

The Consumer Voice in Europe

SUSTAINABLE EUROPE: WHAT (STILL) NEEDS TO BE DONE

The consumer perspective on the mid-term review of the 7th Environment Action Programme



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EC register for interest representatives: identification number 9505781573-45



Co-funded by the European Union

Ref: BEUC-X-2017-099 - 22/09/2017

Why it matters to consumers

A preserved environment is a precondition to consumers' health, well-being and high quality of life. Environment and climate policies have delivered substantial benefits for European consumers over the past 40 years, such as cleaner bathing water and better waste management. However, Europe faces today considerable environmental challenges¹. Consumers are mostly concerned by the pollution of air and water, the amount of waste and the depletion of natural resources. The impact on health of chemicals used in everyday consumer products is also a source of serious concern².

More action is therefore needed at the political level, by the industry and on the consumers' side to slow down and revert this destructive trend.

Summary

The European Parliament is to assess the implementation of the 7th Environment Action Programme (EAP) 2014-2020, "Living well, within the limits of our planet". In this paper, BEUC gives recommendations on where more action should be taken. We focus on **transport, energy, sustainable consumption and production, and chemicals**.

1. While the 7th EAP flags the most pressing environmental and health problems, its **implementation needs to be improved**.
2. In the transport area, the pending **reform of type approval and market surveillance** rules needs to be finalised to ensure that car emissions will reliably be tested before cars are sold. The EU needs also to adopt additional ambitious limit value for CO₂ emissions and to better inform consumers about such emissions.
3. While the **Energy Union** has great potential to make energy markets more sustainable, we believe that **more ambition** will be needed on setting binding energy efficiency targets. Better rules are also needed to ensure that consumers who invest in renewables will enjoy security of investments.
4. **The EU urgently needs to lower exposure of consumers to harmful chemicals**. More action is needed to tackle the cocktail effect, to lower exposure to hormone disrupters, to ensure safe use of nanomaterials and to improve consumer information about chemicals in products.
5. While we strongly welcome the renewed mandates for Ecodesign and the EU Ecolabel as well as the recent reform of the Energy Label, more action needs to be done to implement these tools with ambitious product policies. More action will also be needed on resource efficiency, product durability and reparability.
6. **The financial system needs to become more sustainable** from an economic, social and environmental perspective.

¹ European Environment Agency (2015): SOER 2015 - The European environment — state and outlook 2015. A comprehensive assessment of the European environment's state, trends and prospects, in a global context. <https://www.eea.europa.eu/soer>

² Eurostat (2014): Attitudes of European citizens towards the Environment, Special Eurobarometer 416, http://ec.europa.eu/commfrontoffice/publicopinion/archives/ebs/ebs_416_en.pdf

1. Introduction

The European Parliamentary Research Service has launched a targeted stakeholder survey on the implementation of the 7th Environment Action Programme 2014-2020 (7th EAP).

The survey will inform the Committee on the Environment, Public Health and Food Safety (ENVI) of the European Parliament about the implementation of the Programme. Stakeholders' opinions will constitute a major input for assessing the progress made half way through towards the achievement of the core thematic objectives of the 7th EAP and whether the EU and its Member States are on track to achieve those objectives by 2020.

The assessment will be carried out by the ENVI Committee within the framework of a special 'implementation report' that is to be discussed in late 2017. Given the large scope of the 7th EAP, the results of the survey would also support the ENVI Committee in its various activities in the policy fields under its realm.

BEUC welcomes the opportunity to give input to this review as we consider the 7th Environment Action Programme a key strategy for consumers. Not only does it protect consumers from environmental pollution, climate change and harmful chemicals, but it also allows them to make informed purchase decisions.

Rather than giving input to the standardised questionnaire, BEUC outlines below how we assess progress and where further action has to be undertaken by 2020. We hope that the European Parliament will take our analysis into account when advising the European Commission on where further action has to be taken. We also urge the EU institutions to pay extra attention to the findings of the European Environment Agency (EEA) with regard to the state and outlook of the environment when designing policies.

2. General comment on achievements and challenges

The 7th Environment Action Programme 2014 – 2020 "Living well, within the limits of our planet" is a key European strategic document. It outlines a vision on what the EU needs do to ensure natural capital protection, foster the transition towards a resource-efficient and low-carbon economy and safeguard people from environmental health risks.

The European Environment Agency is in charge of monitoring the state of the environment and to monitor the implementation of the 7th EAP. We agree with key findings outlined in the "State of the Environment 2015 report" as well as the "Environmental indicator report 2016"³:

- Ambitious environmental policies have brought about major improvements for consumers in the past 40 years such as cleaner bathing water, air quality and better waste management. However, we are far from living well within the limits of our planetary boundaries. Every year humanity uses up their allowances of key resources such as water, clean air and soil earlier than in previous years. It means **we are using much more than what the planet has to offer**. Even though the EEA identified in several areas an encouraging trend on a short-term basis (5-10 years), the 20+ year outlook shows a mixed picture. It is even likely that the deteriorating trends dominate. It is very alarming that **in no area that the EEA monitors, the improving trends dominate in a 20+ years' perspective**.
- With regard to achieving policy targets it seems likely that some important ones such as energy efficiency will be met by 2020. However, for most targets progress

³ European Environment Agency (2016): Environmental indicator report 2016. In support to the monitoring of the 7th Environment Action Programme,

is modest and **there is a risk that many targets will not be met**. The level of ambition of existing environmental policies may therefore be inadequate to achieve the EU's long-term environmental protection and climate change goals. In particular current greenhouse gas reductions are insufficient to bring the EU close towards its 80-90% reduction target by the year 2050.

EEA's "State of the Environment 2015 Report": an indicative summary of environmental trends⁴

	5-10 year trends	20+ years outlook	Progress to policy targets
Protecting, conserving and enhancing natural capital			
Terrestrial and freshwater biodiversity			☐
Land use and soil functions			No target
Ecological status of freshwater bodies			☒
Water quality and nutrient loading			☐
Air pollution and its ecosystem impacts			☐
Marine and coastal biodiversity			☒
Climate change impacts on ecosystems			No target
Resource efficiency and the low-carbon economy			
Material resource efficiency and material use			No target
Waste management			☐
Greenhouse gas emissions and climate change mitigation			☑/☒
Energy consumption and fossil fuel use			☑
Transport demand and related environmental impacts			☐
Industrial pollution to air, soil and water			☐
Water use and water quantity stress			☒
Safeguarding from environmental risks to health			
Water pollution and related environmental health risks			☑/☐
Air pollution and related environmental health risks			☐
Noise pollution (especially in urban areas)		N.A.	☐
Urban systems and grey infrastructure			No target
Climate change and related environmental health risks			No target
Chemicals and related environmental health risks			☐/☒

Indicative assessment of trends and outlook		Indicative assessment of progress to policy targets	
	Deteriorating trends dominate	☒	Largely not on track to achieving key policy targets
	Trends show mixed picture	☐	Partially on track to achieving key policy targets
	Improving trends dominate	☑	Largely on track to achieving key policy targets

⁴ Source: Adapted from EEA SOER 2015 report, <https://www.eea.europa.eu/soer-2015/synthesis/report/0c-executivesummary>

BEUC considers that the nine objectives of the programme are relevant to current needs in the fields of environment and climate change. Regarding the areas we work on, the 7th Environment Action Programme is of highest significance for energy, transport, chemicals and sustainable product policy.

We cannot give an overall appreciation from 'no' to 'strong' influence as ratings differ substantially in the different sectors. However, **we believe that the 7th EAP remains in all areas behind its potential to profoundly**. Progress is often hindered by poor political will or negative influence from other political agendas such as industrial and international trade policies. Another severe shortcoming is a lack of enforcement of EU legislation at national level⁵.

Concrete examples of these drawbacks are the following:

- The EU's focus on "trade first" has had detrimental effects on other policies, such as the EU chemicals policy⁶.
- The BREXIT referendum and the Better Regulation Agenda have long delayed pending measures on Ecodesign and Energy Labelling. Under this influence, also the scope for future work and the level of ambition have been lowered compared to when the 6th EAP was implemented.
- There is insufficient action at all political levels (EU, Member States and regional) around the Dieseltgate scandal to achieve cleaner air from transport.
- There is a lack of political will in the Commission and among Member States to reform the CO₂ car label to better inform consumers about the real fuel consumption of their cars.
- There was a temporary missing support from high level European Commission officials for the EU Ecolabel. This raised concerns among consumer and environmental NGOs about the future of the scheme. In addition, a delay in the REFIT process also significantly delayed good initiatives to make the scheme even stronger.

There is a political fight about the right approach to reform the Energy Efficiency Directive among different parties of the European Parliament. Some Member States are lacking political will to adopt a binding 40% energy efficiency target for 2030.

- Market surveillance of car emissions, limit values for chemicals in consumer products and energy efficiency requirements for products are missing or ineffective.

⁵ For a more detailed overview see also BEUC's interim assessment of the Juncker Commission (2017), <http://www.beuc.eu/publications/two-and-half-years-juncker-commission-consumer-performance-check/html>.

⁶ See Stéphane Horel and Corporate Europe Observatory, A Toxic Affair: How the Chemical Lobby Blocked Action on Hormone Disrupting Chemicals, May 2015. http://corporateeurope.org/sites/default/files/toxic_lobby_edc.pdf

This multitude of factors demonstrates that the EU is far from heading towards a more integrated approach to address persistent environmental and health challenges. It is likely that current governance approaches are inadequate to fix such drawbacks⁷.

The 7th EAP serves nonetheless as a strategic guidance document and raises awareness on priority areas. It makes also a high contribution to hold the EU and Member States accountable for their (non-)action. This means that in areas where progress has been achieved, it is unlikely that this would have happened without the 7th EAP.

The 7th EAP is however somewhat less successful as a tool for implementation and for increasing the predictability of EU policy-making. As mentioned above, the influence of vested corporate interests on EU and Member States policymaking is strong and leads to non-coherent or unambitious outcomes. Consumers suffer considerably from negative health effects of air pollution and chemicals. Unfortunately, transport, chemicals and sustainable product policies are the areas where the programme faces most challenges of implementation.

The 7th EAP outlines a long-term vision for developing policies in the field of the environment and climate change. However, it is likely that neither the EU nor Member States will meet the programme's objectives by 2020. The outlined problems related to nature conservation, resource efficiency, pollution and climate change will therefore remain key concerns beyond the year 2020. To turn the tide, much more action needs to be taken by 2020 but also a follow-up programme post-2020 is instrumental to achieve continuity.

In this sense, BEUC calls for the development of an 8th Environment Action Programme to cover the time after 2020. Simultaneously, BEUC insists that more efforts have to be urgently taken to fully implement the 7th EAP as soon as possible.

As the outcome of the 7th EAP implementation is mixed across sectors, we give sector-specific comments below.

3. Transport

Transport must be the priority sector for additional action. While emissions from transport are still increasing, the transition to low carbon transport is essential to achieve all objectives of the 7th EAP.

More action in this area is crucial as according to [WTO data](#), a majority of urban dwellers are constantly exposed to excessive levels of air pollution. Such exposure leads to severe chronic diseases and premature death.

A major drawback to progress in this area is linked to the **Dieselpgate scandal**. It has been uncovered since 2015 that many car manufacturers use defeat devices which switch off the exhaust gas treatment when cars are used on the road⁸.

In reaction to the scandal, the EU has proposed new legislation that would tighten type approval and market surveillance. It is currently discussed between the European Commission, the European Parliament and the Council. However, much more action needs to be taken such as the introduction of lower limit values in legislation to further reduce emissions. It is important to emphasise that this will lead to economic benefits for consumers due to lower fuel costs during the use phase.

⁷ See also European Environment Agency (2015): SOER 2015 - The European environment — state and outlook 2015. A comprehensive assessment of the European environment's state, trends and prospects, in a global context. <https://www.eea.europa.eu/soer>.

⁸ Defeat devices recognise when cars are tested in a laboratory on their emissions levels and they switch the car into a cleaner mode during the test to easily get a type approval of that car even though the emission standards are not met under real life conditions.

BEUC has also published figures which demonstrate that in the coming years electric vehicles will become the most cost effective solution for consumers⁹. Based on this research we are confident that electric vehicles will become economically more attractive to consumers than conventional ones by 2022. However, we would welcome more research from the EU side to better understand how EU-wide decarbonisation measures would impact car prices.

What we need to succeed:

1. An ambitious legislative package on low emissions cars

- The EU must adopt fuel saving, CO₂ reducing targets for new cars of 75g CO₂/km or lower for 2025, and 50g CO₂/km or lower for 2030.
- The Commission should also explore the potential of adopting more ambitious and real world air pollutant limits for cars (e.g. a Euro 7 limit).
- Targets must be rigorously assessed using laboratory (WLTP) and real world driving tests.
- Targets must be cost-efficient and use vehicle size rather than mass to determine emission levels.
- Production incentives should focus on those cars that can achieve the largest reductions in air pollutants.
- The EU must collectively ensure the deployment of charging points for alternatively powered cars between 2020 and 2030.
- EU car labelling rules must be reformed in order to better inform consumers.

2. A stricter legal framework for type approval and market surveillance

- The EU must play a **stronger oversight role** with passenger cars, for example through conducting market surveillance activities and by evaluating the harmonisation of rules implemented across Europe.
- There should be significant **quantifiable targets for the number of compliance tests** conducted across the EU for both production and in-use vehicles.
- **If the results of conformity tests differ significantly from the type approval vehicles, the manufacturers should revise their claims accordingly.** Furthermore, they should be fined if wrongdoing is discovered and ultimately be liable for any consumer damage.
- **A greater level of independence** in the type approval process must be ensured, and any potential conflict of interest between car makers, national authorities and private test labs eliminated.
- **Greater transparency** of type approval and market surveillance practices must be ensured by providing access to vehicle test results and by reporting activities and decision making surrounding recalls. Effective penalties must apply for all forms of non-compliance, including the provision of misleading fuel consumption figures to consumers and the use of defeat devices that lower emission values for test purposes.

⁹ <http://www.beuc.eu/publications/future-fuel-efficient-cars-set-boost-consumer-savings-study-shows/html>

4. Energy efficiency and clean energy policies

The Energy Union and related policies can enable, if well designed, major progress towards a more sustainable energy system. The 'Clean Energy for All Europeans' package launched by the European Commission last November can greatly benefit consumers and the environment. Its main goals are to put energy efficiency first, achieve global leadership in renewable energies and provide a fair deal for consumers. As the negotiations around this package are ongoing, we outline our most important demands to improve the package. We also urge the European Parliament to take them into account when negotiating the package and when assessing the implementation of the 7th EAP.

What we need to succeed with regard to energy efficiency:

- **A 40% increase in EU energy efficiency** by 2030 through EU and national binding energy efficiency targets.
- **Energy savings** through the extension of obligation schemes¹⁰ beyond 2020.
- **Closed loopholes with regard to transport and renewables.** The transport sector should be included in the calculation of energy saving obligations. Member States should not be able to include the renewable energy generated in buildings to meet their energy savings requirements.
- **Energy efficiency measures** that are cost-effective, monitored and steered towards households affected by energy poverty.
- **An analysis of the costs and benefits of heating, cooling and hot water meters.** These meters should be implemented only with consumer consent, and consumers' privacy should be protected.
- **Easy access for consumers to accurate information on their building's energy performance** through improved certificates. Information about the smart features of a building should be designed in a user-friendly format.
- **Interoperable charging points for electric cars.** They would help avoid a lock-in effect in order to make it easy for consumers to charge their electric cars. The roll out of the necessary infrastructure should be faster.

Conditions to create clean energy markets for consumers:

- **Ensure energy services are affordable for all and guarantee consumers can easily navigate the energy market** through transparent and easily comparable offers, clear contracts, accurate bills in a user-friendly format. There should also be easy access to independent, impartial and accredited comparison tools which allow a comparison of the current contract with other contracts and include additional information on offers. Switching suppliers should be smooth and faster without any fees. Doorstep selling in the energy sector should be banned and people's privacy must be protected.
- **Modernise the consumer rights framework to support consumers' participation in flexible electricity markets.** The existing consumer protections should be extended to all third party intermediaries, including new generation energy service providers such as aggregators. These service providers should for instance regularly provide information on the load curtailed and

¹⁰ Under the Energy Efficiency Directive, EU countries must set up an energy efficiency obligation scheme. This scheme requires energy companies to achieve yearly energy savings of 1.5% of annual sales to final consumers.

dynamic price contracts should include clear explanations about the financial risk of such contracts. The market should incentivise consumers that are willing and able to engage in demand-side flexibility schemes so that they save on their energy bills. Those who do not participate should not be penalised.

- **Enable consumers to engage in the energy market** by making it easy for those consumers who are interested in producing their own electricity to install self-generation technologies, access the grid and be able to sell excess electricity that they do not consume. They should be able to consume electricity they produce in-house without any burden. Tenants should also be enabled to engage in renewables.
- **Ensure effective market surveillance and dispute resolution** by reinforcing powers and enlarging the monitoring duties of regulators to respond to new challenges. Such hurdles, resulting from new technologies, new services and possible cross-sectoral issues, will require cooperation among regulatory authorities and dispute resolution bodies across sectors. Since roles of current market players are changing and new actors will enter the market, a strong regulatory oversight is necessary.

5. Chemicals

One of the major priorities for the EU should be that its citizens live in a non-toxic environment. To do so, it is of particular importance to tackle chemicals in consumer products, to prevent negative health effects from endocrine disruptors and to ensure nanomaterials are safe.

All available evidence points to the urgent need to reduce environmental pollution: chronic and severe diseases attributable to chemicals exposure such as cancer, cardiovascular diseases, fertility problems, obesity and allergies are on the rise in the EU. Harmful chemicals are found in many products consumers come in very close, frequent and prolonged contact with, such as clothes, kitchen tools, toys, cosmetics, and the list goes on. Chemical pollutants are further widespread in the air we breathe, the food we eat and the water we drink.

The long-term impact of this ubiquitous exposure is not fully understood. Scientists however increasingly link certain synthetic chemicals to a range of chronic and severe diseases such as obesity, cardiovascular diseases, cancer, diabetes and infertility. In the EU, the cost alone of exposure to endocrine disrupting chemicals (EDCs) – a diverse group of substances which can disrupt the hormonal system – has for example been [estimated](#) at €157 billion or 1.23 percent of gross domestic product – per year.

When moving towards a circular economy, the manufacture of consumer goods will be based more and more on closed material cycles. Thus it will be important to make sure that chemicals present in today's products will not be re-injected into new products and pose a threat to consumers' health and the environment. The EU therefore must ensure that there will be no loopholes between its chemicals, waste and product legislations. We see an urgent need to 'detoxify' the circular economy as a precondition to ensure consumers' health and trust in the value of recycled goods.

Despite the pressing needs for improvement that have been specified very clearly in the 7th EAP, BEUC deplores the Commission's approach to chemicals policy lacks action and ambition. Some advances in tackling harmful chemicals have been made in recent years. Yet, overall, the pace on achieving the goals set out in the 7th EAP remains slow.

5.1. Addressing combination effects of chemicals

EU laws do not consider or regulate the cumulative chemicals exposure from daily use of multiple consumer products, i.e. the 'cocktail effect'. Instead, the current EU approach to risk assessment tends to evaluate exposure and safe use on a chemical-by-chemical basis. However, outside of the laboratory we are always exposed to multiple chemicals simultaneously, and it is therefore necessary to assess the combined effects of co-occurring chemicals.

More research and funding is needed to support mixture testing and to better assess how cumulative exposure impacts consumers and the environment.

What we need to succeed:

In its 2012 Communication on Combination effects of Chemicals, the Commission committed to develop by June 2014 technical guidelines to promote a consistent approach to the assessment of priority mixtures. This has not happened. We therefore urge the Commission to publish as soon as possible guidance documents promoting an integrated and coordinated assessment across all relevant EU laws.

REACH in particular should require industry to take account of possible combination effects in their registration dossiers. Testing requirements should further be updated to fully assess the impact of total chemicals exposures and of cumulative impacts, corresponding to the reality of our exposure.

5.2. Endocrine disrupting chemicals

Endocrine disrupting chemicals (EDCs) are in theory regulated by several EU laws. In practice, however, implementation of these laws falls short as the EU still lacks concrete criteria that define what an 'endocrine disruptor' is¹¹. Moreover, current risk evaluation methods largely overlook a chemical's possible endocrine disrupting properties. As a result, EDCs escape regulatory control despite the urgent need to reduce consumer exposure.

A new EDC strategy should increase support for research to address data gaps and to develop a better understanding of thresholds and low-dose adverse effects. BEUC calls in particular for initiatives that will achieve a better scientific understanding of the effects of exposures during critical windows of development such as fetuses and young children.

What we need to succeed:¹²

A renewed political commitment to reduce consumer exposure to EDCs is urgent. The possible public health implications of EDC exposures and the uncertainties in risk assessment underscore the need to respond to early warning signals and to replace EDCs with safer alternatives whenever possible. **BEUC calls on EU leaders to draw up an ambitious agenda on regulating EDCs in all consumer goods with clear objectives and observable deadlines.**

¹¹ While criteria for pesticides have been adopted in the Standing Committee on Plants, Animals, Food and Feed (SCoPAFF) in July 2017 and a vote in the EU Standing Committee on Biocidal Products is expected to take place in autumn 2017, the final criteria have not yet been adopted and can therefore currently not yet be applied.

¹² For detailed proposals on how the EU can reduce consumer exposure to EDCs, see BEUC, Hormone-Disrupting Chemicals: When Will The EU Act Against These Everyday Toxicants? July 2016. http://www.beuc.eu/publications/beuc-x-2016-077_beuc_regulation_of_edcs.pdf

A precautionary approach should be applied in all consumer-relevant legislation to reduce exposure to EDCs. This approach needs to include overarching principles on how to reduce EDC exposures, combined with targeted strategies for all product categories, from cosmetics to food contact materials, textiles and toys. Where health concerns are raised in one sector or for one product, it should automatically trigger risk evaluation across legislative 'silos'. This would help to fully assess the impact of cumulative exposures and to ensure swift action in the absence of scientific certainty. The EU should systematically make industry responsible for providing sufficient evidence to demonstrate safety.

5.3. Nanomaterials

Nanomaterials are different from their bulk counterparts. They are specifically engineered to exploit the novel properties deriving from their size. The European Commission's 2012 Second Regulatory Review on Nanomaterials considers that some could be hazardous, whilst others may be safe. Therefore, as for every other chemical substance placed on the EU market **nanomaterials need to undergo a thorough risk assessment** including an assessment of the potential risks deriving from their novel properties. Current EU legislation however does not guarantee that all nanomaterials on the market are safe by being assessed separately from the bulk form of the substance.

We call for prioritising research towards safety, health and environmental risks of nanomaterials, which could then be used to improve risk assessment procedures. We also believe that wider public consultations on research needs of European citizens would allow scientific institutions in helping to meet public policy objectives for science and the welfare of society. It would also increase public confidence in, and understanding of, research programmes and the use of research findings in policy-making. Moreover, wider public consultations would shed light on how consumers engage with scientific developments which can impact their everyday lives, such as nanotechnologies.

What we need to succeed:

The REACH regulation should be revised to adequately regulate nanomaterials. As a first measure, it is paramount that the REACH annexes are updated and guidance documents developed ahead of the 2018 registration deadline. However, an adaptation of the annexes of REACH alone is insufficient. The EU needs to introduce a definition of nanomaterials, a provision to ensure that nanomaterials are considered as new substances to be registered independently of any corresponding bulk substances, and lower tonnage thresholds. In parallel, a compulsory nano-register needs to be implemented at the EU level to ensure transparency for consumers and traceability of nanomaterials in the supply chain¹³.

5.4. Tackling chemicals in articles (textiles, cosmetics, etc.)

Robust chemical provisions are largely non-existent for many consumer products. Overlooked areas include products releasing toxic emissions in indoor air, clothing and other consumer textiles, child use and care articles, personal protective equipment, furniture, car interiors, etc. REACH at present does not compensate for these gaps as 'articles' – particularly imported ones – are barely covered under REACH. Moreover, current EU chemicals-related legislation too often fails to set thresholds and when they exist, these thresholds lack ambition. For example, the Toy Safety Directive falls short of adequately protecting children since it does not cover endocrine-disrupting chemicals or sensitizers other than allergenic fragrances. Meanwhile, requirements for carcinogenic mutagenic and reprotoxic substances are not strict enough. Finally, enforcement of EU consumer and chemicals-related laws in Member States remains inadequate.

¹³ For details, see European NGOs position paper on the regulation of nanomaterials. April 2014. http://www.beuc.eu/publications/beuc-x-2014-024_sma_nano_position_paper_caracal_final_clean.pdf

What we need to succeed:

BEUC urges the Commission to review, and where needed strengthen, all consumer relevant legislation to ensure that robust chemical controls are in place. We see in particular a need to strengthen requirements on chemicals in the Toy Safety Directive and under the Regulation on Food Contact Materials. The EU must also consider a product-specific approach to tackle chemicals in textiles.

We further call on EU decision-makers to extend the REACH authorisation requirement to Substances of Very High Concern (SVHC) present in imported articles. This would close a major gap in current legislation by imposing the same strict requirements on domestic articles as on imported ones. As a result, all companies operating in the European Economic Area would be on an equal footing. In parallel, we also encourage EU decision-makers to make the REACH restriction process less burdensome and to extend REACH Article 68.2 to cover all substances fulfilling the SVHC criteria.¹⁴ A clear deadline for this exercise is required to guarantee that current loopholes are closed without delay.

The interface between REACH and the General Product Safety Directive (GPSD) must also improve. In 2015, one in four RAPEX notifications was related to a chemical risk. However, this figure likely represents only the tip of the iceberg as a result of ineffective market surveillance activities and a lack of clear rules for chemicals in consumer products. The flow of information between authorities therefore needs to improve. If for example a problematic chemical is identified in REACH this information should be automatically notified to the GPSD authorities.

5.5. Substitution of harmful chemicals as a precondition to move towards a circular economy

A well-designed circular economy will offer many benefits to consumers, such as more durable consumer goods and novel services. But a circular economy also presents new challenges for consumer safety. Many of today's products contain chemicals that were legal when first manufactured but are now either restricted or banned. Increased materials recycling could unfortunately prolong the presence of these chemicals in consumers' homes.

What we need to succeed:

The EU needs to develop an ambitious framework governing chemicals in recycled materials to 'detoxify' the circular economy. 'Legacy substances' are among the greatest obstacles to transiting to a cost-effective, resource-efficient circular economy. Many products contain chemicals of concern that were legal when first manufactured but are now either restricted or banned, such as lead, or some flame retardants. In the future more examples will come as our understanding and acceptance of chemical risks change, such as in relation to e.g. endocrine disrupting chemicals.

A precautionary approach is needed to avoid that recycling re-injects toxic substances into the production cycle, creating an endless hazardous legacy. A precautionary approach also means accepting that some materials and products should not – and cannot – be recycled. The EU thus needs to ensure the same level of protection for human health and the environment, whether products are made of recovered or virgin materials.

BEUC strongly encourages EU decision-makers to pursue a clean circular economy through policies that respect the fundamental commitments of EU chemicals policy. In line with the December 2016 Council Conclusions on the sound management of chemicals, we further urge the Commission to support the implementation of the commitments outlined in the 7th EAP, including on circular economy. This should be done

¹⁴ For example PBT/vPvB, sensitizers, and EDCs. See BEUC, REACH for a Non-Toxic Environment, January 2017. http://www.beuc.eu/publications/beuc-x-2017-008_pmo_beuc_position_on_reach_review.pdf

through the ongoing REACH review and the fitness check of EU chemicals legislation (except REACH). However, we emphasise that sufficient resources and a political commitment from the Commission and the Member States are fundamental to achieve a clean circular economy.

6. Sustainable consumption and production

6.1. Ecodesign

Ecodesign greatly contributes to the EU's climate policy and leads to economic benefits for consumers. However, BEUC has been concerned in recent years by the EU Commission nearly complete standstill with regard to setting Ecodesign requirements for new products.

We therefore welcomed the new work plan¹⁵ which was published after a long delay in November 2016. Although it includes few new products relevant to consumers, the fact that the Commission decided to renew its political support to this important instrument is a success in itself. In addition, we welcome the focus on durability and reparability. Two longstanding BEUC requests – guidelines on voluntary agreements and a measure to end cheating through the abuse of measurement tolerances – have also been taken up.

We are however worried with recent European Commission practices which tend to delay the Ecodesign process. For instance, releasing measures by 'packages' of product groups considerably delays the adoption of certain regulations.

BEUC had released in 2016 a study which demonstrates that consumers can save several hundreds of euros annually thanks to Ecodesign and Energy Labelling¹⁶. More savings would be possible through additional and more ambitious Ecodesign and Energy Labelling measures.

What we need to succeed:

- **More products need to be covered by Ecodesign rules.** There is in particular an urgent need to improve the sustainability of mobile phones. Our members highlight the importance of smartphone design and the issue of their limited lifespans¹⁷. The potential benefits of ecodesigned smartphones mostly lie in resource efficiency requirements, i.e. exchangeability of batteries.
- Where Ecodesign measures have to be revised, **durability, reparability, upgradability and recyclability requirements have to systematically be included.** Despite the Commission's Action Plan on Circular Economy which acknowledges the need to achieve durability and reparability through Ecodesign, little practical progress has been achieved in the meantime.
- Ecodesign also offers a **potential to progress on the EU's chemicals policy.** Unfortunately chemical requirements are regularly being left out of Ecodesign measures.
- The European Commission should ensure the Ecodesign process for each product group takes place smoothly and **avoid delays.** To this end, new measures should be adopted as soon as they are finalised and not based on 'packages' which are released only once per year. Moreover, a priority for voluntary agreements should be deleted from the Ecodesign Directive.

¹⁵ http://www.beuc.eu/publications/beuc-x-2017-011_mai_ecodesign_work_plan.pdf

¹⁶ <http://www.beuc.eu/press-media/news-events/new-study-ecodesign-helps-consumers-save-€330-year>
http://www.beuc.eu/publications/beuc-x-2016-062_how_much_can_consumers_save_thanks_to_ecodesign.pdf

¹⁷ For example in the [Netherlands](#), in [Austria](#), in [Portugal](#), in the [UK](#), in [Belgium](#) and in [Germany](#).

- The European Commission and Member States must better collaborate to ensure Ecodesign **measures are implemented correctly by market players**. Possibly, the database which is currently being set up for the Energy label could be used in order to ease market surveillance authorities' work for Ecodesign too.

6.2. Energy Labelling

The EU Energy Label has been reformed in 2017, bringing back the simpler A-G scale that will replace the confusing A+, A++ and A+++. This move finally takes into account a long-standing request from consumer organisations for more clarity. We are however disappointed that overly long timelines for the implementation of new labels will delay the time when consumers will see the new labels in shops.

What we need to succeed:

- A **timely revision** of existing labels, leaving leeway for technological development at the top of the scale.
- Bringing **more products into the scope** of the EU Energy Label to improve information and transparency for consumers.
- **Consumers should get information on the expected lifetime of products.** As more information on durability and reparability would influence consumers' purchase decision¹⁸, providing durability-related information to consumers should be investigated systematically for each product group.
- Better collaboration between the European Commission and Member States to ensure that Ecodesign measures are implemented correctly. Market surveillance authorities will in the future benefit from a database, which must be properly set up to serve the needs of such control bodies.

6.3. The EU Ecolabel

The EU Ecolabel is the only EU-wide label that helps consumers identify products with the best environmental performance. In its July 2017 Fitness Check, the European Commission confirmed that the Ecolabel is a relevant EU tool to tackle the growing need to change consumption and production patterns. BEUC strongly welcomes that the EU Commission emphasised the importance of the EU Ecolabel in the sustainable consumption and production policy toolbox.

What we need to succeed:

- The implementation of the current Ecolabel Regulation must be made more efficient.
- The environmental excellence of the scheme must be preserved by ensuring **ambitious criteria in all areas** relevant to environment and health. There must be clear improvements throughout the entire product's life cycle, including the use phase by consumers. The Ecolabel Regulation must always replace hazardous substances with safer alternatives whenever technically feasible.
- **The scheme should include more goods and services** relevant to consumers, and green public procurement.
- **Public awareness must be increased**, and retailers and frontrunner companies attracted through enhanced marketing. The EU should assess any potential barriers leading to a low uptake of specific product groups.

¹⁸ 2017 Survey on durability and reparability from Verbraucherzentrale Bundesverband e.V. Federation of German Consumer Organisations.

- Continuous **co-operation between the EU Ecolabelling Board and the Commission** for criteria development is key. The Commission should always consult stakeholders before taking any regulatory decision affecting the scheme.
- The Commission and Member States should **allocate sufficient human and financial resources** in order to ensure that the scheme works properly. The EU Ecolabel must have a clear role as the instrument which identifies the best environmentally performing products and serves as a benchmark for sustainable production.

6.4. Improving product durability, reparability, recyclability and re-useability

The EU Action Plan on resource efficiency and circular economy emphasized the importance of longer lasting and better repairable products. While the Action Plan contains many good suggestions, there is so far little concrete progress achieved.

In July 2017, the European Parliament agreed on an own initiative report "A longer lifetime for products: Benefits for consumers and companies" which outlines several areas for action. They include better informing consumers on the lifetime, improving design for repair and facilitating access to spare parts. To deliver tangible benefits for consumers, policy makers should strive to improve the durability of products in the coming years.

What we need to succeed:

- A **better design** of products so that they last longer, can be easily repaired, upgraded and recycled or re-used.
- **Transparent consumer information** about the expected lifetime of products to allow for informed purchase decisions.
- **Longer availability of software updates** for smartphones, computers and other devices which connect to the internet.
- **A lifespan guarantee.**

7. Sustainable Finance

With regard to sustainable investments action is needed in several areas: 1) increasing public funding to invest in developing countries as well as for systemic changes in industrialised countries and 2) stopping the private sector's unethical investments.

G20 countries are still spending billions of euros to subsidise the fossil fuel industry while contributions to climate finance are insufficient. EU Member States should phase out such harmful subsidies and invest in technologies and solutions which will foster the transition to a low carbon economy.

The financial sector funds countless projects and owns companies at global level. Their financial services and trading activities impact negatively societies and the environment. Besides, consumers receive often too little transparent and credible information about how their money is used. Despite the fact that many financial institutions state that they are committed to sustainability and social responsibility, reality often looks a lot darker.

To stop unfair practices, an international initiative, *Fair Finance Guide International* (FFGI), scores the performance of banks. It raises awareness among bank clients and encourages them to demand accountability from their bank as well as more sustainable investments. FFGI studies have shown that bank investments of consumer deposits and savings often comply poorly with the sustainability principles that the banks' claim to

follow. Based on the findings from FFGI it is obvious that the financial system needs further regulatory initiatives and different supervisory structures to make sure sustainable and ethical investments become the rule.

BEUC welcomes that the European Commission set up in autumn 2016 a High Level Group on Sustainable Finance. The interim report presented in July 2017 points to the need for an overhaul of the financial system to make it truly sustainable from an economic, social and environmental perspective. We hope that the final report which will be presented in December 2017 will be a milestone to advance the discussion about a more sustainable finance system in the EU and will trigger concrete follow-up measures.

What we need to succeed:

- Funding the infrastructure, in particular for transport and energy, that allow an accelerated shift to a low-carbon and resource-efficient economy;
- **Phasing out environmentally harmful subsidies;**
- Giving **transparent information** to consumers through clear, comprehensive and comparable disclosure of sustainability related information;
- Offering **more choices to consumers** for sustainable financial products, including the use of official labels, e.g. in the context of their private pension schemes or saving accounts.

8. The way forward

The objectives of the 7th EAP remain crucial for consumers' health and environmental protection. More action needs however to be taken to implement these objectives, in particular related to sustainable transport, energy, chemicals, sustainable consumption and production and financing a sustainable European economy.

To this end, more resources at EU and national level need to be invested including sufficient personnel to develop the policies and legislative proposals.

All stakeholders need to play a role to make sure that systemic changes will happen in the way we travel, the way we produce and consume energy and the way we produce and use everyday consumer goods.

8.1. Actions legislators can do, including by legislation

Governance and long-term policy development:

- **Make environmental and consumers' health protection a top priority in all EU policies.** It will be of particular importance to avoid contradictory and damaging policies. For instance, all environmentally harmful subsidies should be removed.
- Start and/ or continue to make **structural changes in housing, transport, energy and agriculture policies while securing consumer access to goods and services** to satisfy basic needs. This is a fundamental pre-condition for consumers to adopt more sustainable lifestyles while ensuring consumer acceptance of the changes.
- **Lead by example** through ambitious green public procurement policies and personal commitment.

- **Allocate necessary time and resources to explain to consumers** all government policies related to transport, energy, chemicals and sustainable consumption. It is important to make consumers understand what areas of consumption matter most and how they can manage a transition towards an economy based on energy efficiency and renewable energy sources in their daily lives. It is key to prioritise and give simple and clear-cut messages that will be repeated consistently over time. Consumers also need to be motivated with positive messages and need reassurance that their contribution makes a difference. Regular feedback on progress will keep their interest high.
- **Interact with non-governmental organisations such as consumer organisations** to learn more about consumer needs and possible solutions from a consumer perspective.

Legislation/Regulation at EU level:

- **Address common market failures** which prevent consumers from becoming more sustainable with regulatory action. This requires to act against misleading and unsubstantiated 'green' claims and to support the development of credible and independent labelling. This requires also removing administrative barriers to new climate-friendly technologies in consumers' hands (e.g. solar photovoltaic self-generation), and providing innovative finance models to ensure that high upfront investment costs will not be a barrier to change. Furthermore, this requires using economic instruments such as bonus/ malus schemes or reduced VAT rates to make sustainable choices cheaper for consumers.
- **Develop binding rules for lower emissions of cars and clean energy production.** This would send a clear message to economic operators that there is political will for a transition to a low carbon economy. Long-term predictability will encourage investments into energy efficiency and CO₂ emission reductions and foster innovative technologies.
- As a matter of highest priority, **regulate harmful chemicals.** This is necessary to safeguard consumers' health but also to enable transition towards a circular economy.
- **Make information transparent** so that consumers can take informed purchase decisions.
- **The sustainable choice must become the easy and affordable one.** Ensure choice among sustainable products at different price levels.

Better enforcement:

- **Ensure monitoring, verification and enforcement of legislative requirements,** in particular related to emissions from cars and chemicals in consumer products.
- **Ensure monitoring, implementation and enforcement of the internationally agreed measures** at national level such as the Paris Protocol. International obligations need to be regularly strengthened and translated into national emissions reductions.
- **Hold businesses accountable** for climate damaging activities, including in particular non-compliance with car emission rules.

Other actions that support legislation and long-term policies:

- **Integrate knowledge into schooling** on how consumers can lower their negative impact on the environment.
- **Encourage behavioural change** through social marketing campaigns.
- **Ensure that costs for climate change prevention and adaptation will be distributed in a fair manner across the population.** The price tag of goods and services should reflect the real environmental costs. This requires to internalize external costs and to apply the polluter-pays-principle. It is crucial that vulnerable consumers will not be left behind, e.g. through offering dedicated support schemes such as energy-saving programmes for low-income households and a tiered electricity and heating billing. Such an approach is fair and incentivises further energy savings. Likewise, increased investments in energy performance of social housing are needed.
- **Ensure that Sharing Economy platforms maintain high levels of consumer protection.** The environmental impact and the economic sustainability of different Sharing Economy models must be carefully analysed.
- **Governments can inspire consumer action** by creating a common vision on a sustainable future with a good quality of life.

8.2. Actions Industry can do

- **Take** all necessary **steps** to shift to a low-carbon economy and bring sectorial emissions down.
- **Substitute** hazardous chemicals with safer alternatives.
- **Engage** with decision-makers to share information on innovation and technologies suitable to reduce emissions.
- **Demonstrate** commitment to develop and provide solutions for a resource-efficient and climate-friendly future which will ensure a good quality of life.
- **Ensure** availability and accessibility of sustainable and affordable products and services. Also, provide consumers with clear and reliable information in a user-friendly format.
- **Apply** voluntary choice-editing of products to reduce and eliminate the most polluting consumer products and services.
- **Give** only clear, comparable and credible messages. ISO-Type I environmental labels such as the EU Ecolabel are a great tool to assert your claims. In other words, stop misleading consumers through giving incomplete, incorrect, non-standardised, non-substantiated and non-verified information about products and services.
- **Integrate** Eco-design principles into all your products to make them last, easy to repair, upgradable, recyclable and re-usable.
- **Enhance** product lifetime, do not artificially reduce it.
- **Avoid** 'sharewashing', i.e. claiming that any Sharing Economy is automatically sustainable.

ENDS



This publication is part of an activity which has received funding under an operating grant from the European Union's Consumer Programme (2014-2020).

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