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MAKING PRODUCT INFORMATION WORK FOR THE ENVIRONMENT

SUMMARY

1. Good product information is a necessary condition for effective policies to improve the environmental performance of products. But the potential for making product information work for the environment is a long way from being achieved, in spite of more than a decade of work. The investment of effort on product information could be very cost-effective in delivering improvement for policy implementation and market efficiency. However, under present conditions, the market on its own is unlikely to deliver good product information: the barriers in this field are steep and the drivers are weak. Work is needed to create the right frameworks and to apply the necessary influences.

2. The framework for product information will need a leadership and action at a government level (both at EU level and in Member States) to improve and unlock the potential to drive environmental improvement. In ideal conditions, this would enable and stimulate the market to operate efficiently and competitively to deliver the policy goals of a cleaner production and sustainable consumption.

3. There is a strong case for commitment and action on environmental product information as a policy priority at EU level. The report identifies strong and timely opportunities, with practical technical solutions, to make the market work better. It recommends that the European Commission should draw up a package of actions, incorporating:

   • A clear statement of vision and framework thinking – to set the course for future policy, with clear signals to market players.

   • A plan for supporting administrative and practical measures – for strengthening the knowledge base, the accessibility of relevant and useful information, the harmonisation of frameworks, and the practical measures to achieve synergies with other EU policies.

   • A proposal for supporting legal and regulatory framework that will enable the market to deliver – ensuring a fair and competitive market, stimulating standardisation and comparability in key areas, and building up the awareness and use of product information.
INTRODUCTION

4. For many years, representatives from all relevant backgrounds – government and research bodies, business, environmental and consumer organisations – have emphasised the value and importance of environmental information about products. This has been reflected in many EU policy documents, including the Commission's Communication on Integrated Product Policy (IPP) in 2003. Both the European Parliament and the Council highlighted the importance of product information in their deliberations on the Communication. Nevertheless, in spite of more than a decade of work on product information, in many fields of activity, most experts and stakeholders agree that the potential for making product information work for the environment is a long way from being achieved.

5. Therefore the Commission’s Regular Meeting on Integrated Product Policy (IPP) decided in 2004 to set up a Working Group on Product Information. The mandate asked the Working Group to consider information flows throughout the product life-cycle; information generated by companies; relevant standards and standardisation activities; and the different needs which business, public and private consumer have for product information. The objectives were broadly to identify the needs; examine the tools; identify the gaps and opportunities; and propose how the situation should be improved. The Commission selected twelve people to serve on the Working Group, from a range of stakeholder backgrounds, who it felt could bring some special expertise and insight to this important subject.

6. In this report, the term ‘product information’ is used as shorthand for ‘information about the environmental aspects, impacts and performance of products which is significant across the whole life-cycle of those products’. The report focuses on the use and the potential of information within the supply chain, from the various producers of materials and manufactured products, through to end-users and waste managers. The emphasis is on the environment, although in some cases the conclusions can also be applied to the wider sustainability performance of products (such as social impacts of production).

7. The Working Group was keen from the outset to provide some clear practical value to the thrust of the IPP initiative. The work began with a simple vision:

“How governments and stakeholders can act to make life-cycle-based product information a real force for environmental improvement, working in combination with the tool-box of other IPP measures and activities.”
The Working Group then worked towards turning this vision into proposals for a practical action plan. This is set out in the conclusions and recommendations in the final section of this report.

8. Much has been written about the theory of environmental product information and the subject can easily become lost in complexity. The Working Group decided that it could offer most value for future policy by submitting a fairly short report, aiming to show how real benefits for the environment could be delivered in a practical way. The report cannot be a comprehensive ‘final word’ on the subject, but it comes from a collaboration of experts who have applied a wide range of experience and thought to it. The Working Group therefore encourages policy-makers and stakeholders to use the report as the basis for a serious and well-informed debate about the approach to future action; and to use the recommendations to decide on the priorities for specific action to ‘make product information work for the environment’.

9. The approach followed in the report is to set out:
   A. The policy background for effective action in the field of product information.
   B. The market conditions in which action on product information must try to operate.
   C. The bigger picture into which the many elements of product information can fit.
   D. The barriers, gaps and opportunities which the Working Group has identified.
   E. The Working Group’s recommendations for an innovative framework approach and the priorities to take forward within it.

‘Key point’ conclusions are shown in the shaded boxes in each section.

**Key points: General**

- Currently, the potential for making product information work for the environment is a long way from being achieved.
- This report builds up a practical vision of how governments and stakeholders can act to make life-cycle-based product information a real force for environmental improvement, working in combination with the tool-box of other IPP measures and activities.
- The report demonstrates how action on product information can help to turn the ‘integration’ principles of IPP into a practical programme using some of the key tools and activities highlighted in the IPP Communication.
A. POLICY BACKGROUND FOR EFFECTIVE ACTION

The policy importance of product information

10. From a government perspective, having a sufficient quantity and quality\(^4\) of information is a prerequisite for developing sensible measures to improve the environmental performance of goods and services.\(^5\) It is an essential ingredient in any attempt to move markets in a positive direction, working to reduce the impacts of products across the whole life-cycle\(^6\) – from production through to consumption, or from cradle to grave.

11. If we do not have a sufficient quantity and quality of information:

- We cannot identify the relative performance of different products in the market, the improvement being achieved across the market over time, and the degree of improvement which is possible.

- We cannot develop and use the other types of action which will drive change:
  - Governments are not able to develop the framework of incentives or regulations for raising product performance, if they cannot define a specific level of performance that can be measured quantitatively, in an acceptable and standardised way.
  - Market players are not able to identify their practical choices for responding to that framework, if the supply chain does not provide the information on which they can base their response.

- Governments risk generating policies and actions which are sub-optimal, working on less significant issues in one phase of a product’s life-cycle, or even shifting the environmental burden towards impacts in other stages of the life-cycle.

12. At the same time, however, it is clear that information is not in itself the answer to all the problems. There are two key considerations to bear in mind:

- It has often been assumed that information on its own is able to drive changes in behaviours and markets. But more recent studies\(^7\) clearly show that choices and behaviours are shaped by many complex forces, strong enough to over-rule the ‘rational’ content of information. So product information on its own is rarely enough – it must be able to operate actively with other influences on choice and behaviour.

- Product information of good quality – which covers the truly relevant significant issues across the whole life-cycle of a product – takes commitment and resources to generate,

\(^4\) **Definition:** the report uses ‘quality’ as shorthand for information which follows the principles in ISO 14020 – accurate, verifiable, relevant and not misleading. The term ‘good information’ is used to describe the situation where a satisfactory quantity and quality of information is available to those who need it.

\(^5\) **Definition:** the report follows ISO 14000 practice in using the term ‘product’ to cover both goods and services.

\(^6\) **Definition:** the principle of ‘life cycle’ as defined in ISO 14040.

acquire, organise and use. There is little point in developing policies which simply assume information is valuable ‘for its own sake’. Policies and actions in this field, as in any other field, should be based on what can bring real added value to people, the market and the environment (as described in the next section).

**Key points: Policy background**

- Good product information is a necessary condition for effective, market-facing product policies. Without it, governments cannot devise effective policies to drive improvement.
- Product information is not sufficient on its own to deliver change, but must work with other measures and activities.
- There are costs in terms of commitment and resources, so policies on product information must help to deliver real added value to people, the market and the environment.

**The value which product information can add**

13. The potential value of product information extends across all three pillars of sustainable development – the environmental pillar, the economic and the social.

14. The **environmental value** comes where product information can combine with other processes or activities to reduce the environmental impacts of products across their whole life cycle. It can, for example, support and develop:
   - the process of eco-design, in which producers work to minimise the identified upstream or downstream environmental impacts of their products;
   - the operation of market interventions by governments, in which incentives or disincentives are applied to reduce the impacts arising from certain products;
   - the exercise of green purchasing choice, in which purchasers actively decide to seek and buy products with reduced environmental impacts.

15. Although product information has an economic cost, which ultimately is passed through the supply chain to the end-consumer, there can be benefits which outweigh these costs. There is **economic value** when product information is able to help:

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8 Costs can arise in many different ways, and not only in the data generation phase. For example, there is the research effort needed for retailers to specify criteria for their own-brand products; or the verification effort needed to ensure that the supply chain is satisfying the criteria.

9 The **social value** is not considered directly in this report, but there is potential of two main kinds:
   - across the types of activity described above under ‘environmental value’, where the issue is mainly about reducing the upstream social impacts of producing the product;
   - in programmes for ‘sustainable consumption’ at community level, where promoting more sustainable personal choices may also make a contribution to wider community cohesion.

10 **Definition**: the report uses the term ‘producers’ to cover a range of actors in the supply side, from material producers through to manufacturers and those who put together service systems.

11 **Definition**: the report uses ‘purchasers’ to mean both businesses who buy things which they turn into products for onward sale, and various other actors (public bodies, households, and businesses too) who are the final consumers of what they buy.
- producers to design and develop ecologically sound products, bringing eco-design and innovation to market;

- producers to communicate the benefits of the environmental performance of their products, thus protecting and improving the value of their ‘brand’, avoiding future costs and risks, gaining market opportunity and commercial advantage;

- purchasers of all kinds to make informed comparisons between products and to choose those with superior environmental performance – which in many cases will save them money through lower running costs and easier disposal;

- the market to function more competitively by allowing direct comparison of products’ environmental performance – so that, where there is a market interest in such comparisons, the market can be well informed and efficient in delivering the benefits.

16. The **ideal situation** is where the market itself absorbs environmental performance as a competitive issue (with government interventions successfully supporting innovation and fair competition). If good product information can be successfully integrated into the operation of the market, the market can become a powerful force for delivering environmental improvement. The difficult challenge is how to make this happen in practice. Sections B and D below examine the gaps between the current market conditions and the ideal. Sections C and E are concerned with how to move towards the ideal.

**Key points: Potential for adding value**

- Good product information adds environmental value by supporting eco-design and innovation in product development, and supporting the market recognition of better-performing products.

- Product information adds economic value by allowing the market to operate efficiently and fairly, giving benefits to the producers and the purchasers of better-performing products.

- If good product information could be successfully integrated into the operation of the market, the market would become a powerful force for delivering environmental improvement.

**The contribution of product information to the success of IPP and the wider ‘SCP’ agenda**

17. The European Commission is currently considering the theme of sustainable consumption and production (SCP) – which is about the environmental, social and economic dimensions of economic activity and human behaviour. In particular, the European Commission will be drawing up an action plan which will help to coordinate better the various activities which contribute to delivery of the international commitment on SCP.

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18. Integrated Product Policy is central to the agenda of SCP. This is because products (goods and services) encapsulate very many of the economic and behavioural issues which SCP is concerned with. This is clear from two of the recent, high-profile SCP initiatives under way at EU level – the drive for greening of public procurement (GPP) and the implementation of the action plan for environmental technologies (ETAP). Both of these initiatives are concerned with the joint economic and environmental dimensions of SCP; and both of them are about boosting the penetration of environmentally superior products in the market. In order to succeed, both of them depend on the ability to specify product performance which suppliers can demonstrate through product information.

19. These points will also apply to the implementation of other product-related initiatives, such as the new eco-design initiative on energy-using products (the EuP Framework Directive) over the next few years. Other examples are the thematic strategies on natural resources management and on the prevention and recycling of waste (following up the Sixth Environmental Action Programme). In addition to the newest examples mentioned, there is ongoing work on eco-labelling, energy labelling, environmental declarations, standardisation, etc. So product information is clearly central to the effectiveness of product policy and related measures, which in turn makes it central to the effectiveness of SCP more widely.

20. There are thus some significant issues which arise from the number and variety of EU-level tools which depend on good product information. There are also risks of duplication of effort, or even distraction from what should be the priorities. By having a clearer policy vision of the central role of product information, and by having a better-coordinated framework for applying it, the European Commission and Member States could reduce these inefficiencies and increase the synergy of the different policy measures.

21. These points, about greater attention to coordination at EU level, have recently been made to the Commission’s IPP Regular Meeting by the Informal European IPP Network14 and the report takes account of them in its recommendations.

Key points: Contribution to the wider IPP and SCP agenda

- Good product information is central to the effectiveness of a whole range of important IPP and related policy measures, which means that it is central to the effectiveness of SCP more widely.

- Those policy measures could be made more effective through more strategic coordination at EU level. Product information would have a highly relevant role across such a coordination process.

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B. THE MARKET CONDITIONS IN WHICH ACTION MUST WORK

The different players acting on the market – their ability to act and what drives them (or what impedes them)

22. In order to design policies and measures which will ‘make product information work for the environment’ in practice, it’s important to be clear about who can influence change; what kind of change they can help deliver, and the extent of it; and what are the drivers for them to act. The needs for information, and the uses to which it is put, vary considerably between the different stakeholders and actors.

23. The Working Group describes these different actors (in the overview below) as ‘framework shapers’ and ‘market players’. It is important to look separately at how different types of organisation are interested in shaping and using product information; and in how different types of direct market players are involved in providing or using product information.

‘Framework shapers’: governments, standards bodies and other market influencers

24. Governments and governmental bodies are accustomed to setting frameworks (regulatory or economic) for a variety of policy purposes. Some of these frameworks can use product information in the supply chain to support the aims of sustainable consumption and production. Some of these are mandatory frameworks (for example, compulsory declarations about the contents, or the performance, of certain products) while others provide a framework for voluntary responses in the market (for example, eco-taxes, incentive schemes and eco-label award schemes). Governments also need product information more broadly to track the impacts from products and the effectiveness of environmental policies. Other frameworks which governments support (for research, evidence and methodology) can contribute to the information and knowledge needed.

25. Standards bodies have a central role in helping these frameworks or rules to operate in practice in a global market, for example in the work of ISO\(^{15}\) internationally on good industry practice for environmental management, life-cycle assessment and eco-design, product labelling and declarations. At EU level, meanwhile, there is debate on use of the ‘New Approach’, which is about using technical harmonisation and standardisation to help deliver policy objectives in the Single Market, to support the delivery of improvements in products’ environmental performance.\(^{16}\)

26. There are various other actors who influence the way that product information is presented to the market. For example, NGO initiatives and campaigns have been directly involved in the development of product information on, for example, sustainable forestry and fair-trade goods. Trade associations can also shape good practice though codes and standards (as, for example, with digital technology products). Other important actors are investment institutions, especially in the growth area of ‘socially responsible investment’ (SRI), through increasing demands for information which they can use to assess the risks and opportunities associated with companies and their products.


\(^{16}\) See p.11 of the Commission’s Communication on IPP.
‘Market players’: producers, retailers, purchasers and end-consumers

27. Producers who buy and sell at various points in the supply chain cover a wide range of business activity, from the supply of materials, through to the production and supply of various components and sub-assemblies of intermediate products, through to the provision of final goods and services. All are involved in achieving added commercial value (profit) in their part of the product supply chain. They are all capable of providing product information, and most of them are also potential users of information (whether working, for example, on design, specification or marketing). But the demand for information between businesses varies enormously according to (for example) the sector, the size of company, its place in its particular supply chain, etc.17

28. For producers in the supply-chain, the motivation for demanding and supplying information in practice can certainly be influenced by regulation (such as that on hazardous substances). However, the main positive driver is where companies see some market advantage in raising environmental performance and where they need information to help them achieve that advantage. An alternative driver for some is the more ‘defensive’ one of avoiding risks to their company or brand reputation. Overall, in practice only a minority of producers at present are actively ‘pulling’ information through the supply chain and ‘pushing’ it out in a useful format for their customers.

29. Retailers who buy for ‘onward sale’ occupy a rather different position in the supply chain of ‘added commercial value’. They have a much more direct relationship with private consumers, which spans across a very wide range of products. Their proximity to private consumers, in a very competitive marketplace, means retailers are quickly punished if they do not constantly meet consumers’ expectations for product quality, choice and price. The level of influence retailers have on these three factors varies between their ‘own-brand’ (or ‘private label’) products and other branded products:

- In the case of own-brand products, retailers can actively work with their suppliers to develop and improve the product to meet these consumer expectations (as well as the applicable product legislation) and they are sensitive to pressure from NGOs and the SRI community to tackle specific environmental and social issues relating to certain products. However, larger retailers may be handling thousands of different own-brand products and hundreds of first-level suppliers, so there are big problems of resources and capacity for gathering and using product information.

- In the case of other branded products, retailers have very limited influence over the environmental performance of the product or the on-pack information.

Overall, retailers at present do not perceive a sufficiently strong ‘green’ demand from most of their consumers (see next paragraph) – so relatively few retailers are motivated to try to gain market advantage by actively promoting and communicating environmental benefits in specific products.

17 There is a detailed account of such issues in the papers of the IPP workshop hosted by the Swiss Government, January 2005 - see http://ec.europa.eu/environment/ipp/pdf/ipp_network_report.pdf
30. Purchasers and consumers who buy as ‘end-users’ are those who purchase a product not for economic advantage (i.e. not to add value to the product for an onward sale) but to use or enjoy the product for the function it provides to them. There are three main types of end-users, with different needs and motivations in using product information:

- **Businesses** – buy and use a large amount of goods and services (for example, buildings, IT systems and car fleets) which are not a direct input to the products they sell but which they still need in order to run their business. The main driver is obtaining value-for-money for this expenditure, which is an ‘overhead’ cost affecting the profit of the business. Some businesses are now adopting corporate policies for more sustainable procurement – and in order to implement these procurement policies they can generate a demand for product information from their suppliers. But the pressure to reduce the costs of the business is generally the paramount concern.

- **Public bodies** – are major users of goods and services which directly or indirectly contribute to their purpose of adding ‘social value’ or providing ‘services for the public good’. Value-for-money is an important driver for these bodies too; but while they are generally under pressure to reduce costs, they are increasingly are adopting more ambitious policies for green procurement. Because public bodies in the EU are bound by strict rules on fair competition, they have a strong interest in a supply of reliable and comparable product information in order to implement their procurement policies.

- **Citizens and households** (end-consumers) – are driven by a whole range of factors in their purchasing and consumption choices. These drivers range from ‘meeting basic needs’ through to more nebulous (but powerful) things like fashion, social status or having a distinctive ‘life-style’. So in practice there is a big variation in consumer interest and acceptance of green product information. There is a small proportion of household consumers who have sufficient interest in sustainability issues to actively look for relevant product information, but this can be a time-consuming challenge and very few people do it consistently and systematically. Rather more consumers (though still a minority) are sufficiently interested to look for information on a more occasional basis. And then there is the majority, at present, who pay little or no attention to green product information, even where it is available. The more successful examples are where the information is in a simple or easily comparable format (as with ‘A-G’ energy labels). The demand for information is usually stronger in cases (such as organic food, natural cosmetics) where there is also a feeling that certain ‘greener’ products may are healthier or can contribute to personal well-being.

### Barriers and gaps in providing and using product information

31. Looking at this overview of the market, what does it tell us about the current prospects for the vision of getting product information to work positively for the environment? For sure, there are some potentially useful drivers for information to be provided at various points in the supply chain. However, this overview of the market also illustrates some of the reasons why market conditions are at present not generating enough product information, of good quality, to act as a real force for environmental improvement.
32. The following is a **summary of the main barriers and gaps** on the supply side and on the demand side, and in the interaction between the two.

- **on the supply side:**
  - There are gaps in knowledge, competence and capacity which mean that many businesses cannot actually provide information that would be relevant. Also, for many types of product at present, there may not be a consensus about what information would be most relevant and useful.
  - Some of the data which could be used in the supply chain is not easily accessible, or is held in private data-bases.
  - The costs of generating and promoting quality information are often not balanced by the return – i.e. the market may not offer a commercial reward.
  - In any case, the possibility of commercial reward only exists where it is possible to communicate an environmental advantage for the product. There is no incentive to generate and promote information that shows below-average performance. Indeed, the collective position in some sectors may be resistant to the sharing of information and methodology to allow the public benchmarking of products.
  - The controls over the quality of ‘green marketing’ are generally weak, so it is much easier (from a short-term view) for compete for advantage by using a simplistic campaign – rather than trying to communicate the genuine benefits of products from a life-cycle perspective.
  - The more ‘defensive’ business stance – of wanting to avoid risk to the company or brand reputation – makes use of information inputs but does not involve much active onward communication of information.

- **on the demand side:**
  - There are gaps in knowledge, competence and capacity among those who are potentially in a position to demand relevant information, so that they cannot actually specify a demand for information, or even feel able to make full use of the information that they actually have.
  - In any case, many players are simply not in a strong position to demand information from those who supply to them. And there is no public right in the EU to demand information about the environmental impacts of a product placed on the market, as there is in some other areas of ‘access to environmental information’.
  - Different players need information for different reasons, and even one player may operate to different drivers at the same time – so that environmental performance is not particularly high on the player’s agenda. This means that in general the forces of demand for green product information are weak.

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18 Smaller businesses and individual consumers are generally in this position, but it is quite common in larger supply chains too – see earlier footnote on the Swiss workshop, January 2005.

19 The right of access to environmental information is being extended to product areas within Norway, but the Working Group has not been able to study the results of that initiative.
• in the interaction of supply and demand:
  - As product supply chains become more and more globalised, the complexity of the information chain increases and becomes harder to manage.
  - Technical systems, measures of information and data exchange formats are often incompatible, making it difficult to compare performance or to pass information along the supply chain.
  - In many areas, there is a lack of consensus about what information would actually be relevant and useful. Even where they do exist, some of the ready-made formats of information only meet limited needs in the supply chain. For example, some labels only cover limited aspects in the product life-cycle, or offer only a very general assurance, while other formats involve long and highly technical lists of materials or pollutants. And few of them allow comparison of relative performance.
  - All of this has implications for costs and resources, both for those assembling the information and for those using and interpreting it.

**Key points: Market conditions**

- In present circumstances, the market lacks the drivers to generate the supply of quality information needed to act as a strong force for environmental improvement (as in the vision of this report).
- Any actions which ‘framework shapers’ develop in order to address this problem must pay close attention to the needs and drivers to which the different market players will respond.

C. THE BIGGER PICTURE INTO WHICH THE MANY ELEMENTS CAN FIT

33. Up to now, the approach of governments towards product information has generally been very patchy. Initiatives have been concerned only with small parts of the picture – for example, voluntary eco-label awards for certain types of product, or regulation for certain product features (such as hazardous materials or energy-using performance) to be declared.

34. As the Informal European IPP Network has pointed out, this means that major opportunities for delivering environmental policies are being missed – for example, the lack of systematic product information is holding back progress on green public procurement. The Informal Network has therefore called for a clear vision for product information, which also will help to achieve greater cohesion and coordination between the many instruments which must combine to create a successful policy approach to products.⁵

35. One could argue that standardisation organisations have shown more clarity of vision in their own role as ‘framework shapers’. In particular, the International Organisation for Standardisation (ISO) has worked for more than a decade to produce standards for the ‘building blocks’ of product information, from the principles for the life-cycle assessment

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of environmental impacts through to principles for operating different types of product labels and declarations. These management and technical standards do not in themselves add up to a ‘policy vision’ (which is not their purpose) but they can help greatly in the job of governments to build and deliver such a vision.

36. The Working Group has tried to take a ‘whole-system’ view of how product information is developed and communicated in the supply chain. Diagram 1 illustrates how all the main inputs and outputs can be seen connecting with each other in the future.

- There are various inputs in the form of life-cycle based tools, sources of evidence and product-specific data, which can feed into a business’s own assessment of the impacts and environmental performance of its product (see the area of the diagram highlighted in yellow).

- There are also various external influences (regulation, labelling criteria, procurement requirements and third-party demands) which shape the way the business makes that assessment and the way it decides what to communicate and how to communicate it (the green area).

- The communication outputs are in some cases determined by external requirements (regulation, procurement) but mostly the business is free to decide whether to use a label or make a declaration, and what form that should take (the blue area). In the case of voluntary labels and declarations, the output may be influenced by the relevant ISO standards (though these standards do not generally have legal authority).

37. If all of these elements were working effectively together, we would have a system that is ‘technically successful’. In other words, a system where all the elements combine to satisfy the individual business, its customers and the third parties who have some particular requirements or voluntary ‘offerings’. However, even at a technical level, there is inefficiency from incompatibility in some of the ‘inputs’ and incoherence between some of the demands made by the ‘external influences’. And the analysis in the previous section has shown that there are many other barriers which stand in the way of success.

38. Also, in looking at all these elements in a ‘whole-system’ way, it becomes clearer (a) that there needs to better understanding of the overall outcome which is being sought, and (b) that there are parts of the system that can be strengthened or joined-up to help deliver that outcome more effectively.

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**Key points: Seeing the whole product information ‘system’**

- It is important to take a ‘whole-system’ view of environmental product information.

- But there is limited value in a neutral system, without vision or values. The aim should be to make the system work efficiently to help the market deliver environmental improvement.

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Diagram 1: The inputs and outputs to the providing of product information

**Inputs**

- Life-cycle tools, methods & data
  - common principles set out by ISO
  - information from open sources like the EU ‘LCA Platform’
  - information from private databases

- Product-specific inputs
  - ‘Information modules’ and data sheets from suppliers
  - BREF notes on processes
  - Business’s own life-cycle and system data

**Outputs**

- Wider evidence base
  - indications from research and political commitments
  - more specific product priorities indicated (e.g.) by EU’s ‘EIPRO’

**External Influences**

- Requirements in regulation
  - safety data, RoHS, REACH, energy label, ‘essential requirements’ in standards

- Content of labelling schemes
  - voluntary eco-labels, sector-based labels

- Criteria set by customers
  - through public or business procurement

- Demands from third parties
  - specific NGO campaigns, requests from investors

- ISO principles
  - Procedures for ‘Type I, II & III’ voluntary labels and declarations

**Business’s assessment of the impacts of its product**

**Business’s communication of the impacts and performance of its product**

- Regulatory declaration or compliance label
- Statement of compliance to procurement customer
- Corporate reports to stakeholders

- Voluntary eco-label award
- Self-declared claim
- Voluntary declaration at sector level
D. BARRIERS, GAPS AND OPPORTUNITIES FOR IMPROVEMENT

39. Compared with the ideal situation, where product information actively helps the market to deliver environmental improvement, this report has so far identified barriers and gaps in the following areas:

- The lack of a coherent policy vision about how to make product information work for the environment.
- The weakness of the drivers for the supply and demand of product information in the current conditions of the market.
- The report has also commented on ‘inefficiency’ in the present system.

40. Unfortunately, this list has to be extended further. There are some other significant barriers and gaps:

- A lack of public confidence in the reliability of much of the green product information in the market. This has been remarked upon in several national studies and also in work for the European Commission’s consumer directorate.
- A perceived lack of accountability in the provision of product information:
  - this is partly because of the weakness of enforcement frameworks; and
  - partly because of insufficient stakeholder or democratic involvement in the processes for getting product information into the market, as well as in the promotion of it.

41. However, it is possible to address all of these challenges and to identify opportunities for improving the whole picture, where we can distinguish between ‘technical opportunities’ to improve the system and ‘market opportunities’ to drive progress in the supply chain.

42. If there was commitment at political level to the vision proposed in this report, it would be possible to look at the situation in Diagram 1 as a ‘system’ and to identify how governments and other ‘framework shapers’ could take actions that would stimulate better results across the whole picture.

43. The main technical opportunities to improve the information ‘system’, are:

- To raise the quality and availability to business of the various inputs to the assessment of product environmental impacts and performance, (which is essential to the practice of eco-design and of green purchasing). The recent ‘EIPRO’ study (on the environmental impact of products consumed in EU25) and the new 'European Platform on LCA' project (on the provision of quality-assured, life-cycle-based information on core products and services, together with recommended methods and impact factors) are a significant advance, drawing on the range of facts and data from public and business sources. But there may be further ways of helping to raise the efficiency in this part of}

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22 For illustrations of this, see, for example, a recent study for the Danish EPA - Integrated Supply Chain Information (2005) – showing the inefficiencies in the way that several existing information regimes operate alongside each other. It suggests how efficiency could have been improved, and costs reduced, by better policy planning and practical integration. See also Establishing Common Primary Data for Environmental Overview of Product Life Cycles (2006), Swedish EPA report No 5523: [http://www.naturvardsverket.se/bokhandeln/pdf/620-5523-2.pdf](http://www.naturvardsverket.se/bokhandeln/pdf/620-5523-2.pdf)

the system, thereby helping to get eco-design embedded as a mainstream business practice.

- To apply external influences in ways which help to focus businesses’ attention on the assessment of product impacts, and on the way they can improve and communicate the environmental performance of their products. The most powerful influences which governments have in their direct control are regulatory requirements and procurement power.

- To raise the quality and availability of the communication outputs to all users. This can be done by strengthening the quality of inputs and stimulating efficient forms of harmonisation; and also by promoting robust standards for declarations, supporting the recognition of high performance, and ensuring the credibility and usefulness of information and the fairness of competition in how information is promoted in the market.

44. It is also very important to keep in mind all the relevant flows of information in the market, between the providers of information and the users. Annex B of this report tries to illustrate the kind of market relationships in which information flows can take place:

**Diagram 2** in Annex B illustrates how there is a large and complex set of relationships. It can be broadly separated into two main sets of information flows, shown in the diagram:

(A) between different types of business ‘producer’, involved in the process of adding commercial value to the goods and services which they sell.

(B) between the various producers and those who buy from them as the ‘end-users’ or ‘final consumers’ of the goods and services.

**Diagram 3** in Annex B goes on to illustrate an example of complexity just within the business supply chain (‘A’ above). In this illustration, for one ‘own-brand’ product sold by a retailer, a huge number of actors or networks may be involved, each with potential information needs for their various roles in design or purchasing. Accessibility of information is a critical issue for these actors. And only if they are successful in their role will it be possible to achieve further communication of product information down the supply chain.

45. This examination of ‘technical opportunities’ in the system helps to illustrate the areas of the market where at present the opportunities for action seem most fruitful. The strongest of these market opportunities are:

- In the many business-to-business relationships (like those illustrated in Diagram 2A and Diagram 3 in Annex B) which are essential to the whole process.

- In the particular business-to-public bodies’ relationships (illustrated in Diagram 2B in Annex B) which have the greatest potential to ‘shape’ information demand and to ‘pull’ information through the market.

46. It is also worth noting various policy opportunities in related areas of EU activity. The timing seems ideal to use a new approach on product information to enhance other related work which is current at EU level. The context is a growing emphasis at EU level on better regulation and more efficient policy making, to support the delivery of improvements in the market. The specific opportunities include, for example, the following product-related directives and initiatives:
- The continuing drive to deliver action on the greening of public procurement (GPP).
- The ongoing work in several areas where eco-design needs to be facilitated, for example on energy-using products (EuP) and in performance targets for products within ETAP.
- The revision of the EU Eco-label and EMAS regulations.
- The need to overhaul the EU framework for energy labelling.
- The development of the Commission’s LCA ‘platform’ activity, as a necessary input to many of the other activities described here.
- The development of an ISO 14025 standard for environmental product declarations (EPDs), leading to the preparation of Commission documents on EPDs.24
- Links with the approach to information under the new REACH regime.
- The need for new thinking on sustainable consumption - where a new approach on product information could make stronger links with ongoing work on consumer strategy and consumer protection.25
- The new commitment to produce an EU action plan on sustainable consumption and production in 2007 – in which a new approach on product information could help to reinvigorate the role of IPP and could deliver of synergies across the whole action plan.

**Key points: Opportunities**

- Product information is central to a wide range of tools and activities which could be more strongly coordinated to deliver environmental improvement.

- There are opportunities to drive improvement across the whole ‘system’ of product information, where influences can be applied to raise the quality of the inputs and the communication outputs.

- There are opportunities to drive improvement by focussing on certain relationships in the market:
  (a) the business-to-business phases of the product supply chain, aiming to support eco-design and purchasing specifications; and
  (b) the role of public bodies in their procurement of products from businesses, aiming to shape the form of information provided and to pull that information (and higher product performance) through the market.

- The benefits of this approach, by bringing improved and well-designed information and performance to products across the market, will then feed through to all stakeholders - including household consumers, whose relationship with environmental product information has up until now proved so difficult to influence directly.

- There are some very timely policy opportunities to use a new approach on product information to connect and strengthen current areas of policy development at EU level.

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24 As indicated in the IPP Communication, page 14, but also ongoing EPD activities in the construction sector.
25 Also relevant is the Commission’s current consultation on labelling and better regulation - see http://ec.europa.eu/comm/food/food/labellingnutrition/betterregulation/index_en.htm.
E. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS FROM THE ANALYSIS MADE BY THE WORKING GROUP

47. The Working Group believes there is a strong case for action on environmental product information – as a policy priority at EU level. This is based on the analysis and conclusions made in the previous sections of this report. The key policy conclusions are:

- Product information (of the right kind) can be used in a powerful combination with other tools to deliver environmental improvement.
- In ideal conditions, this would enable and stimulate the market to operate efficiently and competitively to deliver the goals of IPP and sustainable production and consumption.
- Under present conditions, the market on its own is unlikely to deliver – the barriers in the field of product information are steep and the drivers are weak.
- The investment of effort on product information could be very cost-effective in delivering improvement, compared with ‘traditional’ regulatory mechanisms – but this depends very much on using the right frameworks and influences.
- It will need leadership and action at a government level (both at EU level and in Member States) to improve the frameworks for product information and to unlock the potential to drive environmental improvement.

48. The recommendations in this final section of the report are addressed to governments, at EU and national level. Of course, the action needed ‘on the ground’ must be from the market players. However, how these players decide to act, or whether they decide to act at all, depends on the framework conditions actually in the market. The Working Group considers that it needs action from governments to initiate more favourable conditions, to which market players can respond.

49. While many of the recommendations are addressed to the European Commission in the first instance, the Working Group emphasises that (as with many areas of Integrated Product Policy and SCP activity) the commitment and resources of EU Member States are also essential to delivering results in this area.
RECOMMENDATIONS FOR AN INNOVATIVE ‘FRAMEWORK’ APPROACH

50. The Working Group believes that the vision of making product information work for the environment can be delivered through a set of very practical steps. These steps are fully compatible with the principles of the Integrated Product Policy, and they would propel IPP into actively integrating some of the key tools and activities highlighted in the Communication.

The European Commission should draw up a ‘package’ of actions, of three kinds:

- **A clear statement of vision and framework thinking** – to set the course for future policy, with clear signals to market players.
  
  This should set the context for the other key elements:

- **A plan for supporting administrative and practical measures** – for strengthening the knowledge base, the accessibility of relevant and useful information, the harmonisation of frameworks, and the practical measures to achieve synergies with other EU policies.
  
  and ...

- **A proposal for supporting legal and regulatory framework that will enable the market to deliver** – ensuring a fair and competitive market, stimulating standardisation and comparability in key areas, and building up the awareness and use of product information.

51. Although the Working Group emphasises that there needs to be an integrated package of action, it is necessary – when discussing the detail – to consider each of the elements in turn. So the remainder of the report expands on the three types of work proposed, with some more detailed recommendations on how to achieve success.26

I. VISION AND FRAMEWORK THINKING

**Key action** – a clear policy statement at EU level, covering the following main items:

- a vision for the role of product information in helping to deliver the EU’s IPP, SCP and sustainable development objectives;

- the roles which governments, businesses, stakeholder groups and household consumers are expected to play in delivering these aims;

- in the case of the governmental role, setting an emphasis on framework-setting – to enable, push, reward or correct the way that market players deliver the results in the market - rather than governments trying to do the delivery themselves.

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26 All of these recommendations fit closely with the ‘system map’ shown in Diagram 1 above. However, for simplicity, the Working Group is not including this analysis in the report itself.
52. Taking this final point (the role of governments in framework setting), the Working Group recommends that the EU should structure future thinking on the lines of the analysis in this report. The following table suggests an outline of how this could be approached.

The table does not attempt to be comprehensive – the Commission will have the challenge of how to integrate this into the relevant strategic documents, and member states will also be able to use it in national strategies.

<table>
<thead>
<tr>
<th>GOVERNMENTAL ‘FRAMEWORK’ ROLE - RECOMMENDED APPROACH</th>
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<tbody>
<tr>
<td>ACHIEVING SYNERGY AND ADDED VALUE</td>
</tr>
<tr>
<td>Policy cohesion</td>
</tr>
<tr>
<td>• Use product information in active combination with other elements in the ‘IPP tool-box’ – e.g., enabling more effective use of green public procurement, economic instruments, innovation, and in eco-design and performance targets.</td>
</tr>
<tr>
<td>Market-enabling</td>
</tr>
<tr>
<td>• Support the activities of market players – with the aim of facilitating easier and better application of eco-design and purchasing; and more successful promotion, recognition and reward for products which can claim genuine environmental benefits.</td>
</tr>
<tr>
<td>‘Horizontal and vertical’</td>
</tr>
<tr>
<td>• Balance the use of influences which governments can exercise across the market (‘horizontally’) with the flexibility to encourage sector-specific (‘vertical’) approaches to deliver optimum results.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STRENGTHENING THE WHOLE ‘SYSTEM’ OF PRODUCT INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inputs</td>
</tr>
<tr>
<td>• Bring together the relevant knowledge base and tools, drawing on industry and research sources. Ensure robustness and keep fully updated.</td>
</tr>
</tbody>
</table>
| • Continue strengthening the knowledge base and ability of the market to use it.  

Furthering the results of the EIPRO study, and the European Platform on LCA is an important area of work to take forward. But further actions will be needed – for example, to support SMEs in assessing product impacts and improving product design; or to assess the future opportunities in innovations such as ‘rfid’ data-tagging.
II. ADMINISTRATIVE AND PRACTICAL MEASURES

Key action – administrative and practical measures should cover the following four areas:

- continued strengthening of the public knowledge base on product impacts and the product life-cycle knowledge base available to the market;
- keeping the adequacy of knowledge-based tools under review – and helping to fill the gaps;
- keeping the efficiency of the whole information ‘system’ under review – stimulating forms of standardisation, harmonisation and simplification to make the task as economical as possible for business;
- building up the administrative connections with other ‘systems’ used to deliver EU policies – a key example being the green public procurement (GPP) agenda.

53. The following table recommends how to structure some of the main items of administrative action, in line with the analysis of this report. The table does not attempt to be comprehensive – that challenge will fall to the Commission as it develops the detail across many fields of relevant activity.

<table>
<thead>
<tr>
<th>RECOMMENDED STRUCTURE FOR ADMINISTRATIVE ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESSENTIAL TOOLS AND SYSTEMS</td>
</tr>
<tr>
<td>Building and spreading the relevant knowledge and tools</td>
</tr>
<tr>
<td>▪ Commission should keep under review the adequacy of the public evidence base and product life-cycle tools available to the market.</td>
</tr>
<tr>
<td>▪ Where there are gaps in availability or accessibility of knowledge, or in the tools available to business, the Commission should work with partners in Member States, the research community and industry, to improve the capacity for action.</td>
</tr>
<tr>
<td>▪ Commission should make the knowledge and tools easily accessible, in particular by building on existing networks and web-site structures.</td>
</tr>
<tr>
<td>Improving systems</td>
</tr>
<tr>
<td>▪ Commission should keep under review (with new research where necessary) the efficiency of the whole ‘system’ in which business assembles and communicates product information; and the relevance and usefulness of the results for users and stakeholders.</td>
</tr>
<tr>
<td>▪ Commission should act to stimulate forms of standardisation, harmonisation and simplification (e.g. so that the same data can be used for various purposes) – to make the task as efficient as possible for business. This would include benchmarking data (e.g. relative environmental performance and improvement.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LINKS ACROSS DIFFERENT POLICY MEASURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information as an input to other policy tools</td>
</tr>
<tr>
<td>▪ Commission should build the organisation and procedures to get product information fully used in other relevant activities.</td>
</tr>
<tr>
<td>Other tools which draw information from the market</td>
</tr>
<tr>
<td>Policy tools which use product information should actively encourage the market to use standardised forms of information.</td>
</tr>
</tbody>
</table>
54. The area described as ‘links across different policy measures’ may not be obvious, so it is worth considering an example of one ‘policy opportunity’ area where the Commission and Member States could pursue this. This is the link, or inter-dependence, between environmental product information and the greening of public procurement (GPP).

55. For GPP policies to succeed, public authorities need to be able to specify a required environmental performance, which is in fact an expression of ‘product information’ (and there is a recognised gap at present in the technical ability of purchasers to specify such green ‘end-user requirements’). But the connection also works the other way – the need of the procurement authority is best served when suppliers can present their information in a well-harmonised form, allowing the performance of products to be directly and accurately compared by purchasers. Good GPP policies can therefore stimulate good information frameworks in the supply chain.

56. There is therefore a real synergy to be gained between these two processes, enabling effective delivery of GPP and at the same time helping to raise the standard of product information available to purchasing officers. A further benefit is that this higher standard of information then also becomes readily available to the whole market.

**BETTER LINKING OF POLICY TOOLS - THE EXAMPLE OF GREEN PUBLIC PROCUREMENT (GPP)**

<table>
<thead>
<tr>
<th>Actions recommended to the European Commission:</th>
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<tbody>
<tr>
<td>▪ Work actively with governments and major public bodies across the EU to accelerate the development of ‘smart’ procurement specifications (using standard measures of environmental impact or environmental performance);</td>
</tr>
<tr>
<td>▪ Seek, where appropriate, the cooperation of the relevant supply sectors to propose and develop harmonised ways of stating the environmental performance of their goods and services (in effect, encouraging the development of sectoral EPDs which are useful to public purchasers and other buyers too);</td>
</tr>
<tr>
<td>▪ Get the resulting knowledge and capacity to be actively shared and networked across the whole of the EU’s public procurement community, so it can be used as a central part of the EU’s future drive on GPP.</td>
</tr>
</tbody>
</table>
III. The Legal and Regulatory Framework

**Key action** – to reform the legal and regulatory framework in three key areas:

- ensuring a good baseline quality of product information placed on the market, to support market confidence and fair competition;
- establishing an enabling power for requiring information on the key impacts of certain key products to be declared in a standardised form;
- setting a duty at national level to promote the awareness of all forms of good-quality product information.

57. Proposals for legal and regulatory reform always attract special interest, so the final sections of the report set out the Working Group’s thinking in more detail. It is important to bear in mind that these particular proposals are only part of the picture. However, taken together with the other recommendations, the Working Group sees them as an essential part of delivering the whole vision.28

3.1  **Ensuring the Quality of Information Placed on the Market**

**Setting an acceptable standard of quality**

- There is a very wide range of types of information which business may place on the market. These include the types of label and declaration defined by ISO as Type I, II and III. The aim of the legal framework should be to require a minimum standard of quality across all forms of environmental product information placed on the market. It may be possible to use the existing EU framework on the prevention of misleading advertising.
- The legal framework should work by requiring all environmental product information to comply with certain principles (e.g. relevance, accuracy, capable of proof, not likely to mislead).
- Compliance with the legal requirement could be demonstrated by businesses (and other organisations involved in placing information on the market) if they show they have followed more detailed ‘practice notes’ adopted and issued by the Commission (which can be built up and adapted over time).
- The Commission should be able to draw up these practice notes by making use of existing ISO standards.29 The notes should work across the range of ‘types’ covered in the relevant ISO 14000 series of standards, but should also be flexible enough to accommodate approaches which do not fall neatly into a single ‘type’.
- This approach should also have the flexibility to encourage various sectoral initiatives,30 helping to ensure that they produce results of genuine quality for product information in their particular sector.

**Ensuring compliance**

- Enforcement in this field is a function of national governments, so the legal framework should direct

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28 Working Group member Frank-Dieter Clesle objected to the legislative options, recommending instead the boosting of support for research and the pushing of voluntary commitments by industry.


30 For example, developments such as the work of CEN TC 350 on harmonised information on building products. There may also be lessons to use from the LIFE project, ‘INTEND’, 2005 - [http://www.intendproject.com/](http://www.intendproject.com/)
Member States to apply their systems for dealing with misleading advertising in order to uphold these new requirements on environmental product information.

- The Commission should encourage Member States to develop cooperation and network arrangements, to help them uphold standards across the single market.

### 3.2 REQUIRING STANDARDISED DECLARATIONS IN PRIORITY SITUATIONS

- A further aim of the new legal framework should be to enable the EU to require information on the key impacts of certain key products to be declared in a standardised form, providing the market with consistent and comparable information.

- A new framework power should allow the Commission to propose individual information measures for a particular type of product. The Commission would need to justify the selection of a product type as a priority for standardisation of information – based, for example, on the significance of the product in the single market and the significance of the impacts which need to be declared.

- The approach for a particular product could take a regulatory form, but the Commission should have the option to accept an implementing approach developed and proposed by the responsible sector.\(^{31}\)

- The form of the required declaration should reflect the circumstances of the product and the issues being considered – for example, it could be in the form of a standard text declaration, or a data profile, or a graduated ‘rating’ label, or some combination of these.

- This power would bring under a single framework the EU’s approach to topical issues such as a new energy label regime and a harmonised carbon emissions label for cars. It could also be used as new situations arise, where the need for harmonised information becomes important.

- The outcome should be to bring these EU activities under the same integrated vision for getting clear and comparable information onto the single market.

### 3.3 PROMOTING AWARENESS OF GOOD-QUALITY PRODUCT INFORMATION

With the aim of encouraging the efforts of business in improving the supply side of product information, at the same time as strengthening the communication of sustainable consumption issues to consumers on the demand side:

- There should be an enabling power for the Commission, allowing it to facilitate or support third-party eco-label award schemes or sector-based environmental product declaration (EPD) schemes, where it considers there is a priority to do so at a cross-EU level.

- There should also be a duty placed on national governments level to raise public awareness of product information which is of assured quality. (This would be information under third-party, sectoral or standardised schemes which meet the requirements described in recommendations 3.1 and 3.2 above.)\(^{32}\) This would support the efforts of national governments more generally to promote awareness and education in environmental issues.

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\(^{31}\) *Ditto.*

\(^{32}\) There is a precedent for this in the legal requirement for promotion of the EU eco-label scheme - see Article 10 of the Regulation (2000) - [http://europa.eu.int/comm/environment/ecolabel/pdf/regulation/001980_en.pdf](http://europa.eu.int/comm/environment/ecolabel/pdf/regulation/001980_en.pdf)
ANNEX A

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Mandate of the Working Group

To identify:
- what information is needed by which stakeholders throughout the supply chain;
- which tools exist to fulfil these needs and where there are gaps;
- how these gaps could be filled and the demand for environmental information about products increased.

Full details can be found at http://europa.eu.int/comm/environment/ipp/ipp_wg.htm
ANNEX B  Diagram 2: THE MULTIPLE RELATIONSHIPS IN THE MARKET THROUGH WHICH PRODUCT INFORMATION IS PASSED

A. BUSINESSES SELLING TO ADD COMMERCIAL VALUE TO THEIR PRODUCTS

B. BUSINESSES SELLING TO END-USERS OR CONSUMERS OF THE PRODUCT

BUSINESSES supplying to end-use consumers

PURCHASERS buying as end-use consumers
Diagram 3

ILLUSTRATION OF MULTIPLE RELATIONSHIPS IN THE BUSINESS SUPPLY CHAIN FOR A SINGLE ‘OWN-BRAND’ PRODUCT (from material producer through to retailer)