



Green Company

The Problem

- If we want to reach the 20-20-20 European target we need to improve the energy intensity of our economies, and the economic activities of the industrial, manufacturing and services sectors play an important part in this.
- If consumers demand green products, markets are likely to provide them. However in choosing between different products, consumers need information which is easily accessible, understandable, relevant and credible.

Policy Relevance

- Integrated Product Policy (IPP) strategy - Green Paper on IPP
- Life Cycle Thinking (LCT) and Assessment (LCA)
- Environmental claims: communication tools that provide information about a product or service in terms of its overall environmental character
- Eco-Management and Audit Scheme (EMAS)
- Green Public Procurement
- Ecodesign of Energy-Using Products Directive

Best Practices

- Internet Portal "Cleaner Production Germany"
- Europe's First Internet Shop for Official Ecolabel Products

Links and References



The Problem

If we want to reach the 20-20-20 European target we need to improve the energy intensity of our economies, and the economic activity of the industrial, manufacturing and services sectors play an important part in this.

Industrial production processes account for a considerable share of overall pollution in Europe (for emissions of greenhouse gases and acidifying substances, wastewater emissions and waste). Addressing environmental impacts from production activities is becoming increasingly urgent. If we want to reach the European target of GHG emission reductions besides reducing the content of carbon in the energy that we use, we need to improve the energy intensity of our economies. Energy intensity is the indicator that measures the quantity of energy necessary in producing a certain quantity of wealth (GDP or added value) rather than the technology efficiency of production. In the last thirty years, the economies of many countries have used less and less energy by unit of product produced, particularly evident in the case of China: today the production of a Chinese national unit of income needs, on average, eight times less energy than in 1980. Despite this brilliant result, the production of a Chinese national unit of income still needs double the energy compared to the equivalent portion of national income in Europe.

In the EU, resource productivity (measured by GDP per resource use, €/kg) has improved 2.2% per annum in real terms over the past 10 years. This means that the EU has been able to stabilise resource use in the growing economy, largely due to efficiency improvements in production as well as an increasing role of services in the economy that have less energy impact than industrial activities.

If consumers demand green products markets are likely to provide them. However in choosing between different products, consumers need information which is easily accessible, understandable, relevant and credible.

Every day consumers are bombarded with advertising about environmentally friendly goods and services. But how many really are green, and how many are just pretending? Businesses seem more and more genuinely committed to making efforts in improving sustainability as an important source of innovation and industry competitiveness, but for far too many, spending more time and money claiming to be “green” through advertising and marketing is still little more than a convenient slogan than actually implementing business practices minimizing environmental impact environmentalism. According to the HSBC a banking giant, the percentage of EU spending directed towards green measures is less than 10%. This looks paltry when compared with South Korea, for example, which has earmarked 80% of stimulus spending for greening the economy. Others are also racing ahead, including Australia with 40%, China with 34%, and Japan with 15%.

In order to stimulate the market and demand for sustainable business practices, consumers must become more savvy about evaluating the environmental marketing claims of advertisers.

Policy Relevance and policy references

Integrated Product Policy (IPP) strategy- Green Paper on IPP

In the European Commission, the minimization of the environmental impact of products - considered in all the phases of the life-cycle - is one of the key points of the Integrated Product Policy (IPP) strategy.

In February 2001, the European Commission adopted a *Green Paper on IPP* with the objective of launching a debate on the role and possible measures that could be taken on a European Union level. There are a whole variety of tools - both voluntary and mandatory - that can be used to achieve this objective. These include measures such as economic instruments, substance bans, voluntary agreements, environmental labelling and product design guidelines.

Life Cycle Thinking (LCT) and Assessment(LCA)

Voluntary tools such as labels and declarations can help consumers in choosing reliable environmentally-friendly products and services and, at same time, help companies communicate their “green efforts”.

Among the voluntary tools supporting the analysis of the efficiency of industrial activities, Life Cycle Thinking (LCT) and Assessment(LCA) are the most implemented. These are international standardized methods that provide life-cycle information to decision makers in business and government, taking into account all the resources consumed and environmental impacts associated with the supply, use, and end-of-life of goods and services (products).

Environmental claims: communication tools that provide information about a product or service in terms of its overall environmental character



LCA is a fundamental support for the developing of “Environmental claims”, communication tools that provide information about a product or service in terms of its overall environmental character, a specific environmental aspect or any number of aspects. These can be described as follows:

- Type I: based on criteria set by a third party and multi-issues, based on the product's life cycle impacts. The awarding body may be either a governmental organisation or a private non-commercial entity. Examples include the *EC Eco-label*, *Nordic Swan* and *German Blue Angel*. The EU *Eco-label* (flower logo) covers a wide range of products and services. Product groups include cleaning products, appliances, paper products, textile and home and garden products, lubricants and services such as tourist accommodation.
- Type II or self-declared environmental claims. There are numerous examples of such claims e.g. the percentage of recycled material.
- Type III or Environmental Declaration. This consists of quantified product information based on life cycle impacts. These impacts are presented in a form that facilitates comparison between products. The *Environmental Declaration of Products (EPD)* can be checked and validated by an independently accredited body that guarantees the credibility and veracity of the information contained in the LCA study and in the declaration.

Eco-Management and environmental Audit Scheme (EMAS)

The EU Eco-Management and Environmental Audit Scheme (EMAS) is a voluntary management tool for companies and other organisations so as to evaluate, report and improve their environmental performance. The scheme has been available for participation by companies since 1995 and was originally restricted to companies in the industrial sector. Now it's open to all economic sectors including public and private services.

Green Public Procurement

In March 2004, the Council and the European Parliament adopted a new public procurement directive enabling for the integration of environmental considerations in selection and award processes. Public purchasers can take these environmental elements into account when buying products, services or works. "Green" public procurement could have significant benefits for the environment as public procurement accounts for 16% of EU-wide GDP.

Ecodesign of Energy-Using Products Directive - MANDATORY TOOLS

The Ecodesign of Energy-Using Products Directive (EuP) 2005/32/EC dated July 6th 2005, establishes a framework for the setting of Ecodesign requirements for energy-using products (EuP). Member States should have had it implemented by August 2007. Ecodesign regulations set energy efficiency requirements imposed on products from an early stage since it is estimated that over 80% of all product-related environmental impacts are determined during the design phase of a product. Ecodesign regulations set minimum energy efficiency standards and other environmental criteria, based on a life-cycle approach. 25 pieces of regulation covering 23 product types and 2 horizontal measures (standby consumption and electric motors) are works In progress. A technical study is made for each regulation. Each study has a website, where reports are made available as they are finished.

Best Practice

Internet Portal “Cleaner Production Germany”

The Internet Portal “Cleaner Production Germany” is hosted by the Federal Environmental Agency and provides comprehensive, in-depth information on the performance of German environmental technologies and services. The portal is especially useful for establishing contacts between German and international operators active in the field of cleaner production.

The system provides information on a large number of eco-technological projects aimed at improving the environmental performance of production methods and processes. The visitor can access project contents and results, as well as additional background information. Website: <http://www.cleaner-production.de>

Europe's First Internet Shop for Official Ecolabel Products

From January 2010 it will be possible to purchase 300 ecolabel products from the Austrian Ecolabel, the EU Ecolabel, the Nordic Swan and the Blue Angel in one web shop. The products available will cover the following areas: cleaning, offices, gardening, building, furnishings and textile products.

The website of the project: http://www.project.ecolabel-products.eu/display/cid/_2.html



Links and References

- European Commission action plan on Sustainable Industrial Policy. Link: eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52008DC0397:EN:NOT
- EU webpage on Integrated Product Policy (IPP). Link: ec.europa.eu/environment/ipp/
- EU webpage on LCA and LCT. Link: lct.jrc.ec.europa.eu/
- European Commission website on Eco-design of Energy-using products. Link: ec.europa.eu/energy/efficiency/ecodesign/eco_design_en.htm
- European Commission website on energy labelling: ec.europa.eu/energy/efficiency/labelling/labelling_en.htm
- IEE website to know more about IEE projects: ec.europa.eu/energy/intelligent/projects/index_en.htm
- EU webpage on Ecolabel ec.europa.eu/environment/ecolabel/
- The EU Ecolabel portal to help consumers find green products www.eco-label.com/default.htm
- EU webpage on Ecodesign Regulations ec.europa.eu/energy/efficiency/ecodesign/eco_design_en.htm