

The Consumer Voice in Europe

## CONSUMERS AT THE CENTRE OF THE DRIVE TO SUSTAINABILITY

BEUC's view on the European Green Deal



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## Why it matters to consumers

**Consumers are affected by and will increasingly suffer from the impacts of a changing climate in their daily lives, including increasing prices for food, energy, transport and insurance premiums. To stop the continuing depletion of natural resources, we urgently need to change how we produce and consume. Yet, multiple market failures prevent consumers from embracing these changes. For the European Green Deal to truly make our society more ecological, it needs consumers' full buy-in.**

## Summary

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The 2019-2024 European Commission's major political project is an ecological modernisation of our societies to act against climate change while increasing people's quality of life. It will be crucial that policies are designed and implemented with consumers in mind to ensure the buy-in of large parts of the European population.

In this paper, BEUC gives a first reflection on the European Green Deal (EGD) and recommends on what needs to be improved to make this project a success. We emphasise that:

- **Structural changes and the creation of new infrastructures are crucial to allow consumers to adopt more sustainable lifestyles.** This concerns primarily food, housing, mobility and the products and services we use every day.
- **Consumers need the right price signals in all areas.** Today, the sustainable choice is often the burdensome or expensive one while the vision must be that in the future the sustainable choice is the easy and affordable one for transport, heating our homes, food and the products we use every day.
- **Consumer information alone cannot replace a thorough change in the way products are made.** While being beneficial when well designed and implemented, information has serious limitations and should come second to ambitious action on mandatory product policies.
- **Consumer organisations can and must play an important role in engaging consumers in the green transition.** The Commission should therefore better link consumer policy to the Green Deal implementation to provide for the best outcome.

## Contents

<b>1. The European Green Deal is a game changer – if rolled out ambitiously.....</b>	<b>3</b>
<b>2. Why consumers’ buy-in is crucial to succeed.....</b>	<b>4</b>
<b>3. Correcting the European Green Deal’s blind spots: empowering and protecting consumers to play an active role in the green transition .....</b>	<b>6</b>
3.1. Consumer policy as a major tool for delivering sustainability .....	6
3.2. The importance of the 2020 Consumer Agenda.....	8
<b>4. How to engage consumers? .....</b>	<b>8</b>
4.1. The power of positive messaging .....	8
4.2. Well-designed price signals .....	9
4.3. The limits of consumer information .....	9
4.4. Support to consumers must be more than financial .....	9
<b>5. How does the European Green Deal meet consumer expectations? .....</b>	<b>10</b>
5.1. Finance.....	10
5.2. Mobility.....	11
5.3. Housing .....	12
5.4. Food.....	14
5.5. A non-toxic environment.....	15
5.6. Products and services .....	15
5.7. The global approach’s impact on consumers .....	16
5.8. Research and innovation .....	16

## 1. The European Green Deal is a game changer – if rolled out ambitiously

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For the first time in history, a European Commission President - Ursula von der Leyen - deviates from the traditional logic that economic growth comes before environmental protection. This is **an important acknowledgement that all political and financial efforts need to focus on producing and consuming differently to solve the environmental crisis.**

The European Green Deal was published on 11 December 2019 as the key programme for the European Commission's mandate spanning from 2019 to 2024. It announces measures to make food systems sustainable, improve energy efficiency of transport and housing, shift European energy supply to more renewable energies and make products last longer, be better repairable and recyclable. It will be important to make this announced shift a reality.

**In the future, the sustainable choice should become the default choice whereas the unsustainable choice must become the impossible choice.**

If we are to succeed, it cannot be emphasised enough that **we need to make systemic changes in the way we live, produce, consume, heat and move around.**<sup>1</sup> In the future, the sustainable choice should become the default choice whereas the unsustainable choice becomes the impossible choice for consumers. To this end, policy makers must make sure that the 'climate change' topic is not the only focus. Instead, broader societal and environmental challenges, such as chemicals, biodiversity, land use and food production, must also be addressed.

**Political support to take bold actions is very high.** Opinion surveys demonstrate that the climate crisis is a very large and steadily growing concern for almost all citizens in the EU.<sup>2</sup> Very importantly, almost eight in ten respondents (79%) agree that tackling climate change will lead to innovation that will make EU companies more competitive. Moreover, a large majority (70%) agree that adapting to the adverse impacts of climate change can have positive outcomes for EU citizens. As a result, new opportunities for climate protection and sustainability measures open up at EU and national levels. And the EU must seize this opportunity to work towards change.

**BEUC therefore welcomes the European Green Deal as a game changer,** in the sense that it can greatly contribute to a long overdue paradigm shift in EU policy making. The Deal, in line with the UN Sustainable Development Goals (SDGs), recognises more prominently that a sound and prosperous environment is the precondition for societal wellbeing and economic prosperity. **We hope that the proposals and initiatives that will be rolled out over the coming months and years will confirm this shift.** Similarly, we expect that the commitment of the European Commission and other EU institutions to set ambitious climate-friendly economic policies will materialise.

**Our lives are currently changing drastically due to the outbreak of the COVID-19 pandemic and people worry for their health, jobs and social cohesion.** Tackling the pandemic must thus be the largest priority at all levels. Besides the immediate health response, policy makers at national, European and international level are discussing about policy measures which can alleviate the negative economic and social impacts. This

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<sup>1</sup> See for example: European Environment Agency (2019): Sustainability transitions – Policy and Practice, <https://www.eea.europa.eu/publications/sustainability-transitions-policy-and-practice>

<sup>2</sup> Special Eurobarometer 490, Climate Change, September 2019. <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/special/surveyky/2212>

concerns immediate emergency support but comprises also decisions about longer term investments to reinvigorate the economy after the end of the immediate health crisis.

The European Green Deal reforms must stay on track as our goal cannot be to go simply back to the 'old normal' of an economic system which is driving the climate crisis. Public money to bail out companies should be conditional upon making a change towards more sustainability. It will be primordial not to repeat the errors of the past. During the financial and economic crisis in 2009 many agreed that we cannot go out of the crisis as we entered it, but little changed thereafter in practice.

**Consumer organisations are committed to play an active role in the transition process.** In this paper, we give recommendations on how the European Green Deal should evolve, and which factors should be taken into account from the consumer perspective. In particular, we make proposals related to sustainable food, mobility, housing, financial services, a toxic-free environment and sustainable products.

## 2. Why consumers' buy-in is crucial to succeed

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In the past, consumer organisations' daily bread when it comes to environmental policies included consumer information (EU Ecolabel, energy labelling, car labelling), product design policies (Ecodesign, CO<sub>2</sub> emissions of cars, chemicals in textiles) or protection of consumer rights (premature obsolescence, protection against misleading environmental claims). However, in recent years **the consumer movement has become more engaged as regards the need to protect the planet in a market economy.**

**Since 2012, we have been reflecting with our members on how to adapt our strategy to the environmental crisis.** This has influenced the consumer movement in two ways. Firstly, consumer groups have acknowledged that the interests of future consumers must be considered, even though this means that current consumers might have to pay more. Secondly, we have started to integrate sustainability issues in all our work streams. This internal journey of strengthening sustainability across all our work areas has led to new efforts to work out policy proposals which can be a win-win both for the planet and for consumers' health, safety and savings. This is the case first and foremost in the areas of energy efficiency and sustainable transport, but many more opportunities exist.

Climate policies need urgent and systemic transformation of the way consumers eat, move, travel, live, use products and services. As such, it is crucial that the policies put consumers at the centre of all relevant action points.

Over the last years and months, as the public and policy makers have become increasingly aware of the climate emergency, **the need for collaboration between consumer advocates and policy makers has got clearer.** Climate policies need urgent and systemic transformation of the way consumers eat, move, travel, live, use products and services. As such, for a critical mass of changes of consumer attitudes and behaviours to happen swiftly, it is crucial that the policies put consumers at the centre of all relevant action points. Not doing so would risk failure – which we cannot afford.

Consumer groups already help this transformation by, for example:

- Giving independent advice on sustainable products and services.

- Organising group purchases to bring prices down for sustainable products such as solar panels<sup>3</sup>.
- Engaging consumers into transition debates through managing web communities where peers can speak to each other about their experiences such as renewable energies<sup>4</sup>.
- Teaming up with social workers to help consumers who are struggling to pay their energy bills<sup>5</sup> and educating consumers on efficient use of energy in their homes.
- Organising workshops to explain to people how to use an electric vehicle<sup>6</sup>.
- Carrying out research on consumers' needs and preferences such as on waste reduction and more durable products<sup>7,8</sup>.
- Developing capacity training programmes for national consumer organisations and other players in consumer policy to better equip them to protect consumers, including on sustainability topics<sup>9</sup>.
- Programming phone apps to help consumers to avoid harmful chemicals in products for instance<sup>10</sup>.
- Organising festivals to inform people on how life will be like in the future<sup>11</sup>.
- Involving consumers such as asking them to take pictures of unwanted and unnecessary packaging waste and to send it to the consumer organisations so that these can develop actions towards policy makers and economic operators.
- Promoting credible labels of environmental excellence to consumers such as the EU Ecolabel.

**Because of their purchasing power, consumers make a difference for the planet when they opt for sustainable or unsustainable products and services.** It is noteworthy that consumers make most of their purchasing decisions *before* going to shops. As such, the challenge is to provide consumers with information beforehand. Consumer organisations are well placed to act as trusted intermediaries as they inform millions of people every day through magazines, helplines, web articles and videos. However, in order to tap the full potential of advice to consumers, more sustainable products and services must become available.

<sup>3</sup> The EU funded Horizon 2020 project CLEAR 2.0 (enabling **C**onsumers to **L**earn about, **E**ngage with and **A**dopt **R**enewable energy technologies) involved consumer organisations such as Test Achats, OCU, Altroconsumo, DECO Proteste, BEUC, ICRT, dTest, MIPOR, <https://www.clear2-project.eu/> More information on CLEAR 2.0 project results is available in the [CLEAR 2.0 factsheet](#) and in the report 'What CLEAR 2.0 project taught us: results and recommendations'

<sup>4</sup> See for example the discussion groups of Test Achats/Test Aankoop, Altroconsumo, OCU and DECO; <https://www.test-aankoop.be/community/hernieuwbare-energie>, <https://www.test-achats.be/communautes/energie-renouvelable>, <https://www.altroconsumo.it/community/energia-rinnovabile>, <https://www.ocu.org/comunidad/energias-renovables>, <https://www.deco.proteste.pt/comunidades/energias-renovaveis>

<sup>5</sup> See BEUC's new Horizon 2020 Project STEP which involves BEUC's members in the UK (Citizens Advice), Cyprus, Bulgaria, Lithuania, Latvia, Portugal, Poland, Czechia, Slovakia, <https://www.stepenergy.eu/partners/>

<sup>6</sup> Citizen's Advice Electric Vehicle Workshop 2019, <https://www.youtube.com/watch?v=i3KkP0AohI8&feature=youtu.be>

<sup>7</sup> The German Verbraucherzentrale Bundesverband found through an [opinion survey](#) that 96% of consumers think it is important that less packaging waste is generated and [89% thought](#) that the EU should oblige producers of large household appliances to make products better repairable.

<sup>8</sup> BEUC participates with many members such as Consumentenbond, UFC Que Choisir, Stiftung Warentest, OCU and Test Achats, ANEC and ICRT in the Horizon 2020 funded project PROMPT which seeks to develop a testing method for products related to premature obsolescence, <https://prompt-project.eu/>

<sup>9</sup> BEUC has been entrusted by the European Commission to implement the capacity-building project ConsumerPro, <https://www.beuc.eu/beuc-network/projects>

<sup>10</sup> BEUC members, Forbrugerrådet TÆNK (Denmark), Sveriges Konsumenter (Sweden) and VKI (Austria) are for example part of the LIFE funded project Ask Reach: <https://www.askreach.eu/partners-and-supporters/>. Forbrugerrådet TÆNK also programmed the app 'Kemiluppen' and UFC Que Choisir the App 'QuelCosmetic' to help consumers choose cosmetics which do not contain certain harmful chemicals.

<sup>11</sup> Such as the FestivalFuturo in Italy: <https://www.altroconsumo.it/festival-2019>

### 3. Correcting the European Green Deal's blind spots: empowering and protecting consumers to play an active role in the green transition

#### 3.1. Consumer policy as a major tool for delivering sustainability

Many of the actions proposed in the EGD meet consumer needs and expectations or represent a welcome first step into more sustainable consumption and production patterns. However, the Commission's governance approach of this paramount transformation process reveals a blind spot, i.e. the full integration of consumer policy provisions and structures.

In Figure I (page 3) of the [Commission Communication](#), there is an explicit reference to the need to mobilize certain stakeholders, such as industry and research. However, **no mention is made on the need to engage consumers and consumer organisations in the green transition**. For the reasons set out above, it is key to complement the graph below and to clearly mention the empowerment and protection of consumers to play an active role in the green transition.

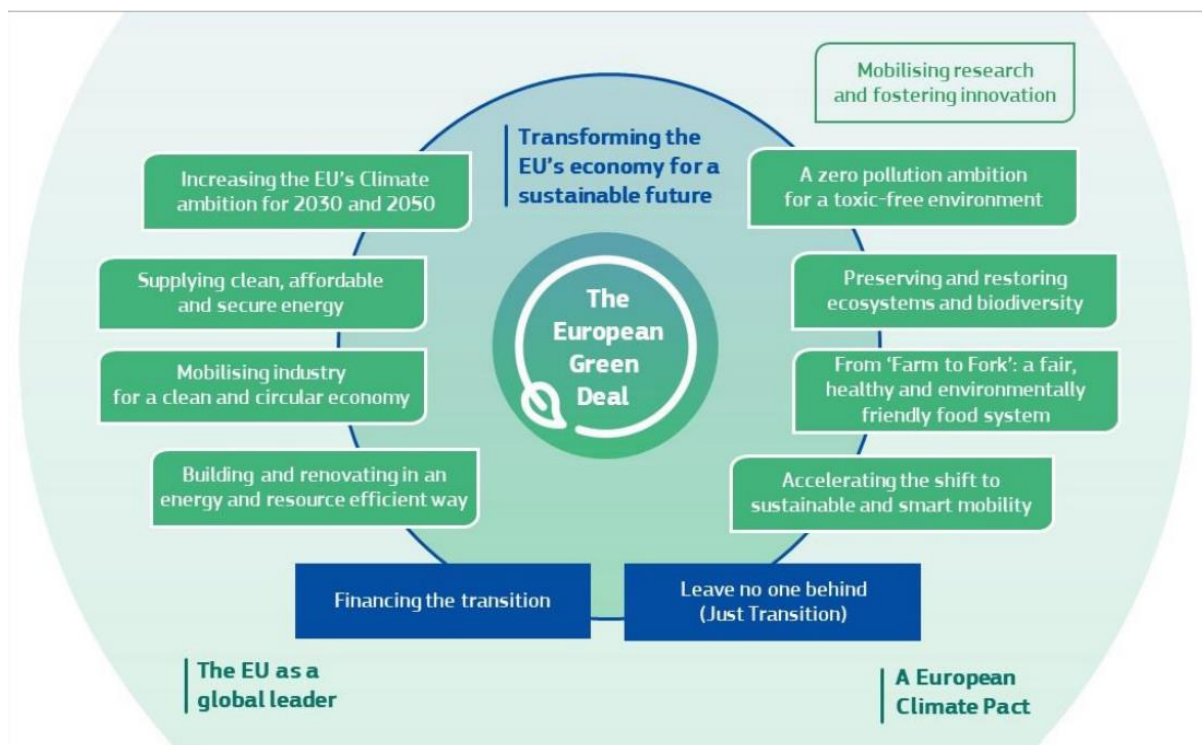


Figure 1: Excerpt from the EU Commission's Communication, pg.3

While the Communication mentions that “consumer policy will help to empower consumers to make informed choices and play an active role in the ecological transition”, the positive role of EU consumer policy is not further developed in the strategy. We argue that consumer policy is a major tool which should be mainstreamed, to make sure that consumers do seize the different opportunities that the Green Deal offers them, in all confidence that the regulatory framework sufficiently protects them.

The EU consumer policy could unleash its full potential as one of the underpinning forces of the green transformation: some of the developments that are programmed under the

Green Deal should not only be described as opportunities, but as enforceable consumer rights. Several of the proposals contained in the EGD should be reframed from the consumer rights' angle, and where relevant, give rise to new policy proposals:

- **Consumer redress and enforcement:** the current set of measure should be revisited to allow for better enforcement of sustainability objectives. This could be done by considering different tools with regards to environmental and health related damage, such as mandatory Alternative Dispute Resolution (ADR), representative procedures in the case of failure to act by the public bodies. The Commission should assess the added value of collective redress procedures in the context of environmental legislation which protects consumers' health (which risks not being covered by the future Directive for Representative actions).
- **Consumer rights in the context of emerging business models to create trust on the circular economy** (e.g. rental contracts, product sharing and service contracts).
- **Consumer rights with regards to more durable products:**
  - The legal guarantee for products should cover the whole period of the expected lifetime (beyond the current minimum level of 2 years).
  - When Ecodesign requirements set durability requirements for products, these should automatically become binding conformity criteria under legal guarantee rights.
  - Producers should be jointly liable for legal guarantees together with the trader. This would better reflect the reality of our economy, provide for a fairer distribution of the responsibility and incentivise to avoid early obsolescence.
  - Consumers should be better protected against unfair commercial practices regarding sustainability claims (greenwashing).
  - Consumers should have a right to repair at reasonable economic costs; this should include the right to access spare parts.
  - A longer guarantee period should be introduced for second-hand goods.
- **Consumers' right to information:**
  - The life expectancy of products should be indicated at the point of sale - including about security updates of software for connected products and standalone digital content such as digital films, music, e-books and applications.
  - Consumers should be informed about the availability of spare parts and the existence of independent repair centres, depending on product categories.
  - Specific obligations on manufacturers to provide spare parts could be imposed by setting legislation, following the experience in the automobile sector.
  - The consumer's right to know about which chemicals are used in everyday products should be improved, e.g. through strengthening the consumers' right to be informed under REACH (Article 33).

To ensure the upcoming EU policy proposals are consistent and sufficiently take consumer interests into account, we see an important need to better integrate the portfolio of Commissioner Didier Reynders – in charge of justice and consumer protection – into the European Green Deal team, led by Executive Vice President Timmermans.

It will be important that dialogue processes which seek to engage European citizens into future policy development will include national consumer organisations. Such groups can



act as a spokesperson and provide important evidence about consumers' attitudes and needs in a national context.

The EU should launch a funding programme for consumer organisations to provide tailor-made advice to individual consumers on how they can change their own behaviour, shopping and living patterns. This would help make a bridge between EU and national policy makers on the one hand and consumers on the other hand, engaging consumers into the climate transition, promoting consumer acceptance of the much needed systemic changes of lifestyles, and thereby maximising the impact of the EU Green Deal.

### 3.2. The importance of the 2020 Consumer Agenda

According to EU data, consumption expenditure of European households was as high as 8,6 trillion.<sup>12</sup> This demonstrates consumers' enormous power to drive forward the European economy. However, only empowered and confident consumers can help the sustainability transition.

As the Commission is preparing a new Consumer Agenda to be kickstarted in 2020, this should be framed as a major strategic tool to achieve the objectives of the EGD, with a special focus on the role of consumer law and policy in the transition towards a carbon-neutral continent.

## 4. How to engage consumers?

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To succeed, consumers' engagement in the society's green transition needs to be a source of satisfaction (or even pride), affordable and as hassle-free as possible.

### 4.1. The power of positive messaging

The message dominating the climate debate focusses on the catastrophic consequences of climate change, for obvious reasons. Behavioural science however teaches us that if consumers are to be activated, they need to be given positive messages.<sup>13</sup> Adapting consumer behaviour to be more climate-resilient should not be presented as a sanction but rather as being part of the solution. If one tells people that they will need to stop eating meat altogether, one will face frustration and resistance. It might be more encouraging for consumers to be told that eating veggie or vegan once or twice per week helps reduce their climate footprint by x%.

**Adapting consumer behaviour to be more climate-resilient should not be presented as a sanction but rather as being part of the solution.**

**It is important to link a climate-related behaviour change to positive results in other fields of everyday**

**life.** For instance, favouring the bike over the car is not only good for the environment but also for our health. Behavioural studies show that such connections are more efficient than references to climate change alone<sup>14</sup>. Obviously, for these messages to be fruitful it needs to be easier and more attractive to switch to climate-friendly options, which is only possible if the offers and necessary infrastructures will be put in place.

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<sup>12</sup>Final consumption expenditure of households by consumption purpose, Eurostat.

<sup>13</sup>See for example the SITRA report on 1.5C lifestyles and how to achieve them: <https://www.sitra.fi/en/articles/what-are-1-5-degree-lifestyles-like-and-how-do-we-achieve-them/>

<sup>14</sup>On framing messages, see for example: International Panel on Climate Change (2018): Climate Outreach - A Communications Handbook for IPCC authors, <https://www.ipcc.ch/site/assets/uploads/2017/08/Climate-Outreach-IPCC-communications-handbook.pdf>

Moreover, consumer organisations sometimes work with gamification, i.e. a process in which game elements are designed into a non-game context to improve user engagement and learning. This promising way to engage consumers should be further developed.

#### 4.2. Well-designed price signals

**Today, the green choice is often the expensive choice.** Companies who offer more sustainable products often incur additional costs, including for labour, sustainable sourcing, transport, packaging and certification schemes. However, their higher costs are often invisible to the consumers, as are the lower costs of those producers who do not apply high levels of labour and environmental protection.

**It is therefore high time to make systemic changes to ensure that the sustainable choice will become the most affordable and most attractive for consumers.**

**Price signals are major instruments to steer consumer behaviour.** Until now, market failures and lack of internalisation of costs to the environment, have prevented this principle to materialise in retail pricing. As a result, **fiscal policies should on the one hand reward the more sustainable consumer choices, and on the other hand, discourage the less sustainable ones.**

**We must stick to the 'polluter pays principle', which is supposed to make unsustainable products become more expensive and more sustainable ones affordable.**

**Distributional fairness** is another key element: less affluent households must not be disproportionately affected by pricing policies. In particular, the discussions around carbon pricing (or 'Border Adjustment Mechanisms') need to factor in that these pricing policies' revenues should be used to support less affluent households – who have often less flexibility to adapt their consumption patterns – in participating in the mitigation of the climate crisis. We acknowledge that this concern has been considered by the EU Commission under the concept of "Leaving no one behind". It is now important that this concept leads to concrete results in the coming months, with the roll out of the different policies.

#### 4.3. The limits of consumer information

Many measures envisaged by policy makers across the globe to mitigate the climate crisis focus on consumer information, in particular via labels. Information is of course a no-brainer. Better consumer information is a useful tool in the consumer engagement toolbox if combined with systematic awareness-raising campaigns. However, **counting on labelling alone is far from being enough, and risks shifting the responsibility of purchasing choices harmful for the environment onto consumers.**

Therefore, consumer information initiatives – as welcome as they are in some matters – need to be complemented by additional measures. These can be mandatory regulatory requirements (such as Ecodesign) or bonus/malus schemes – such as offering incentives for electric vehicles and upping the price of more polluting cars. **Products and services must become sustainable by design, which would eventually reduce the need for information and make some labels redundant.**

#### 4.4. Support to consumers must be more than financial

**Price signals can drive behaviour change, within certain limits.** Some of the changes expected from consumers require upfront investments which generate hesitation for some or are impossible to bear for others. Switching to e-vehicles, insulating homes, investing in solar panels or heat pumps are costly decisions. However, these investments would contribute heavily to the reduction of CO<sub>2</sub> emissions. Therefore, to overcome this hurdle,

it is important to provide households with financial support, taking the form of green loans or subsidies.

**However, finances are only one hurdle among the more complex decisions consumers will need to make.** Switching to an electric vehicle calls for trust in the charging infrastructure (to overcome 'range anxiety'), renovating your building is not easy when you are a co-owner and need to convince the other inhabitants, insulating your house might need you moving to another place for a few weeks/months, the list goes on. This hassle or fear of it prevents many consumers to engage into these changes.

However, solutions do exist (counselling, incentives for landlords, assistance in boxing for temporary move, assistance in finding temporary housing...). Policy makers should encourage such services to be made available to households, and especially to the more vulnerable ones (less affluent, families with small children, elderly people).

## 5. How does the European Green Deal meet consumer expectations?

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NB: Explanation of colour codes:

- Green: welcome measure from the consumer perspective.
- Amber: welcome measure from the consumer perspective, but insufficiently clear or with missing qualifications, bearing risk of being detrimental for consumers if wrongly implemented.
- Red: missing provision, gap in analysis.

BEUC will make additional sector-specific recommendations in the coming months to policy makers, in particular on the orange and red points. This will be the case for example in the context of the Farm to Fork Strategy, the Zero Pollution Ambition and the Circular Economy Action Plan.

### 5.1. Finance



**The EGD announces that the Commission will incentivise companies to prioritise long-term development and sustainability aspects over short-term financial performance.** It will do so via the review the Non-Financial Reporting Directive, to embed sustainability into the corporate governance framework. At the same time, companies and financial institutions will need to disclose more climate and environmental data so that investors are fully informed about the sustainability of their investments.



**The EGD's intention to develop clear labels for retail investment products and an EU green bond standard is incomplete.** It fails on the following aspects:

- Sustainable finance is absent from the discussion on the completion of the Capital Markets Union, which would be crucial to steer retail investors to more sustainable investment and pension schemes.
- The need of trustworthy financial advice is not mentioned, whereas it is crucial to support consumers to make sustainable finance decisions.<sup>15</sup>
- In order to avoid greenwashing, the EU Ecolabel should comply with strict standards based on the EU taxonomy for defining sustainable activities. The label should cover savings, investment and pension products.

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<sup>15</sup>BEUC has developed recommendations in its advice campaign <https://www.thepriceofbadadvice.eu/>

- The EU should develop a mandatory label to help consumers better understand the sustainability impact of savings and investment products, building on the Taxonomy Regulation provisions to specify share of green investments of financial products.
- Sustainability information and indicators should be included in pre-contractual information for investment products so that consumers can compare sustainable products across providers.
- The Commission should also develop a comprehensive taxonomy that classifies environmentally harmful activities and develops criteria for a social taxonomy.<sup>16</sup>



**The prudential framework for financial institutions to integrate climate and environmental risks should be carefully calibrated.** While it is an interesting idea to e.g. give banks capital relief for green lending or investments, there are strong concerns among civil society organisations and the supervisory authorities that a so-called 'green supporting factor' could damage financial stability. Low capital requirements for banks played a central role in the emergence of the global financial crisis in 2007/08. Civil society organisations have instead called for the implementation of a 'brown penalising factor' that would require banks to hold more capital for lending to fossil-fuel intensive sectors. Any policy considerations on possible 'green supporting factor' should take the above risks into account.



**The EGD does not provide for financial support to awareness-raising projects on sustainable finance.** This would be a major tool to boost the take up of sustainable financial products and providers (such as the [Fair Finance Guide](#), which is very popular in Nordic countries).



**While referring to building and renovating in an energy- and resource-efficient way, the EGD is unclear about how this would be funded.** While public investment will play an important role, it will not capture the total need for financial support. Green loans provided by financial institutions must be another tool. We call on the European Commission to ensure that consumers can access well-designed low interest green loans for energy efficient investments (house renovation, purchasing energy-efficient home, installation of heat pumps, etc.). Annual Percentage Rate (APR) for green loans should be much lower than for regular loans. These products should be conditional on achieving energy performance and comply with responsible lending principles, i.e. no aggressive marketing of loans to consumers and loan underwriting standards based on the strict assessment of the borrower's creditworthiness.



**The EGD is silent on sanctions to fight greenwashing.** It does not propose a mechanism for an effective control of the financial sector's sustainability pledges, and dissuasive penalties in case of wrongdoings such as misleading information and greenwashing.

## 5.2. Mobility








**The EGD's plan to review the CO<sub>2</sub> targets for cars by June 2021 is a very welcome step.** That is fully justified, since cars represent around 12% of the EU's CO<sub>2</sub> emissions and we need to set a long-term target for the complete phase-out of petrol and diesel cars.







**The Commission also commits to more stringent polluting emissions standards for fossil-fuel vehicles,** which means that the adoption of Euro 7 norms will swiftly take place.

<sup>16</sup>While the Green Deal fails to mention this, the triilogue deal struck on 16 December 2019 related the taxonomy Regulation calls on the European Commission to present an impact assessment of such a more comprehensive taxonomy by the end of 2021.



-  **The EGD has charging infrastructure on its radar.** It announces the EU's commitment to revise the Directive on Alternative Fuels Infrastructure which should be used to make sure charging infrastructure for electric cars is easy to use for consumers and rolled out more equally across the continent<sup>17</sup>. The EGD also announced an increase of EU funding for the roll-out of charging infrastructure.
-  **We are concerned the Commission does not exclude the possibility to extend the European Emissions Trading System (ETS) to road transport.** This measure would be counterproductive and could open the door for industry to push for less ambition in sector-specific legislations, as we explained in a [letter](#) which we co-signed with some environmental NGOs.
-  **The Commission is too vague on ending fuel tax exemptions.** The Commission acknowledges that prices currently paid for transport do not reflect the impact different transport modes have on the climate. The EGD rightly shows appetite to end fuel tax exemptions for the maritime and aviation sectors but fails to specify how these additional revenues will fund more sustainable transport. Getting this right is paramount to ensure social acceptance.
-  **There is no reference to the future revision of the Car Labelling Directive.** This is a major shortcoming, as this information tool needs an overhaul to truly help consumers to opt for more sustainable mobility solutions. With the sudden increase in DG CLIMA tasks, there might be a temptation to further delay the revision of this directive to focus on bigger files such as the CO<sub>2</sub> targets or the possible extension of ETS to road transport, while this file is certainly as important.
-  **While we welcome that multimodality is a priority, we regret that the Commission sees most opportunities in the transport of goods, not of persons.** More should be done to make train travel more attractive to consumers. But train and multimodal passenger rights and single ticketing are absent from the EGD. These aspects, coupled with making public transport more convenient, need to top the EU's agenda as they greatly contribute to the uptake of less polluting alternatives. The EGD should also make it for consumers to compare different means of transport thanks to comparison tools.

### 5.3. Housing

-  **Greening the energy sector is key.** We welcome the prioritisation of energy efficiency, secure and affordable energy supply as well as further decarbonisation of the energy sector and coal phase out.
-  **We support further measures and programmes such as financing schemes for households to renovate their homes.** This will improve people's health and well-being and contribute to alleviating energy poverty. We also welcome the Commission's plan to further assist Member States in tackling energy poverty.<sup>18</sup>
-  **The Commission will consider additional measures to increase climate ambition for 2030** and revise relevant energy legislation in case the ambitions of Member States' National Energy and Climate Plans fall short.
-  **The Commission intends to revise the EU Energy Taxation Directive.** The current rules are out of step with EU energy and climate ambitions and fail to contribute to the new EU regulatory framework and policy objectives in the area of climate and energy. The revised Directive should reflect the technological and market developments over the past decade and should not discriminate energy poor households.

<sup>17</sup>[https://www.beuc.eu/publications/beuc-x-2019-032\\_making\\_electric\\_cars\\_convenient.pdf](https://www.beuc.eu/publications/beuc-x-2019-032_making_electric_cars_convenient.pdf)








<sup>18</sup>See BEUC project called STEP: <https://www.stepenergy.eu/>

-  **Facilitating a socially just transition.** In the section on green finance and investment, the Green Deal does not only focus on the carbon intensive countries, but also on those which are negatively affected by carbon pricing policies.<sup>19</sup>
-  **The revision of the Guidelines on State Aid for Environmental Protection and Energy will be carried out in the context of the implementation of the Green Deal.** While we support the role of state aid rules in phasing out fossil fuels and creating opportunities to develop clean energy products, it is important to bear in mind that household consumers are the ones ultimately paying for this transition. State aid rules must ensure that the costs and benefits of the transition are fairly distributed among industry customers and residential consumers to avoid a further increase in household energy bills.
-  **Further actions to decarbonise the energy system must not put an extra burden on consumers' bills.** While decarbonisation of the gas sector is necessary, green gases will be scarce and expensive and hence, better used in end-use sectors such as industry, planes or ships where there are less options. At the same time, sector coupling by direct use of electricity for heating in consumers' homes in combination with appropriate insulation measures could be attractive for consumers and a climate friendly solution. We need to thoroughly analyse the role and cost efficiency of different technologies and the impact of sector coupling on consumers – including the distributional impact.
-  **While the Green Deal advocates for a 'renovation wave' of public and private buildings, it is unclear how this will be achieved.** Also, while the Commission proposes to work on a new initiative on renovation, it does not list consumers among the stakeholders covered. Therefore, we call on the Commission to provide a fully-fledged strategy to fund the refurbishment of the EU housing stock. Consumers should be able to access the right type of financing that works for them. This is particularly important for lower income households.
-  **We are concerned that the Commission is still considering the possibility of extending the European emissions trading to new sectors.** BEUC is sceptical about extending the EU ETS to buildings.
-  **Digital tech can help but there are some caveats.** The Green Deal rightly plans measures to ensure that digital technologies maximise the impact of policies addressing climate change. However, there is no clear indication of the impact of these developments on consumers. Digitalisation brings opportunities but also threats for consumers, so it is important that the upcoming smart sector integration strategy provides space for consumer representatives to give input.
-  **The Green Deal addresses building renovations, but it does not elaborate on more sustainable heating and cooling solutions,** while these can help mitigate climate change. There is a need to proactively promote sustainable heating and cooling and reinforcing consumer rights in this area. It is important that consumers of gas, electricity and district heating goods and services are equally well protected, and can benefit from equivalent rights, redress and enforcement.

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<sup>19</sup>The Just Transition Fund, published on 14 January 2020, mentions that the Just Transition Mechanism will focus on the social and economic costs of the transition in the most impacted regions and finance projects ranging from creation of new workplaces through support to companies, job search and re-skilling assistance for jobseekers who lost employment due to the transition, but also renovation of buildings and investments in renewable energy, district heating networks and sustainable transport.  
[https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_24](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24)

## 5.4. Food

-  **The Green Deal aims to design a “fair, healthy and environmentally-friendly food system”** through a new ‘Farm to Fork’ Strategy. BEUC sees great potential for engaging consumers in sustainable diets and for a transition towards sustainable food systems<sup>20</sup>.
-  **The Commission is keen to help consumers to choose healthy and sustainable diets through improved labelling.** BEUC has long called for expanding EU origin labelling requirements and we look forward to the Commission finally giving heed to consumers’ demand for greater transparency on food origin. On the nutrition front, we advocate for the Nutri-Score label to become mandatory EU-wide and expect this to be part of the ‘Farm to Fork’ Strategy to enable consumers to easily identify the healthier food choices.
-  **The EGD fails to reflect the systemic changes needed in our food system.** It lacks concrete targets and action points to make sustainable food choices the easy option for consumers.
-  **The ‘Farm to Fork’ Strategy should set ambitious, concrete targets to cut the use of fertilisers, pesticides and antibiotics in farming.** Quantitative targets are necessary to help assess progress towards reaching this objective. In parallel, the Commission should update the test requirements under EU pesticides legislation to ensure that active substances with endocrine disrupting properties are systematically phased-out without delay. This will also require the development of new test methods and guidance documents to support the effective identification of active substances as endocrine disruptors.
-  **Labelling should not be considered as the silver bullet.** No matter how well-informed consumers are, their food choices remain heavily influenced by the food environment. The ‘Farm to Fork’ Strategy must increase the availability, affordability and attractiveness of healthy and sustainable food. This includes getting food prices right – the healthy and sustainable choice should not be the more expensive one.
-  **Shifting online the information that matters for consumers is not the way forward.** The EGD touts digital tools as a means to better inform consumers “on details such as where the food comes from, its nutritional value, and its environmental footprint”. However, consumers need information on the spot (i.e. on the label) to make their lives easier.
-  **The Green Deal does not clearly acknowledge the need to ensure greater coherence between the various EU policies (agriculture, health, environment, trade, etc.).** This includes for instance better aligning all forms of agricultural subsidies and promotion policies with recommendations for healthy and sustainable diets. The ‘Farm to Fork’ Strategy must take a holistic approach to sustainability and clarify what we mean by ‘sustainable’ in relation to food and food systems. Health, which is often neglected as an important dimension of food sustainability, should be given the prominence it deserves as healthier food choices almost always benefit the climate and the environment.

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<sup>20</sup>See also BEUC’s response to the EC consultation on the F2F roadmap: <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12183-Farm-to-Fork-Strategy-/F507869>

## 5.5. A non-toxic environment



**The EGD rightly commits to develop a chemicals strategy to ensure a toxic-free environment.** A strong EU chemicals policy is essential to achieve the ambitions of the European Green Deal, including the sustainable use of resources and the protection of human health. To swiftly minimise consumers' cumulative exposures to harmful chemicals, the upcoming strategy needs to deliver a concrete action plan based on an ambitious long-term vision for EU chemicals policy to 2030 and beyond.<sup>21</sup>



**New targets for recycling and reuse must go together with measures to ensure recycled materials are safe, especially those in contact with food.** While we support that all packaging on the EU market must be reusable or recyclable by 2030, the use of packaging wastes in food can increase both the possible sources of contamination and the amount of chemicals that can migrate from packaging into foods. The Commission therefore needs to urgently reform the outdated EU law on food packaging to ensure that all materials and products in contact with food are safe, including recycled and novel materials such as bamboo or palm leaves that increasingly replace single-use plastics<sup>22</sup>



**Transparency on the chemical content of consumer goods is key to ensure that consumers trust the safety of products made from secondary raw materials – i.e. recycled waste.** Consequently, manufacturers and suppliers should be required to declare the chemical contents of all materials, mixtures and products sold to consumers. This information should be available at the point of sale either through labels or accompanying product files. Disclosure obligations should be introduced first for toys and other children products to better protect this vulnerable group of consumers and be extended to other important product categories.



**The Commission must tackle chemicals across the economy, not just in some sectors.** Under the second Circular Economy Action Plan, the Commission considers legal requirements to boost the market of secondary raw materials with mandatory recycled content (for instance for packaging, vehicles, construction materials and batteries). This is welcome, although the Commission must in parallel ensure that a *horizontal* framework for chemicals in the circular economy is established, not just specific sectors such as textiles.<sup>23</sup>

## 5.6. Products and services



**The EGD announces a second circular economy action, which has been published on 11 March, plan which will include a sustainable products policy.** This is important to provide consumers with products which last longer, are easily repairable, upgradeable and recyclable and to keep environmentally harmful products off the market<sup>24</sup>. It offers an opportunity to provide consumers with new rights, such as a 'right to repair'.



**The EGD announces that the Commission will consider measures to improve the energy efficiency and circular economy performance of the digital sector,** from broadband networks to data centres and ICT devices – such as

<sup>21</sup>See BEUC, ETUC and EEB, The European green deal must revitalise EU chemicals policy to protect European citizens and environment: [https://www.beuc.eu/publications/beuc-x-2019-089\\_our\\_call\\_for\\_a\\_revitalized\\_eu\\_chemicals\\_policy\\_eeb\\_beuc\\_etuc.pdf](https://www.beuc.eu/publications/beuc-x-2019-089_our_call_for_a_revitalized_eu_chemicals_policy_eeb_beuc_etuc.pdf)


<sup>22</sup>See BEUC's position paper on food contact materials: [https://www.beuc.eu/publications/beuc-x-2019-096\\_time\\_is\\_ripe\\_to\\_repackage\\_food\\_safely.pdf](https://www.beuc.eu/publications/beuc-x-2019-096_time_is_ripe_to_repackage_food_safely.pdf)


<sup>23</sup>See BEUC, How to Detoxify the Circular Economy: [https://www.beuc.eu/publications/beuc-x-2017-084\\_how\\_to\\_detoxify\\_the\\_circular\\_economy.pdf](https://www.beuc.eu/publications/beuc-x-2017-084_how_to_detoxify_the_circular_economy.pdf)

<sup>24</sup>The Circular Economy Action Plan has been released in March 2020. BEUC will comment on these measures through a separate paper.





smartphones and computers. The Commission will assess the need for more transparency on the environmental impact of electronic communication services, more stringent measures when deploying new networks and the benefits of supporting 'take-back' schemes to incentivise people to return their unwanted devices such as mobile phones, tablets and chargers.

 **The EGD announces actions against false green claims.** Greenwashing currently hampers consumers' ability to make well informed choices for more sustainable products and services. We point out however that the EU Commission should strengthen the EU Ecolabel scheme to help consumer choosing products which are more environmentally friendly than the rest of the market.

 **Digital information should "leave no one behind".** One of the tools described in the EGD to better inform consumers is the 'electronic product passport'. While a passport containing all relevant product-related information can be beneficial, special focus should be on consumers without connected devices to ensure they receive the information necessary to protect their rights, health and well-being.


### 5.7. The global approach's impact on consumers

 **International trade rules need to comply with the SDGs, not the other way around<sup>25</sup>.** While we welcome the EU's ambition to be a global leader in the climate transition, it needs to ensure that all of its international commitments – including with the World Trade Organization (WTO) – will allow to achieve the Sustainable Development Goals and comply with the Paris Agreement. Some of the current trade rules under the WTO for instance would rather slow down the EU in its sustainable journey.

 **The provisions on the 'carbon border adjustment mechanism' require clarifications.** This mechanism – which aims to protect EU producers of high carbon footprint materials, such as steel, against cheap imports – is a sound option to ensure that the measures taken will be WTO compliant. However, the EGD lack details on how the system would be triggered and on what basis.

 **The EU must secure its right to regulate to achieve the Green Deal goals<sup>26</sup>.** For instance, the initiatives proposed to reduce the use of pesticides, fertilisers and antibiotics are prone to heavy criticism by trading partners<sup>27</sup> and the EGD does not specify how these will be addressed. Indeed, these measures are likely to be considered as technical barriers to trade flows and be subject to dispute settlement under the World Trade Organization agreements (technical barriers to trade and sanitary and phytosanitary measures).

### 5.8. Research and innovation

 **The EGD must give equal attention to the different forms of innovation needed to address the climate crisis.** Innovation, including new technologies, holds many promises for achieving the EGD's objectives if it is well designed and centred on the real needs of people and the planet. For instance, more energy-efficient products and transport options can help consumers save on their electricity bill and are good for the environment. While the EGD strongly emphasises on tech solutions, innovation can also be about new products and services (not necessarily high-tech), new ways of consuming (e.g. sharing economy), new company business models or social innovations (incl. governance and citizen participation, ethical

<sup>25</sup> [https://www.beuc.eu/publications/beuc-x-2019-070\\_beuc\\_5\\_keys\\_to\\_make\\_eu\\_trade\\_strategy\\_work\\_for\\_consumers.pdf](https://www.beuc.eu/publications/beuc-x-2019-070_beuc_5_keys_to_make_eu_trade_strategy_work_for_consumers.pdf)

<sup>26</sup> [https://www.beuc.eu/publications/beuc-x-2019-070\\_beuc\\_5\\_keys\\_to\\_make\\_eu\\_trade\\_strategy\\_work\\_for\\_consumers.pdf](https://www.beuc.eu/publications/beuc-x-2019-070_beuc_5_keys_to_make_eu_trade_strategy_work_for_consumers.pdf)

<sup>27</sup> [https://www.wto.org/english/news\\_e/news18\\_e/sps\\_12jul18\\_e.htm](https://www.wto.org/english/news_e/news18_e/sps_12jul18_e.htm)

finance).<sup>28</sup> Moreover, it will be important to research potential unintended consequences on consumers and to intervene as early as possible, even *before* they materialise.

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<sup>28</sup>[When innovation means progress](#), BEUC position paper, 2019.



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