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THE EUROPEAN UNION**

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Subject: Sustainable Consumption and Production and Sustainable Industrial Policy Action  
Plan  
– Council conclusions

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Delegations will find in the Annex hereto the conclusions adopted by the (Environment) Council on 4 December 2008 concerning the abovementioned action plan.

**"Sustainable Consumption and  
Production and Sustainable Industrial Policy Action Plan"  
- Council conclusions -**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- (1) The renewed EU Sustainable Development Strategy adopted in 2006, identifying sustainable consumption and production as one of the key challenges for sustainable development and announcing the adoption of an action plan<sup>1</sup>;
- (2) Decision 1600/2002/EC of the European Parliament and the Council of 22 July 2002 establishing the 6th Environment Action Programme of the European Community, which sets out the main guidelines on environmental policy in the European Union up to 2012<sup>2</sup>;
- (3) The Conclusions of the Council of Environment Ministers meeting on 23 October 2006 concerning the Thematic Strategy on the sustainable use of natural resources and calling for the Commission and Member States to establish objectives for the specific impacts of each resource and for eco-efficiency, so as to complement the said strategy by 2010<sup>3</sup>;

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<sup>1</sup> 10917/06.

<sup>2</sup> OJ L 242, 10.09.2002, pp. 1-15.

<sup>3</sup> 13989/06 (Press 287), p. 22, point 8.

- (4) The Communication on the Integrated Product Policy aimed at improving the environmental and energy performance of products sold within the EC, adopting a life-cycle approach in production, promoting the emergence of green pricing, better informing consumers and encouraging Member States to develop national action plans in favour of green public procurement and tools to aid public procurement<sup>4</sup>;
- (5) The Conclusions of the Competitiveness Council of 22 and 23 November 2007 which referred to the Commission Communication entitled "Mid-term review of industrial policy – a contribution to the EU's growth and jobs strategy"<sup>5</sup> of July 2007 in which a new initiative on sustainable industrial policy was envisaged in order to lead the transition towards a safe and sustainable low-carbon and resource-efficient economy;
- (6) The Conclusions of the European Council of 13 and 14 December 2007 reiterating that "sustainable production and consumption are among the drivers for achieving objectives under both the Sustainable Development Strategy and the Lisbon strategy"<sup>6</sup>;
- (7) The Conclusions of the European Council of 13 and 14 March 2008 restating the European Union's commitment to tackling climate change through its targets for reducing total greenhouse gas emissions, increasing the share of renewable energies and improving energy efficiency, by drawing up a viable long-term sustainable industrial policy and by developing sustainable and globally competitive lead markets, whilst taking into account the impact of energy and climate change measures on the competitiveness of European companies<sup>7</sup>;

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<sup>4</sup> 10801/03.

<sup>5</sup> 11686/07.

<sup>6</sup> 16616/1/07 REV 1.

<sup>7</sup> 7652/08.

- (8) The integrated Competitiveness Council Conclusions of 29 May 2008 entitled "A Fresh Impetus for Competitiveness and Innovation of the European Economy"<sup>8</sup>;
- (9) The contribution of EU Member States and the European Commission to the Marrakech Process and the international collective effort aimed at developing a 10-Year Framework of Programmes on sustainable consumption and production,

WHEREAS:

- (1) Changing unsustainable consumption and production patterns is fundamental in moving towards more sustainable development. Consumers, producers, retailers and other economic operators being actors in this process, it is necessary to empower them by providing them with appropriate information and educational opportunities, and to help them understand the environmental impact of consumption and become familiar with eco-design, eco-production and eco-consumption solutions, which will enable them to make better informed choices.
- (2) More sustainable consumption and production patterns are essential for the protection of the climate, ecosystems and human health, as well as for the preservation of natural resources; in order to develop such patterns, the European Union must provide itself with efficient and coherent instruments, as well as complement and improve the implementation of existing ones.
- (3) More, clearer and indisputable information on products and their environmental performance is necessary to influence consumer demand and make it more sustainable.

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<sup>8</sup> 10174/08.

- (4) The introduction of a dynamic integrated approach combining minimum binding requirements and more advanced voluntary benchmarks on the eco-design of products and related labelling, together with voluntary tools for eco-labelling and environmental management, as well as enhanced energy labelling and provisions for greening public procurement, is a crucial stage in establishing the policy framework as well as synergies aiming to make consumption and production more sustainable in the EU.
- (5) Once more extensive work has been done on social criteria and their feasibility, the social dimension of consumption and production must also be adequately addressed by EU policy.
- (6) Given the importance of the share of public procurement in European Gross Domestic Product, the development of sustainable public procurement, along with giving greater consideration to the procurement of innovative goods, works and services, can be an effective tool to encourage improvement in the environmental, energy and social performance of products and services and to facilitate the promotion of sustainable works, goods and services within the market, whilst avoiding additional burdens on public finances, taking the full life cycle of products into account.
- (7) A predictable framework for clear, adequate and accessible standards, based on the active cooperation of industry, including SMEs, would promote their adoption by industry, including in traditional sectors, but would require regular monitoring and updating as necessary.
- (8) While in the context of this Action Plan due consideration and, where appropriate, preference should be given to voluntary agreements, self-regulation of industry and market-oriented instruments, regulatory instruments should be used when necessary.

- (9) Environmental products, services and low-carbon technologies represent a rapidly growing global market in which the European Union enjoys a strong position that has considerable potential to be further developed, thus promoting growth and employment in both large companies and SMEs.
- (10) The availability of natural resources, their efficient and sustainable use, eco-innovation, eco-design and low-carbon processes should be essential factors for the sustainability and competitiveness of the European economy.
- (11) Cooperation between the public sector, knowledge institutions, industry, social partners and other stakeholders, as well as synergies between the Action Plan and relevant ongoing innovation activities such as the Seventh Framework Programme for research, technological development and demonstration activities<sup>9</sup>, the Competitiveness and Innovation Programme (CIP)<sup>10</sup> and the Lead Market Initiative<sup>11</sup> are essential for providing sustainable solutions,

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<sup>9</sup> Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 412, 30.12.2006, p. 1).

<sup>10</sup> Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310, 9.11.2006, pp. 15-40).

<sup>11</sup> Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: A lead market initiative for Europe (5121/08).

## THE COUNCIL

- (1) NOTES WITH SATISFACTION the Commission's Communication on the Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan<sup>12</sup> and the opportunity this offers for coordinating the different instruments linked to sustainable consumption and production whilst reinforcing them, thus allowing them to contribute to shaping more sustainable consumption and production patterns in the EU and to boosting the competitiveness of European industry, realising the full potential of the renewed EU Sustainable Development Strategy and the Lisbon Strategy;
- (2) CONSIDERS that this Action Plan, in synergy with other EU instruments such as the Environment Technologies Action Plan (ETAP)<sup>13</sup> and Directive 96/61/EC concerning integrated pollution prevention and control (IPPC)<sup>14</sup>, has the potential to contribute to speeding up the creation of a safe and sustainable low-carbon and resource-efficient economy that is capable of competing successfully in global markets;

### **I. A dynamic and coherent policy framework for more sustainable products and consumption**

- (3) NOTES that the Action Plan is an additional contribution to existing industrial and environmental policies, and in particular those concerning the "energy and climate change" package, by concentrating on a dynamic policy and introducing a new "virtuous circle" approach, improving the overall environmental performance of products throughout their life cycle, promoting and stimulating demand for better products and production technologies, and enabling consumers to make better-informed choices in purchasing affordable products with lower operating and disposal costs;

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<sup>12</sup> 12026/08.

<sup>13</sup> 5864/04.

<sup>14</sup> OJ L 257, 10.10.1996, pp. 26-40.

*(i) Exploiting synergies in enhanced product design and labelling*

- (4) EMPHASISES the need to establish appropriate indicative objectives for sustainable consumption and efficient use of natural resources, which should aim at an absolute decoupling of economic growth from environmental degradation; therefore INVITES the Commission to organise benchmarking between Member States so as to move towards indicative albeit precise Community objectives, using sector-, material- and process-specific indicators that have been economically and scientifically validated, for measuring the improvement of efficient use of energy and natural resources and in sustainable consumption; the development of measurement criteria will be required in this respect;
- (5) SUPPORTS the Commission's intention to ultimately establish a variety of tools and information and communication instruments relating to levels of performance in order to fulfil different sustainable consumption needs; SUPPORTS the creation of stronger synergies and better coordination between the scopes, data, timetables and work programmes of the Community Eco-label Award Scheme<sup>15</sup>, the Eco-design Directive<sup>16</sup>, the Energy Labelling Directive<sup>17</sup> and activities promoting green public procurement and the EMAS Regulation<sup>18</sup>;

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<sup>15</sup> Regulation (EC) No 1980/2000 of the European Parliament and of the Council of 17 July 2000 on a revised Community eco-label award scheme (OJ L 237, 20.9.2000, p. 1).

<sup>16</sup> Proposal for a Directive of the European Parliament and of the Council establishing a framework for the setting of eco-design requirements for energy-related products (12119/08).

<sup>17</sup> Council Directive 92/75/EEC of 22 September 1992 on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances (OJ L 297, 13.10.1992, pp. 16-19).

<sup>18</sup> Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) (OJ L 114, 24/04/2001, pp. 1-29).



- (6) INVITES the Commission to improve the management and transparency of environmental data on products along the entire production chain and to assess the degree to which the decision-making on criteria in the labelling schemes and eco-design requirements could be further coordinated;
- (7) NOTES WITH INTEREST the proposed extension of the scope of the Eco-design Directive<sup>19</sup> to cover a broader range of products related to energy and eventually, following the review of the Action Plan, other parameters, in order to take the use of energy and resources for products into account and ensure the free movement of these products in the internal market, in particular by establishing minimum binding requirements integrated into a dynamic system with more advanced voluntary benchmarks; STRESSES that ambitious, time-relevant and predictable benchmarks and minimum requirements are crucial for a dynamic improvement of the environmental performance of products, while taking into account adaptation efforts made by SMEs; ADVOCATES strengthening this dynamic system by turning such benchmarks into requirements after a fixed transition period, as appropriate; EMPHASISES that the aim of the Eco-Design Directive, targeting a broader range of products on the basis of their energy and other environmental impacts, is to provide the European Union with a strong Community instrument for more sustainable consumption and production; RECOMMENDS that the new provisions announced in the Action Plan concerning labelling linked to the eco-design of products, in the Energy-labelling Directive<sup>20</sup>, are examined before 2012;

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<sup>19</sup> Directive 2008/28/CE of the European Parliament and of the Council of 11 March 2008, amending Directive 2005/32/EC establishing a framework for the setting of eco-design requirements applied to energy-using products, as well as Council Directive 92/42/EEC and Directives 96/57/EC and 2000/55/EC of the European Parliament and of the Council, as regards the implementing powers conferred upon the Commission, OJ L 81, 20.03.2008, pp. 48-50.

<sup>20</sup> Council Directive 92/75/EEC on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances.

- (8) SUPPORTS the objective of improving the voluntary European Eco-label Scheme by simplifying development procedures so as to increase its market penetration, allowing for more product groups to be covered and criteria to be developed faster, while further strengthening the focus on the main environmental impacts during the life-cycle of products; EMPHASISES the need to retain a high level of credibility by maintaining ex-ante checks by third parties; RECALLS that the European Eco-label Scheme provides voluntary references of excellence, and EMPHASISES that the Eco-label criteria must be taken into consideration when establishing criteria for the development of green public procurement; UNDERLINES the need to increase consumer, retailer and producer awareness through appropriate communication and information initiatives;
- (9) SUPPORTS the extension of the scope of the Energy Labelling Framework Directive relating to the indication of energy consumption on domestic appliances to include other products, enabling the harmonisation of its scope with that of the Eco-Design Directive; WELCOMES the proposal to examine, in the revision of this Framework Directive, the addition of other relevant environmental information parameters such as emissions and resource-use over the course of a product's life cycle; EMPHASISES, however, that energy labelling must remain simple, concise and efficient;
- (10) INVITES the European Commission to study the introduction of the carbon footprint of products in the existing EU environmental labelling instruments such as the Eco-label and energy labelling; also INVITES the Commission, taking into account Member States' experience, to start working as soon as possible on common voluntary methodologies facilitating the future establishment of carbon audits for organisations and the calculation of the carbon footprint of products;

*(ii) Encouraging the uptake of energy-efficient and environmentally friendly products through a consistent framework for public procurement and incentives*

- (11) TAKES NOTE of the Commission's intention to encourage Member States wishing to do so to take up incentives for the purchase of products meeting minimum environmental performance levels, by introducing a consistent framework for economic incentives such as bonus/malus systems, based on environmental criteria, whilst not excluding the adoption of similar incentives at Community level; NOTES the Commission's intention to continue its work and look at the feasibility of new or reinforced fiscal measures at Community level concerning energy-efficient and sustainable products and services;
- (12) COMMENDS the "Public Procurement for a Better Environment" Communication<sup>21</sup>, which reinforces and clarifies policies for developing green public procurement (GPP) at Community level;
- (13) UNDERLINES that the current fragmentation of incentives in the internal market should be reduced by setting common, non-binding GPP modalities (such as selection criteria, technical specifications, award criteria, or contract performance clauses) that could serve as a reference for public procurement;
- (14) SUPPORTS the objective proposed in that Communication as well as the formal process for developing, together with Member States, common measures to promote green public procurement;

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<sup>21</sup> 12041/08.

- (15) TAKES NOTE of the Commission's intention to introduce gradually, by means of a revision of the Energy Labelling Directive and in line with the Public Procurement Directives<sup>22</sup>, reasonable objectives such as the performance levels proposed in the Action Plan below which public procurement and national incentives would not be allowed;
- (16) STRESSES that these common measures must be supported by an in-depth impact assessment covering all proposed sectors;
- (17) REITERATES that guidance tools for public purchasers, including common procedures for developing green public contracts, must be available in all EU languages as soon as possible.

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<sup>22</sup> Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.4.2004, pp. 1-113); Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (OJ L 134, 30.4.2004, pp. 114-240).

*(iii) Initiatives for raising awareness through and among stakeholders*

- (18) RECALLS the need to promote more sustainable consumption patterns by developing educational as well as all other appropriate means and instruments to raise awareness amongst consumers and influence their lifestyle and behaviour; INVITES the Commission and Member States to support action undertaken in these fields and to study the feasibility of developing concrete tools in this respect; INVITES the Member States to fully implement the Directive on unfair commercial practices with regard to environmental claims<sup>23</sup>; INVITES the Commission to include environmental claims in any future guidelines on the Directive on unfair commercial practices;
- (19) INVITES the Commission to carry out more extensive work in the field of sustainable consumption including by promoting innovative practices involving end-consumers;
- (20) WELCOMES the announcement of initiatives to work with retailers and to associate consumers and producers, and in particular the creation of a Retail Forum; INVITES the Commission to promote exchanges of good practices between Member States and to identify synergies between Community initiatives and similar national initiatives; EMPHASISES that a voluntary European Code of Conduct for retailers would be a useful instrument; this should aim at reducing the environmental footprint of the retail sector, in particular large-scale retail, and its supply chains, at checking the authenticity of environmental claims and promoting more sustainable products, through, in particular, information campaigns to encourage products bearing certified Eco-labels;

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<sup>23</sup> Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ("Unfair Commercial Practices Directive") (OJ L 149, 11.6.2005, pp. 22-39).

- (21) INVITES the Commission to further develop an approach for evaluating the overall environmental performance of products throughout their life cycle, the supply chains and the impacts at a global level, building on the work undertaken in the framework of the Communication on an Integrated Product Policy (IPP) and for the implementation of the Eco-Design Directive;
- (22) INVITES the Commission to carry out, in the context of its "sustainable consumption and production" activities, further studies on sustainability indicators for products for possible use in labelling schemes, taking ongoing work into account;

*(iv) Evaluating and updating the policy framework*

- (23) INVITES the Commission to carry out studies, taking into account the work already done elsewhere, on the circular economy (cradle to cradle), on the "3Rs" (Reduce, Re-use, Recycle), on the service-based economy and on their applications within the European Union's objective for a recycling society, within the framework in particular of the thematic strategies for the prevention and recycling of waste and on the sustainable use of natural resources, of the Lisbon Strategy and of the renewed EU Sustainable Development Strategy;
- (24) INVITES the Commission and Member States, taking into account the work already done elsewhere, to further study the "rebound effect" whereby the global increase in consumption cancels out the energy, environmental and resource performance gains of products, and how this can be tackled;
- (25) EMPHASISES the need to enhance globally the sustainable use of natural resources by supporting the work of the International Panel for Sustainable Resource Management whose results will provide scientific assessments and by advising governments and organisations on life-cycle impacts;

(26) INVITES the Commission to monitor progress and communicate the results to the Council and the European Parliament; given the urgency of developing more sustainable patterns of consumption and production in the European Union, INVITES the Commission to produce an assessment of the implementation of the action plan by 2012 at the latest, in particular with a view to the further widening of the scope of the Eco-Design Framework Directive and related labelling provisions to other product types, so as to prepare the further actions necessary for improving the environmental performance of other products;

## **II. Leaner production for more efficient environmental performance and greater competitiveness of European industry and services**

- (27) SUPPORTS eco-innovation as one of the central elements of the present Action Plan; EMPHASISES that eco-innovation should continue to be a priority in the EU's research and development strategy, including in the context of the Lead Market Initiative; LOOKS FORWARD to the Commission's proposal for an environmental technology verification scheme before the end of 2008; ENCOURAGES the Commission to examine regulatory frameworks, as well as regulatory barriers and market failures that may prevent the uptake of environmental technologies and further innovation.
- (28) EMPHASISES that the Action Plan will contribute to regularly improving the efficient use of energy and resources, as well as the environmental performance of products throughout their life cycle; RECALLS that a more efficient use of resources has positive effects on the environment, innovation and the competitiveness of products and reduces running costs;

- (29) RECALLS the need to take account of the role and specificities of SMEs in all sectors, particularly those which are involved in manufacture and the installation, maintenance and repair of products as well as in the services sector (consultation, marketing and promotion) so as to increase their sustainability; INVITES the Commission and Member States to support actions for helping SMEs to turn environmental challenges into opportunities, in the context of the Small Business Act for Europe<sup>24</sup> as well as the Environmental Compliance Assistance Programme (ECAP)<sup>25</sup>;
- (30) RECALLS the importance of Corporate Social Responsibility (CSR) as a voluntary tool for increasing the social and environmental performance of companies and INVITES the Commission to reinforce and develop its activities in this area, based on information on current best practices;
- (31) WELCOMES the Commission's intention to launch industrial policy initiatives for environmental industries; INVITES Member States to set a clear, credible, long-term policy framework that creates favourable market conditions for encouraging investment and allowing innovation to flourish within environmental and low-carbon industries, building on the ETAP and a related national roadmap; supply-side innovation measures can usefully be supplemented by demand-side policies such as economic incentives along the lines of the energy-efficiency labelling procedure, tax measures, greener public procurement and the use of progressively updated and dynamic EU and international standards;

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<sup>24</sup> Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions – Think Small First: A Small Business Act for Europe (11262/08).

<sup>25</sup> Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions – Small, clean and competitive = A programme to help small and medium-sized enterprises comply with environmental legislation (13860/07).



(32) SUPPORTS the Commission's intention to improve the Community's eco-management and audit scheme, while recognising the value of international management systems such as ISO 14001, and, in this context, WELCOMES the proposal to revise the EMAS by raising its attractiveness for participating organisations, notably SMEs, simplifying its procedures, introducing performance indicators, strengthening synergies with other policies on sustainable consumption and production, including green public procurement, whilst reinforcing its scope through the introduction of sector guidance linked to the environmental aspects of production processes and material and energy efficiency; EMPHASISES that the scheme is a voluntary tool to improve the environmental performance of the organisations joining EMAS; UNDERLINES the need to avoid additional administrative burdens;

### **III. Turning environmental goals into opportunities for external competitiveness**

(33) REITERATES that this global, integrated and ambitious approach will also strengthen the competitiveness of European industry by offering new business opportunities, whilst better taking into account the external dimension of European competitiveness and ensuring conditions of open and fair international competition;

(34) RECOGNISES that there is a need to promote international trade in environmental goods, including environmental technologies and services, to promote the emergence of standards for these products and services at international level based on European standards as appropriate, and to encourage stakeholders of EU standardisation to actively participate in international standardisation; RECOGNISES also the need to promote sectoral approaches so as to disseminate good practices and develop more sustainable technologies, in line with and in support of the Marrakech Process on the development of a 10-Year Framework of Programmes on sustainable consumption and production and UN specialised agencies and programmes, such as the United Nations Environment Programme<sup>26</sup>, and to ensure that European companies can play an exemplary role and benefit to this end from a specific framework to improve their competitiveness in the introduction of technologies and the supply of environmental goods and services;

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<sup>26</sup> Including the International Panel for Sustainable Resource Management set up in the framework of United Nations Environment Programme.

- (35) CALLS UPON the Commission and the Member States to promote the inclusion of focused and effective sectoral approaches within the framework of international negotiations as an element of and complement to a comprehensive international climate change agreement for the period after 2012; RECOGNISES that in the global context of competitive markets, the risk of industry investment shifting to countries where there are no carbon constraints or costs imposed that are linked to the protection of the climate (carbon leakage) is a concern for European industry, in particular for certain sectors, such as energy-intensive industries particularly exposed to international competition that needs to be analysed and addressed urgently in the new ETS Directive; INVITES the Commission to continue its work on the criteria to identify rapidly the sectors exposed to carbon leakage, with a view to the inclusion of these criteria in this Directive, while recognising that an ambitious international agreement remains the best way of addressing this issue; WISHES TO EXAMINE the upcoming initiative of the Commission on "Regulatory Dialogue" expected by the end of this year;
- (36) BEARS IN MIND the importance of maintaining the overall balance across the climate and energy package as a whole and bases its work on the principles of transparency, economic efficiency and cost-effectiveness, and fairness and solidarity in the distribution of efforts between Member States; TAKES INTO ACCOUNT Member States' different starting points, circumstances and potentials as well as achievements accomplished, and respects the need for sustainable economic growth across the Community with all sectors contributing;
- (37) RECALLS that, whilst maintaining its leading role in strategic areas such as the fight against climate change, Europe must, in developing its internal regulations, take into account their impact on the competitiveness of European companies internationally, in particular of energy-intensive industries.

