

# **POSITION PAPER**

### Brussels, 18 July 2014

# ORGALIME RESPONSE: EVALUATION OF THE IMPLEMENTATION OF THE EU ECOLABEL SURVEY

#### **Evaluation of the implementation of the EU Ecolabel**

The European Engineering Industries represented by ORGALIME are committed to the continuous improvement of the environmental performance of the products manufactured by this industry. The sector is the main target industry of the Ecodesign and Energy Labelling Directives, for which implementation is ongoing for some 46 different product groups. The Ecolabel Regulation, which is to establish "a voluntary ecolabel award scheme intended to promote products with a reduced environmental impact during their entire life cycle and to provide consumers with accurate, science-based information on the environmental impact of products", applies as a complementary tool on our sector. ORGALIME considers the voluntary nature of the eco label scheme important both for consumers and enterprises, the latter of which can choose to adopt the scheme if it indeed has the capacity to do so.

To date, the relevance of the EU Ecolabel in our sector remains limited. This is primarily due to:

- 1. The lack of international recognition the EU Ecolabel is not always known or recognised on the international scene. Given that our sectors act on global markets, many companies prefer to adopt well established international standards, such as ISO or IEC, rather than the EU Ecolabel.
- 2. **The lack of competitive advantages** public procurement in EU Member States insufficiently ties in with the EU Ecolabel, as well as with the Ecodesign and Energy Labelling requirements.

Indeed, so far the EU Ecolabel only applies to a selected number of product groups of our sector, such as heating/cooling systems, personal and notebook computers or light bulbs.

ORGALIME believes that the EU Ecolabel should remain a scientifically-based, voluntary instrument. The label criteria should be set at a level that allows preferably 20% but at least 10% of the market to reach the level. Moreover, the EU Ecolabel should not hamper the activities that are already taking place under the Ecodesign and Energy Labelling directives, but strive for consistency.

Orgalime's detailed recommendations are specified hereafter:

Orgalime, the European Engineering Industries Association, speaks for 38 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 10.3 million people in the EU and in 2012 accounted for some €1,840 billion of annual output. The industry not only represents some 28% of the output of manufactured products but also a third of the manufactured exports of the European Union.

#### **ANNEX: ECOLABEL SURVEY**<sup>1</sup>

Name and Contact Information (1st Name, Last Name, Ema	il & Tele	<u>ephone)</u>	
In which country are you based? Belgium			
What is your role? Choose one of the following answers?			
□ Competent Body □ Government Body □ Business EU Ecolabel Licence Holder □ Business EU Ecolabel Non-Licence Holder □ Retailer X NGO / Consumer / Trade / Industry Organisation □ Consumer			
SECTION 1: AWARENESS OF POLICY			
Question 1.1: Are you aware of the EU Ecolabel?  Possible answers:  A: Yes  B: No  Orgalime answer:  Yes.  Orgalime comment  No comment.			
Question 1.2: Which of the following aspects of the EU Ec Possible answers:  A:Yes B: No Orgalime answer:	olabel a	re you awa	re of?
	<u>A</u>	В	
The EU Ecolabel logo	Χ		
Its aims and objectives	Χ		
How to make an application	X		
Product groups covered by the EU Ecolabel	Χ		
Verification processes	Χ		
Detailed criteria for particular product groups (please specify)	Х		
Other - please specify Orgalime comment: No comment.			
Question 1.3: Are you aware of the following product police A :Yes B: No	ies/ too	ls at the EU	J level:

Orgalime answer:

В **Ecodesign Directive** Χ Energy labelling directive Χ Green Public Procurement Χ 

<sup>&</sup>lt;sup>1</sup> The online survey can be accessed at <a href="http://www.survey-ecolabel.eu/cms/">http://www.survey-ecolabel.eu/cms/</a>

Product Environmental Footprint	Χ			
EU Organic Label	Х			
Other – please specify	X			
WEEE directive <sup>2</sup> , RoHS directive <sup>3</sup> , REACH Regulation <sup>4</sup> and the <b>Orgalime comment:</b> No comments.	e F-Gas	es Regulatio	n <sup>5</sup> .	
Question 1.4: Are there any synergies between the EU Epolicies/ tools:	Ecolabe	el and any o	of the follow	ing product
B: No Orgalime answer:				
	<u>A</u>	В		
Ecodesign Directive				
Energy labelling directive				
Green Public Procurement				
Product Environmental Footprint				
EU Organic Label				
Other – please specify				
Orgalime comment: Orgalime is leaning towards answering "no" to all questions. In improvements would be needed to exploit them.	deed, th	ere could be	synergies bu	ıt
Question 1.5: Are there any conflicts between the EU E policies/ tools:  A:Yes B: No	colabe	l and any o	of the follow	ing product
Orgalime answer:	٨	В		
	<u>A</u>			
Ecodesign Directive	Х			
Energy labelling directive				
Green Public Procurement	Χ			
Product Environmental Footprint	X			
EU Organic Label				
Other – please specify Orgalime comment: REACH Regulation No 1907/2006 and sector specific chemica	X Is legisl	□ ation, RoHS	Directive 201	1/65/EU.
Question 1.6: Are there any areas where the EU Ecolabel a Orgalime comment: No comment.	nd othe	er product a	ctions overla	ıp?

Directive 2012/19/EU, OJ L 197/38 of 24 July 2012
 Directive 2011/65/EU, OJ L 174/88 of 1 July 2011
 Regulation 1907/2006, OJ L 396/1 of 30 December 2006
 Regulation 842/2006, OJ L 161/1 of 14.06.2006

#### **SECTION 2: USE OF THE EU ECOLABEL**

#### Question 2.1: Does your Organisation prioritise purchasing EU ecolabelled products or services?

A:Yes B: No

Orgalime answer:

#### Not applicable.

Question 2.1.1 Do you purchase products or services with any other label or product certification? Orgalime answer:

Orgalime's members operate both on the B2B and B2C level, and therefore some of our members might purchase products or services bearing the EU Ecolabel. Generally speaking, however, our members are more inclined to base their purchasing decisions on international standards, such as ISO or IEC.

#### Question 2.2: In your opinion, are the following topics drivers or direct benefits, for manufacturers and service providers adopting the EU Ecolabel?

#### Possible answers:

- A: Benefit
- B: Driver
- C: A benefit and a driver
- D: Neither
- E: Don't know

#### Orgalima angwari

Orgalime answer:	۸	В	С	D	E
Improve the competitiveness or market positioning of the produ	ct.□	X			
Respond to a specific request made by an important customer or retailer.					X
Aim for/achieve increased sales.		Χ			
Pursue/achieve cost-saving opportunities.				Χ	
Obtain access to public procurement.		Χ			
To meet export market opportunities.				Χ	
Increase consumers/customers interest and satisfaction.		Χ			
Improve relations/reputation with stakeholders.		Χ			
Improve employee commitment to overall company environmental performance.		Х			
Improve management commitment to overall company environmental performance.					Х
Better management of a specific environmental issue for the company.		Х			
Improve overall company environmental performance.				Χ	
The EU Ecolabel improves the company organisational and managerial capabilities in the environmental area.				X	
Better supply chain management and capabilities				Χ	
Promote product innovation				X	
Improve product design and development.				X	
Access to finance/insurance.				X	

#### **Orgalime comment:**

The above mentioned aspects can be drivers for adopting the EU Ecolabel in general, however, today the benefits of the EU Ecolabel in our sector remains limited. In any case, the EU Ecolabel is not a driver for companies to take up environmental management but a tool supporting environmental commitments already taken up by companies.

Question 2.3: Do you think there are indirect benefits associated with the EU Ecolabel? Please indicate how strongly you agree or disagree with the following indirect benefits for the EU Ecolabel: Possible answers:

indicate how strongly you agree or disagree with the following indirect benefits	for the EU Ecolabel
Possible answers:	
A: Strongly agree	
D. Asses	

B: Agree C: Neutral D: Strongly disagree E: Don't know

Orgalime answer:

Organine answer.	<u>A</u>	В	С	D	E
EU Ecolabel requirements/criteria set a benchmark for environmentally better performing products within the EU market.			Х		
EU Ecolabel requirements/criteria are useful to manufacturers to provide indicators for what a "green product" is and what its performance should be for various environmental impacts, even if a company does not adopt the EU Ecolabel.			X		
EU Ecolabel requirements/criteria can be used by manufacturers as a guideline and a support for the product design process towards eco-innovation, even if a company does not adopt the EU Ecolabel.			X		
The EU Ecolabel is a useful guide for consumers to drive their choices towards the greenest products on the market			x		
The EU Ecolabel criteria are a useful guide for companies who intend to develop green procurement strategies e.g. selecting suppliers on the basis of environmental criteria.			x		
The EU Ecolabel drives improvements in environmental performance of non-EU Ecolabelled products and services.				X	
When a company adopts the EU Ecolabel the level of awareness of environmental issues increases amongst the employees.				X	
Job opportunities are created because companies using the EU Ecolabel hire new personnel with expertise and specific know how.				X	
The EU Ecolabel criteria support companies in making correct and effective environmental claims, helping to avoid "green-wash".			X		
EU Ecolabel raises awareness of citizens that the EU sees environmental issues as a priority.		X			
Other, please specify					

Other, please specify **Orgalime comment:** No further comment.

Question 2.4: In order to pursue the benefits associated with the EU Ecolabel, what actions do companies undertake or carry out? Please indicate how strongly you agree/disagree that companies carry out the following actions for promoting their EU Ecolabelled products: Possible answers:

A: Strongly disagr	'nе
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B: Disagree

C: Neutral

D: Agree

E: Strongly agree

F: Don't know

#### Orgalime answer:

	<u> </u>	В	C	<u> </u>	<u> </u>	
Advertising on TV, radio, press or other media (including street advertising).		X				
Advertising on new media (such as the web).			Х			
Communication on the company website.				Х		
Marketing "in-field" when participating in fairs, expositions, etc.			X			
Direct communication to key-clients (e.g.: engagement in a workshop or other direct contacts).			X			
Communication within the supply chain (e.g. to suppliers).			X			
External communication towards the stakeholders (e.g. press release, company newsletter, involvement of local authorities, communication with NGOs, etc.).				X		
Training and involving the sales personnel of the company to promote the EU Ecolabel with the (potential) clients.			X			
Partnership with NGOs to promote the EU Ecolabel and/or the EU Ecolabelled products.			Х			
Commercial agreement or partnership with retailers to promote the EU Ecolabelled products on the shelf or in the point of sale.			X			
Discounts or other special price-policies applied to the EU Ecolabelled products.		X				
Increased budget for marketing the EU Ecolabelled products.			Χ			

#### Others, please specify

#### Orgalime comment:

Marketing activities related to the Ecolabel varies greatly between individual enterprises according to their overall branding strategy and budgetary means. In some sectors, the Ecolabel might indeed be included in the marketing efforts.

Question 2.5: What are the main barriers and difficulties that firms experience with the EU Ecolabel? Please indicate how strongly you agree/disagree with the following barriers for the EU Ecolabel: Possible answers:

- A: Strongly disagree
- B: Disagree
- C: Neutral
- D: Agree
- E: Strongly agree
- F: Don't know

#### Orgalime answer:

	Α	В	С	D	E	F
Costs of adopting the EU Ecolabel (including costs of complying with the relevant criteria).					X	
In particular, the costs of the EU Ecolabel licence.					X	
Too much documentation required/ too much "red tape".					X	
Complexity of documentation.					X	
Requirements are too stringent.					X	
Lack of human resources and competence within the company.		Х				
Lack of technical and information support from outside the company.			X			
Lack of external incentives (including fiscal incentives or access to public procurement).					X	
Lack of competitive rewards and advantages.					X	
Lack of recognition by the stakeholders.				X		
Lack of recognition by the public institutions (including regulatory relief).					X	
Lack of recognition at the international level.					X	
Too difficult to communicate the EU Ecolabel to stakeholders and consumers (incl. use of the logo).			Х			
Too many individual requirements (criteria).				X		
Requirements (criteria) are not addressing the most relevant environmental impacts.			Х			

#### Others, please specify

#### Orgalime comment:

Too stringent and often inconsistent requirements that do not allow relevant market coverage are in our view the main barrier. Orgalime believes that the criteria should be set as such that preferably 20% but at least 10% of the market can meet them. Its effect is also hampered, by its practical irrelevance on the international level, on which our sector operates.

#### **SECTION 3: EU ECOLABEL AND OTHER NATIONAL LABELS**

## Question 3.1: Does your country have an ecolabel that covers any of the same product groups as the EU Ecolabel?

#### Possible answers:

Yes

No

#### Orgalime answer:

In its nature of a European organisation, question is not targeted to us.

#### Orgalime comment:

National schemes vary in applicability and availability between Member States. In general, Orgalime favours one harmonised international label rather than multiple different national and/or regional labels.

#### **SECTION 4: IMPACT OF THE EU ECOLABEL**

#### Question 4.1

How has the EU Ecolabel performed over time? For example

- Increased overall number of EU Ecolabelled products on the market.
- The EU Ecolabel produced an increase of sales of greener products in general.
- Inclusion of the EU Ecolabel criteria in Public Procurement.

Do you have data that demonstrates these points? May we have access to this data?

#### Orgalime answer:

E: Strongly agree F: Don't know Orgalime answer:

Overall, the Ecolabel has not had a significant impact (see above answers).

#### **SECTION 5: MODEL / COSTS OF THE EU ECOLABEL**

Question 5.1 Does the current business model of the EU Ecolabel work well? Please indicate how

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strongly you agree/disagree with the following sentences	
Possible answers:	
A: Strongly disagree	
B: Disagree	
C: Neutral	
D: Agree	

organine anomor.	<u>A</u>	В	С	D	E	F
The time-span to obtain the EU Ecolabel should be shortened				X		
The number of criteria should be limited, covering the main environmental impacts.			х			
The time-span for the criteria development/revision process should be shortened		Х				
The criteria development/revision process should be simplified whenever reliable science-based information on the environmental impact categories is already available.				X		
The transition period for existing licence holders to comply with the new criteria is adequate.		Х				
The scheme should cover a higher percentage of the market's products.					X	
The procedures of the Competent Bodies of different Member States need to be harmonised.			X			
The fee structure is adequate.			Х			
The prevision of reduced fees should be extended to other categories of beneficiaries.			X			
The scope of the scheme should be extended to include more intermediate product groups.		Х				
The scope of the scheme should be extended to include food, feed and beverages product groups.			х			
The marketing and promotional activities for the EU Ecolabel at the European level are adequate to stimulate the market for products with the Ecolabel.			X			

The marketing and promotional activities for the EU Ecolabel at the national level are adequate to stimulate the

market for products with the Ecolabel.		Χ		
The promotion of the EU Ecolabel should be strengthened within GPP promotional initiatives.			Х	
Member States should provide more fiscal incentives to licence holders.		X		
The European Commission should increase the level of integration of the EU Ecolabel in the existing EU legislation.		Х		
Others, please specify				

#### **Orgalime comment:**

No comment.

Question 5.2 Would you recommend stopping the application of the EU Ecolabel in any of the product groups that are currently covered by the Scheme?

Please indicate which and give reasons.

#### **Orgalime answer/comment:**

A careful case by case assessment of the benefit of the Ecolabel should be made for product groups that fall under the Ecodesign and Energy Labelling Directives. Better consistency with requirements derived from these Directives as well as from EU chemicals legislation, notably REACH and RoHS, and more realistic EU Ecolabel requirements ensuring preferably 20% but at least 10% market coverage is a must for the EU Ecolabel's relevance in our sector in the future.

Question 5.3 Would you recommend including new product categories in the EU Ecolabel scheme? Please indicate which products and give reasons.

Orgalime answer:

#### **Orgalime comment:**

First, current implementation should be improved.

Question 5.4 Have you ever tried to quantify the whole cost of applying for the EU Ecolabel? If yes, can you provide figures for the first licence application and for the annual "maintenance" of the licence?

Orgalime answer:

No answer.

**Orgalime comment:** 

No comment.

Question 5.5 How could these costs be reduced?

Orgalime answer:

No answer.

**Orgalime comment:** 

No comment.

#### **SECTION 6: FUTURE OF THE EU ECOLABEL**

Question 6.1: Is the EU Ecolabel, and its set of common requirements, a valuable tool to facilitate a higher uptake and free circulation of green products (in the pursuit of a single market for green products) across Europe?

Possible answers:

A: Yes

B: No

Orgalime answer:

No answer

#### Orgalime comment:

The EU Ecolabel could become a more relevant tool to facilitate the free circulation of sustainable products across Europe. It is of vital importance, however, that the Ecolabel remains voluntary. A careful case by case assessment of the benefit of the EU Ecolabel should be made for product groups that fall under the Ecodesign and Energy Labelling Directives. Better consistency with requirements derived from these Directives as well as from EU chemicals legislation, notably REACH and RoHS, and more realistic Ecolabel requirements with preferably 20% but at least 10% market coverage is a must for the EU Ecolabel's relevance in our sector in the future.

# Question 6.2: Is it beneficial to have a set of common requirements in the pursuit for a single market for green products across Europe in the form of the EU Ecolabel?

#### Possible answers:

A: Yes

B: No

#### Orgalime answer:

No (answer b).

#### **Orgalime comment:**

The EU Ecolabel is and should remain a product specific tool. For our sector, the Ecodesign and Energy Labelling Directives have established the necessary product policy framework.

# <u>Question 6.3</u>: Overall, would you recommend retaining the EU Ecolabel as it is, changing it or abolishing the scheme?

#### Choose one of the following answers:

#### Possible answers:

A: Retain as is

B: Change

C: Abolish

#### Orgalime answer:

Retain as is (answer a).

#### **Orgalime comment:**

Orgalime finds that the Ecolabel should remain a scientifically based, voluntary tool, the requirements of which should be able to be met by preferably 20% but at least 10% of companies. Its implementation needs to be improved.