

**CBI RESPONSE TO EUROPEAN COMMISSION CONSULTATION ON
REVISIONS TO THE ENERGY LABELLING DIRECTIVE**

1. As the UK's leading business organisation, the CBI speaks for some 240,000 businesses that together employ around a third of the private sector workforce, covering the full spectrum of business interests both by sector and by size.
2. The CBI believes that energy labelling has improved the energy in use performance of the domestic white goods sector to which it applies. It is, therefore a useful tool to improving performance of other domestic products and should be extended as quickly as possible to include all brown goods. The CBI would support an approach based on the UK Energy Savings Trust's labelling project.
3. In the CBI's recent report, *Climate change: everyone's business*, analysis conducted by McKinsey indicates that in the UK there is the potential to save over 30 mtCO₂e from appliances and lighting in buildings (including PCs/other office appliances, water heating, washing and drying).
4. Recent research by the EST has also shown that 49% of Europeans believe that more advice and information about the way we use energy is needed to help curb energy using habits.
5. However, the CBI believes that there is a danger of providing too much information on labels causing confusion for the public. At this time, labelling should be restricted to a simple system (e.g. letters A to G) referring to the energy the product uses in the domestic setting.
6. The CBI's answers to the questions in the consultation are as follows. Where the question is not addressed, the CBI has no comment to make.

Q2. Do you agree to the general principle of reinforcing the use of energy labelling in order to more vigorously contribute to the Union's objectives on climate mitigation, competitiveness and sustainable product policy?

Yes.



Q3. For energy using products, would you favour the use of an energy label focusing on the energy consumption at use or of an 'eco-design label', (near to the Eco-label showing the 'best') giving the global environmental performance of the product throughout its life-cycle?

As stated above, labelling should be restricted to energy consumption in use. It is important to avoid possible confusion in public perceptions about the meaning of the label.

Q4. Are you in favour of adding CO2 on the energy label? How could reliable information be assured in the light of different energy mixes in the 27 Member States?

At this time, such additions could confuse the consumer and should not be included. The CBI understands that such information would be difficult to calculate for Member States' energy mixes. The CBI also believes that producers of equipment would have unnecessary complications to provide different labels for different Member States. The system should be uniform throughout the EU.

Q5. Are you in favour of adding annual running costs on the energy label? How could reliable information be assured in the light of different energy prices in the 27 Member States?

The "second price tag" of the annual running cost is an important aspect of encouraging consumers to account for all costs when making purchasing decisions. With different energy price trends in different countries, as well as possibly different usage patterns for products between Member States, an EU directive label for annual running costs might be difficult to implement. Instead, the Directive should encourage Member State Governments to work with stores and manufacturers to develop appropriate guidelines for publicising information on a product's annual running cost that is appropriate for the Member State. As well, the possibility of accounting for energy price uncertainty should be investigated.

Q6. Would you like to add other products to the scope of the labelling Directive than those covered at present (household appliances only)? If yes, which products would you suggest (non-household or non energy-using products, 'energy-relevant' product, services such as holiday packages or other)?

The CBI believes that the scope of the Directive should be expanded to cover all energy using domestic appliances. However, the energy use label the CBI supports would have no relevance to non-energy using products. The CBI does not support the extension of "labelling" to the provision of services under the same directive. These have different technical requirements and should be considered separately.

Q7. In view of dynamic labelling, which approach would you suggest for the transition from an existing labelling scheme to a new labelling classification in order to cause minimum distortions.

The CBI believes that the Directive has been effective in improving the performance of the products to which it has so far been applied. This provides a requirement for

new standards to be periodically introduced. However, as this Directive has not been reviewed since 1992 there is a need to update it, especially as A+ and A++ classifications have been added to accommodate the better energy performance of products such as refrigerators and freezers. When updating the directive, the simplicity of the scheme for the domestic consumer should be maintained. New standards to meet the old labels should be introduced periodically. There is a case to be made for rolling standards that are able to keep pace with new technologies. There should be sufficient notice for product development, e.g. 2 years.

CBI

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