



REVISION OF THE EU ENERGY LABELLING DIRECTIVE: KEY ISSUES FROM A CONSUMER PERSPECTIVE

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Introduction

In July 2008, the European Commission published an Action Plan on Sustainable Consumption and Production & Sustainable Industrial Policy. As part of this Action Plan, the Commission proposed a revision of the EU Energy Labelling Directive (92/75/EEC)¹. The overall objective of the Commission in revising the Energy Label Directive² is to extend the framework to products which do not use energy but have an impact on energy efficiency.

The EU Energy Label which has been in place for over fifteen years is a success story for consumers. The message “buy A” is easy to understand and contributed therefore considerably to an uptake of more energy efficient household appliances. It is of utmost importance that the layout of the label has to be kept simple and meaningful for consumers. Thus, the layout of the current A-G label should not be changed. However, there is an urgent need to adapt the scheme in order to make it possible to update it in a flexible and dynamic way without confusing consumers.

Key issues from an ANEC and BEUC perspective

This document outlines the major issues which should be taken into account in the revision of the Directive from an ANEC and BEUC point of view.

ANEC and BEUC welcome the revision of the Directive, as it should drive down energy use and push the industry to develop more energy efficient products. Five aspects are considered of primary importance:

- 1. Extending the scope is beneficial for consumers and environment**
- 2. Continuity with the A-G layout of the EU Energy Label (meaningful and simple label) needs to be ensured**
- 3. Responsibilities and powers of the Member States to be strengthened**
- 4. The energy label must remain compulsory**
- 5. “End-users” versus “consumers”**

¹ Council Directive 92/75/EEC of 22 September 1992 on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances.

² Proposal for a Directive of the European Parliament and of the Council on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products (COM(2008)778final).

1. Extending the scope is beneficial for consumers and environment

Extension to energy-related products

ANEC and BEUC welcome that the Energy Label scheme will be extended from energy-using household appliances to energy-related products such as windows. With this extended information tool consumers will be able to compare also products which do not use energy to function but which have a considerable impact on energy efficiency during the use phase. Thus, consumers will be enabled to make informed choices.

However, a real sustainable product policy which also stimulates the demand of consumers for better products can only be achieved by a mix of different mandatory and voluntary instruments. In this context, it should be ensured that other instruments which are already in place such as Eco-design and the Eco-label are complementary to the Energy Label.

"Significant impact" needs to be defined

Energy-related products which have a significant impact on the consumption of energy are included in the scope of the proposed Directive. The term "significant impact" is however not defined in Article 2 of the proposal. We consider it crucial to determine the meaning of "significant" as it could otherwise be misinterpreted or be subject to contradictory interpretations. In addition, it is not clear in the proposal who decides what a significant impact is.

Exclusion of second-hand products

ANEC and BEUC welcome that second hand products are excluded from the scope of the proposed Directive³.

2. Continuity with the A-G layout of the current EU Energy Label (meaningful and simple) needs to be ensured

Layout of the label needs to be kept simple and meaningful

The EU Energy Label which has been in place for over fifteen years is a success story for consumers and the environment. The familiar format of the energy label with A-G colour bar ratings has achieved a high recognition by consumers. The message "buy A" is easy to understand⁴ and contributed therefore considerably to an uptake of more energy efficient household appliances.

³ See draft Directive, Article 1, point 3(a).

⁴ ANEC, BEUC, Consumer Focus (formerly UK National Consumer Council), the UK Energy Saving Trust and the UK Department for environment, Food and Rural Affairs (DEFRA) asked Ipsos Mori to carry out empirical research concerning consumers perception of the A-G label. The study results are available at: <http://www.anec.eu/attachments/ANEC-PR-2008-PRL-009.pdf>
<http://docshare.beuc.org/docs/1/AFMPOJOBAKHAIJEFBEKJPKPGPDBW9DBWBWY9DW3571KM/BEUC/docs/DLS/2008-00801-01-E.pdf>
<http://docshare.beuc.org/docs/2/AFMPOJOBAKHAIJEFBEKJPKPGPDBW9DBWBD9DW3571KM/BEUC/docs/DLS/2008-00800-01-E.pdf>

Of utmost importance is that the layout of the label needs to be kept simple and meaningful for consumers. We therefore believe that the layout of the current A-G label should not be changed and should be retained as the basis for imparting consumer information. This is also important in respect to distance selling including the internet.

We welcome the introduction in the proposed Directive that Member States shall ensure that information is brought to the attention of end-users by means of a label related to products offered to end-users directly or indirectly by any means of distance selling including the internet⁵.

We welcome that the draft Directive underlines that the design and content of the label should have as far as possible uniform design characteristics across product groups⁶. A uniform label design is one of the most important preconditions for a high level of recognition and thereby awareness of consumers.

However, we are highly concerned about ongoing decisions to change the layout of the successful A-G label. While industry is proposing to replace the successful A-G scale with a very confusing numerical scale from 1-7 the Commission is discussing a double scale with numbers and letters as a possible compromise. The numerical as well as the double scale would be far too complex for consumers to understand and would not provide any added value with regard to stimulating demand for more energy efficient appliances.

Empiric research has shown strong support for the A-G label

Recent empiric research⁷ has shown that consumers across the EU understand the message to buy "A" products.

ANEC, BEUC, the UK National Consumer Council, the UK Energy Savings Trust and the UK Government's Department for Environment, Food and Rural Affairs (DEFRA), carried out empiric research concerning the consumers' perception of the A-G energy label⁸. Altogether seven thousand answers were received from consumers from seven different EU Member States (UK, NL, PL, I, F, D, DK). The main conclusion of this research is that the A-G label is not only very well known by consumers but is also used as practical decision guidance.

The market research has illustrated that the level of awareness of the A-G label is strong in all markets. Even in the country with the lowest awareness, over 80% of consumers had seen the Energy Label before. The level of awareness was highest in Denmark, Netherlands and France where 95% of consumers answered they had seen the A-G label before.

⁵ See draft Directive, Article 4(1).

⁶ See draft Directive, Article 11, number 4 (d).

⁷ Reference to joint research.

⁸ The survey has been carried out by IPSOS Mori in May 2008.

When respondents were asked to identify the letter signifying the most energy efficient product the overwhelming majority of respondents in all countries correctly identified the letter "A" as the best (between 97% and 99%). This shows clear evidence that consumers fully understand how the scale works and which products they should choose if they want to opt for energy efficient appliances.

When the A-G and the 7-1 label was shown to consumers, the great majority found the A-G easier to understand than the numerical scale.

As the numerical scale would shift upwards over time, we also tested the comprehension of a 9-3 label compared to the A-G. Also in this case the great majority preferred the A-G label.

In view of these findings, we do not understand why the Commission is envisaging fundamental changes to a label which is successful and strongly supported by consumers.

A-G ratings need to be revised on a regular basis

There is an urgent need to adapt the scheme in order to make it possible to update it in a flexible and dynamic way without confusing consumers. The revised scheme should drive down energy use and push the industry to develop more energy efficient products.

Updates to the scheme should be carried out regularly, with the revised classes and criteria set in advance in the legislation. This will ensure transparency and predictability, in particular for manufacturers, and will steer the market towards more energy efficient products. This timely reclassification of products will also ensure that consumers always get one of the most energy efficient products on the market.

3. Responsibilities and powers of the Member States to be strengthened

We welcome the proposal by the Commission in Article 3(1) to require Member States to ensure better cooperation and information exchange between Member State authorities, and stress the important role of the Commission in overseeing and encouraging such cooperation. Sharing best practices and expensive testing results would lead to a more efficient allocation of resources across Europe, thus allowing a greater number of appliances to be inspected and tested⁹.

While we also support the new Article 3(2), we believe that the provisions on market surveillance need to be further reinforced to ensure proper enforcement of the Directive and its Implementing Measures, as underlined in the 2007 study referred to above. Furthermore, we welcome the proposal, in Article 3(3), to introduce a reporting requirement on Member States regarding their enforcement activities, and believe the

⁹ "A review of the range of activity throughout Member States related to compliance with the EU Energy Label regulations", Viegand & Maagoe, Denmark, 2007, report commissioned by ANEC and UK Defra Market Transformation Programme, [http://www.anec.eu/attachments/ANEC-R&T-2006-ENV-008%20\(final\).pdf](http://www.anec.eu/attachments/ANEC-R&T-2006-ENV-008%20(final).pdf)

information in these reports should be made publicly available in a summarised form by the Commission.

We strongly support the proposed provision on penalties in Article 12, which states that Member States shall lay down rules on penalties applicable to infringements and that these penalties shall be effective, proportionate and dissuasive. As found by the 2007 study, low enforcement levels and lack of effective sanctions has been an important barrier to keeping all stakeholders aware of the importance of correct labelling.

4. Energy Label must remain compulsory

The draft Directive refers to self-regulatory and voluntary measures and explains that those measures should be taken into account if policy objectives can be reached faster or quicker with self-regulation.

We propose to delete this provision¹⁰ as the Energy Label is an information instrument which sets mandatory requirements for all products on a market in a specific category. Voluntary measures to label new product groups are not feasible as such measures cannot ensure that all economic operators participate and keep to the rules. Thus, the market would be less transparent for consumers and an even level playing field which is needed for fair market conditions could not be ensured.

5. “End-users” versus “consumers”

The term “end-user” replaces the term “consumer” throughout the legal text. However, as end-users and consumers are not identical we propose that the term “end-user” should be defined. Such a definition should clearly state that consumers are private persons.

END

¹⁰ See draft Directive Article 11 number 2c.