw material resources by promoting products with a reduced environmental impact (with the exclusion of food, drink and pharmaceuticals), and by providing consumers with more and better information on the environmental impact of these products. National schemes, such as the German Blue Angel, the Swedish SNF label and the Nordic Swan all have similar environmental objectives.

Scope of the proposal

The 2008 proposal retains the focus on only the environmental pillar of sustainable development. Article 6 says that eco-label criteria shall be based on the "environmental performance" of products. Environmental performance is a defined term in article 3 : "*the result of a manufacturer's management of those characteristics of products that cause environmental impacts*". Environmental impacts is in turn defined as: "*any change to the environment resulting wholly or partially from a product during its life cycle*".

The proposal goes beyond the scope of the 1992 regulation and covers all goods and services including processed food and the products of fishing and aquaculture.

The proposal assumes that national schemes would continue and seeks harmonisation with these schemes. The proposal retains the EU flower logo as the eco-label. The proposal remains voluntary.

Background on AIM

AIM has assembled the experience of those of its member companies who have been involved in eco-labelling schemes, whether European or national. This experience is cross sectoral including food, detergents, cosmetics, paper products and batteries. It includes extensive experience of AIM members as experts in the development of criteria against which products should be assessed, and actual market experience of using eco-labels in Sweden and Germany.

A need to re-think the basis for awarding an eco-label

While the branded goods industry is committed to providing consumers information on all relevant product characteristics including environmental performance we believe that there are more effective ways to achieve this than through the proposed extension of the eco-labelling scheme using the flower logo. The proposal's harmonisation objectives are however sound.

The basis for awarding an eco-label as outlined in annex1 section 2 is:

"The draft criteria shall comply with the following requirements:

– they shall be based on the environmental performance throughout the life-cycle of the product of the best performing products on the market and correspond, as far as possible, to 10% of the best performing products available on the market."

This proposal has an inherent difficulty. By setting an arbitrary threshold of 10% of the top environmentally performing products, one is artificially creating a distinction between what will be perceived as 'environmentally friendly' products and products that are not environmentally friendly. While on the surface this may appear to be a worthy

objective, in reality such a distinction is misleading to the consumer and provides little incentive for companies to continually improve their environmental performance.

Taking this in to account AIM has developed a vision and principles to guide the process of developing a better communications tool for the environmental performance of products and urges a rethink based upon the application of these principles to the eco-label.

AIM's vision on sustainable development

The branded goods industry aims to ensure the continual improvement of the quality of life enjoyed by our consumers, our employees and the communities in which we operate. As responsible actors in society we will play our part in meeting economic, environmental and social challenges in particular with respect to sustainable consumption and production.

We believe that the branded goods industry can lead in the following ways.

- We will develop and market innovative goods and services that have a more sustainable life-cycle.*
- We will seek ways to further optimize the economic and environmental efficiency as well as the social impact of our current products and activities.*
- We will communicate our efforts on sustainable development based on proven science*

We recognise that, by expressing values and building trust with consumers, brands can play a role in shaping consumer behaviour towards more sustainable choices.

Application of AIM principles to the regulation's eco-label criteria

AIM has developed eight overarching principles on sustainable development. The following section describes how these might apply to eco-labels. In applying the eight principles of sustainable development to eco-labels, AIM proposes the following should be considered in the determination of the proposal's eco-label criteria (articles 6,7 and 8).

1. Support a holistic approach

Principle: Embrace economic, environmental and societal dimensions

Application of the principle:

- The Commission proposal is not an holistic approach. As such the eco-label scheme should clearly state that it is limited to environmental impact and not all three pillars of sustainability.

2. Promote innovation

Principle: Leverage innovation as a source of process, product and service solutions.

Application of the principle:

- Criteria to award an eco-label should be expressed in terms of environmental performance . This approach leaves maximum flexibility for innovation. Prescriptive design criteria or implicit preference for a technology should be avoided.
- Eco-labels should not stifle innovation. Experience has shown that improvement in sustainable development is a continuum driven by manufacturers not a series of steps aligned to a policy timetable with bureaucratic procedures.
- Criteria should not be so arbitrary as to exclude sectoral excellence.

3. Enable informed consumer choice

Principle: Provide relevant communication to shape consumer behaviour towards sustainable choices.

Application of the principle:

- Transparent. The criteria for claims for eco-labels should be publicly available and susceptible to background checks on the underlying research. Each criteria should be developed in close collaboration with experts from the relevant product groups.
- Precise. Eco-labels must not be presented in a manner that overstates the benefits, expressly or by implication.
- Relevant. The information provided must be relevant to the consumer .
- Understandable. The information provided should be easy enough to understand to empower consumers to make informed choices. Eco-labels should not pre-judge a consumers' choice, but empower them to make a choice that has environmental benefit.
- Appropriate. Vehicles of communication must be appropriate for the intended audience.
- Clarity. An eco-label must clearly communicate the scope of its assessment.

4. Promote dialogue

Principle: Work towards solutions with all relevant stakeholders.

Application of the principle:

- In designing eco-labels all parties must work towards solutions with all relevant stakeholders. There is no one-size-fits-all. The inclusion of a variety of stakeholders for the definition of such criteria is important but to make the system operate, solutions need to be developed to give ownership and responsibility to industry.

5. Promote science-based life-cycle thinking

Principle: Base initiatives on a life-cycle and risk assessment approach using proven science.

Application of the principle:

- All forms of and criteria for eco-labels must be supported by scientific evidence, using methods accepted across the scientific and technical community.
- There must be a traceable basis for verifying the claim made by the eco-label.
- Environmental impact assessments should be easily repeatable: and therefore easily measured and easily comparable.

6. Pursue defined goals with flexible means

Principle: Permit flexibility in the way agreed policy goals are achieved.

Application of the principle:

- The underlying criteria for awarding an eco-label should define the desired direction for improvement, but not the means to get there.

7. Safeguard international trade

Principle: Ensure sustainability measures are not used as barriers to trade.

Application of the principle:

- Eco-labels should not deny equivalent competitive opportunities to imports.
- Eco-labels must not favour national production without scientific justification.

8. Promote voluntary instruments

Principle: Pursue a voluntary approach to sustainable development wherever possible.

Application of the principle:

- Eco-labels should be signposts to choice: they should therefore be voluntary.

Comments of specific proposals and conclusion

AIM recommends that all stakeholders (notably manufacturers, retailers and the Commission) work together on the following next steps.

1. Harmonisation. The harmonising objective with respect to existing national schemes is the key to success. A programme to firstly make criteria identical, and then to move from national logos to an EU-wide logo is essential. Without this there will be consumer confusion and additional cost from multiple supply-chain inventories.
2. Compliance costs. Ensure compliance cost are low and proportionate to any beneficial outcome.
3. Continuous improvement. Seek agreement that a single target is the wrong approach and that continuous improvement is the right approach.
4. Methodology. Commit to a common EU-level methodology for the assessment of impact that has low-compliance costs.
5. Coherence. Attempt to seek agreement that individual stakeholders will not launch competing or contradictory methodologies in the interim.
6. Principles. Ensure eco-label criteria follow the principles and their application outlined above.

AIM is the European Brands Association. It represents the branded goods industries in Europe on key issues which affect the ability of brand manufacturers to design, distribute and market their brands. AIM's membership groups 1800 companies of all sizes through corporate members and national associations in 22 countries. These companies are mostly active in every day consumer goods. They employ some two million workers and account for over 350 billion Euro in annual sales in Europe alone. AIM's mission is to create for brands an environment of fair and vigorous competition, fostering innovation and guaranteeing maximum value to consumers now and for generations to come.

Our corporate members include: Bacardi-Martini ▼ Barilla ▼ Beiersdorf ▼ Bongrain ▼ Cadbury Schweppes ▼ Campbell Europe ▼ Coca-Cola ▼ Colgate-Palmolive ▼ Danone ▼ Diageo ▼ Energizer ▼ Ferrero ▼ Freudenberg/Vileda ▼ Georgia Pacific ▼ GlaxoSmithKline ▼ Heineken ▼ Heinz ▼ Henkel ▼ Johnson & Johnson ▼ Kraft Foods ▼ Kellogg ▼ Kimberly-Clark ▼ Leaf International ▼ Lego ▼ Lindt & Sprüngli ▼ LVMH ▼ Mars ▼ McCain Foods ▼ McCormick ▼ Nestlé ▼ Oetker International ▼ L'Oréal ▼ Osram ▼ Pepsi-Cola ▼ Pernod Ricard ▼ Philips Lighting ▼ Procter & Gamble ▼ Reckitt-Benckiser ▼ Royal Friesland Foods ▼ Sara Lee / DE ▼ SCA Hygiene Products ▼ SC Johnson ▼ Unilever ▼ Wrigley

Our national association members include: Austria Markenartikelverband ▼ Belgilux BABM ▼ Czech Republic CSZV ▼ Denmark DLF ▼ Finland FFDIF ▼ France ILEC ▼ Germany Markenverband ▼ Greece Ελληνικός Σύνδεσμος Βιομηχανιών Επωνομικών Προϊοντών ▼ Hungary Márkás Termékeket Gyártók Magyarországi Egyesülete ▼ Ireland Food & Drink Federation ▼ Italy Centromarca ▼ The Netherlands FNLI ▼ Norway DLF ▼ Poland Pro-marka ▼ Portugal Centromarca ▼ Russia RusBrand ▼ Spain Promarca ▼ Slovakia SZZV ▼ Sweden DLF ▼ Switzerland Promarca ▼ United Kingdom British Brands Group