

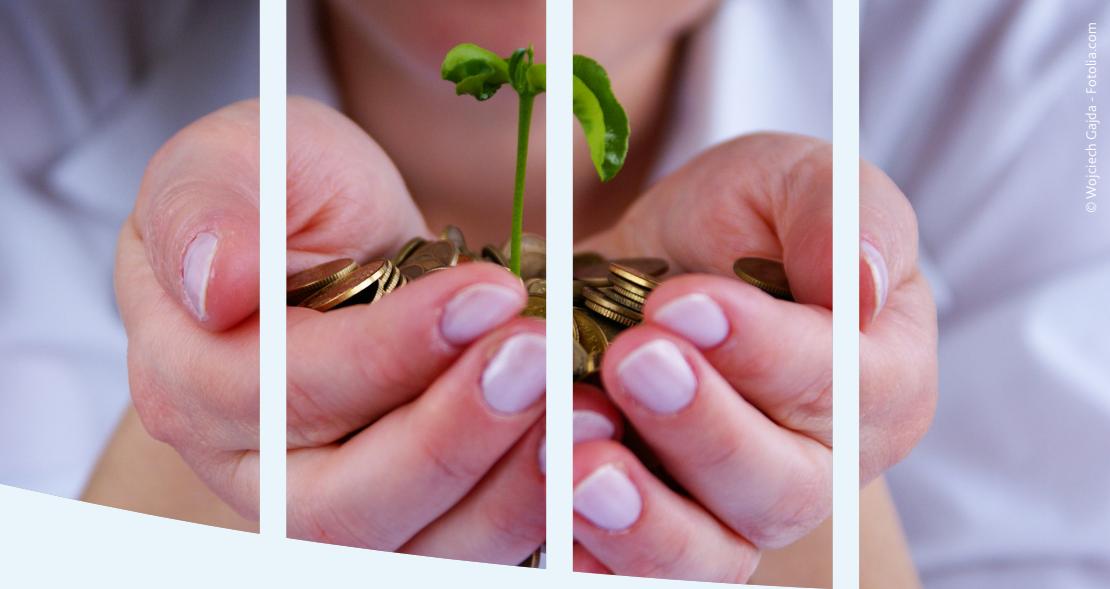


THE RETAIL, WHOLESALE
AND INTERNATIONAL
TRADE REPRESENTATION
TO THE EU



COMMERCE AND THE ENVIRONMENT

SEPTEMBER 2009



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Climate change, scarcity of natural resources, waste mountains, deforestation and potentially hazardous chemicals in consumer goods are growing preoccupations among European companies and citizens. These concerns are driving changes in the lifestyles and purchasing decisions of consumers, leading to changes in the whole supply chain.

Commerce is keen to anticipate and to respond to consumer demand, working to cut emissions, recover and recycle waste and reduce overall environmental impact, while still offering range, choice and affordability.

The commerce sector – retailers, wholesalers and international traders – is already taking action, not only to meet legislation, but to go beyond what is legally required.

Commerce needs EU legislation which is clear, consistent and avoids unnecessary complexity.

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Campaigning for change

Sustainable development

Commerce has long been committed to sustainable development, constantly adapting production and consumption patterns to minimise environmental impact and directing innovation to put environmentally-friendly products on shelves.

But sustainability is a collective responsibility, involving each player in a long and complex supply chain. Understanding and communicating with all players is vital.

In March 2009, EuroCommerce negotiated the founding of REAP (the Retailers' Environmental Action Programme) among European retailers and trade associations. REAP members will develop a series of ambitious environmental actions, with well defined goals, in three categories: what we sell, how we sell and how we communicate.



Promotion of partnerships

Working together on innovative 'green' projects is one of our main strengths. Just some of these partnership projects are:

Light bulbs: As Associate of the Sustainable Energy Europe Campaign, EuroCommerce, together with EURELECTRIC¹ and ELC², launched a joint Europe-wide initiative to promote the uptake of energy-efficient light bulbs. This agreement has increased consumer awareness and demand for energy-efficient light bulbs, paving the way for the upcoming ban on incandescent bulbs.

EU's Sustainable Energy Week 2009: As partner of the Sustainable Energy Europe Campaign, Carrefour Group ran a consumer awareness programme on sustainable consumption and energy efficiency. A special limited edition packaging and a flash promotion of 'green' light bulbs (100,000 sold in just one day) showed that providing information on sustainable consumption can help change consumer behaviour.

Commitments towards 20-20 Energy Targets: Ahold, Asda, Wal-Mart, C & A, Carrefour Group, Delhaize Group, DSG international, El Corte Inglés, H&M, IKEA, Inditex, Kingfisher, Marks & Spencer, Metro Group, Tesco have committed:

- to reduce energy consumption per square metre of commercial premises by a minimum of 20% by 2020.
- to work towards exceeding the European Commission's target of sourcing 20% renewable energy by 2020.

Environmental information: In 2008, the French retail association, FCD, together with the French environmental agency and manufacturers, launched a study on the impact on consumers of environmental information. Using 300 food and non food products, it examined effects on buying patterns and tested the feasibility of calculation methodologies.

¹ Eurelectric is the sector association which represents the common interests of the electricity industry at pan-European level, plus its affiliates and associates on several other continents.

² ELC represents the leading lamp manufacturers in Europe.



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Energy efficiency: In Germany, electricity wholesalers WEG, members of the wholesale and trade organisation BGA, have teamed up with manufacturers and craftsmen to form ÖKOTEC-Partnerkreis. This online project provides information to promote the use of energy-saving techniques and materials in the construction and renovation of housing.

Through local, national and regional initiatives, SMEs, companies and national associations are joining the drive towards eco-friendliness and sustainability of commerce.

Product stewardship

Scarcity of natural resources and climate change are a reality which must be urgently addressed. EuroCommerce fully supports the commitment made by EU Heads of State in the 2007 spring summit to tackle energy and climate change issues. Key to combatting climate change and reducing our impact on the environment is product stewardship. This includes:

- taking environmental concerns into account in planning our businesses;
- pollution prevention, waste minimisation and resource conservation as vital aspects of our daily operations;
- striving to cut our energy consumption and reduce greenhouse gas emissions;
- developing environmentally friendly products for consumers.

Demanding less – achieving more

Producer v distributor responsibility

Placing responsibilities on producers for recycling is a useful tool which must be used correctly, e.g. producer obligations to finance recycling of certain consumer products (batteries, packaging, EEE). For own-brand products and goods imported into the EU market, retailers bear this producer responsibility alongside their distributor responsibilities.

But producer responsibility can also be passed to distributors for merely *moving goods already placed on the EU market* from one member state to another (WEEE directive). This misdirected shifting of responsibility destroys the incentive for producers to improve the environmental performance of their products.

Policy makers should clearly distinguish between the responsibilities of (i) producers and (ii) retailers who do not act as producers or importers. Retailers are obviously not able to perform certain tasks, such as classifying chemicals, since they only sell these products.



Consumer information

Commerce recognises its responsibility to inform consumers, which it fulfils in many ways, such as labelling. The most effective labelling is often the simplest: consumers praise the energy label established by the Directive on Labelling of Energy Related Products.

There is already a multitude of product labels and the need for any new, legally prescribed label should be thoroughly examined.

Commerce companies should only be responsible for providing information to which they have full access: this is not always the case (e.g. REACH obligations to inform consumers of 'substances of very high concern'). To achieve the best flow of useful information to consumers, it is crucial that the responsibilities of all players in the supply chain are distinct, well-balanced and practicable.

Furthermore, the recast of the Energy Performance of Buildings Directive would require retailers to display an energy performance certificate. This is not appropriate because:

- The energy consumption of commercial buildings represents only a small amount of the total used. Displaying the energy performance certificate provides no relevant information to consumers.
- Many stores are rented. The retailer cannot influence the energy performance of a rented building, only that of his own activities.

Commerce can do much.....

Commerce is committed to sustainability. Due to our strategic position in the supply chain, we can play a major role in the drive towards increased sustainability, a role we value highly. We put this into practice with:

- the use of energy efficient in-store equipment;
- optimisation of the logistics fleet to reduce CO₂ emissions;
- communication to customers on the environmental impact of products;
- providing information on the potential savings of energy-efficient products.

.....but we can't do everything

Commerce sources, transports and presents environmentally friendly products to consumers every day as part of a wide range of goods which seek to meet consumer demand. But the key position of commerce between producers and consumers should not result in a shift of responsibility from the producer and/or consumer onto wholesalers and retailers.

While we can give the consumer the option and inform him of the benefits, the vital task of consumer education remains the role of decision-makers and public authorities. In the end, it is the consumer who makes the choice: retailers cannot impose choices either on the consumer, or further up the supply chain.

Our policy recommendations

When designing environmental legislation, EU policy makers should:

- **play to particular strengths:** commerce excels at providing consumers with information but education is best done by public authorities. The consumer makes the choice: help commerce to make it an informed choice.
- **understand the role of information:** consumer information - of which labelling is just one form - must be clear, understandable and useful. A distinction must be made between "nice to know" (voluntary) and "need to know" (mandatory) information.
- **make regulation better:** ensure legislation is practicable and executable for all types and sizes of company involved in commerce.
- **set priorities:** focus efforts on the areas of food and drink, housing and mobility as these three sectors account for two-thirds of the environmental impact of private consumption.
- **remember that every step counts:** small improvements to everyday products we all buy, can bring more than major changes to a limited number of products bought by only a few consumers.
- **allocate proper responsibilities:** take into account all players in the supply chain, clarify the responsibility of each economic operator and avoid any unwarranted shift of responsibility.



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EuroCommerce and the commerce sector

EuroCommerce represents the retail, wholesale and international trade sectors in Europe.

Its membership includes commerce federations and companies in 31 European countries.

Commerce plays a unique role in the European economy, acting as the link between manufacturers and the nearly 500 million consumers across Europe over a billion times a day. It is a dynamic and labour-intensive sector, generating 11% of

the EU's GDP. One company out of three in Europe is active in the commerce sector. Over 95% of the 6 million companies in commerce are small and medium-sized enterprises. It also includes some of Europe's most successful companies. The sector is a major source of employment creation: 31 million Europeans work in commerce, which is one of the few remaining job-creating activities in Europe. It also supports millions of dependent jobs throughout the supply chain from small local suppliers to international businesses.



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