



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
ENVIRONMENT
ENV.G - Sustainable Development & Integration
ENV.G.4 - Sustainable Production & Consumption

MINUTES

OF THE 3RD IPP PILOT PROJECT STAKEHOLDER MEETING ON TROPICAL WOODEN GARDEN CHAIR

15 MAY 2006 (09:30–13:05)

Chairman: Mr. Klaus Kögler (1-4), Ms. Anne-France Woestyn (4-5)

1. WELCOME BY THE CHAIRMAN – BY THE EUROPEAN COMMISSION

The IPP Pilot Project on Teak Garden Chair is in its final stage where we are looking at what are the ongoing actions in the areas where improvement possibilities were identified for the teak garden chair. We are therefore to conclude and make commitments to improve the environmental impact of the teak garden chairs throughout the life cycle.

The aim of the meeting is to discuss the draft final project report prepared by Carrefour with contributions from stakeholders. The report describes the ongoing activities in the areas where improvement possibility was identified in the previous stage of the pilot project, and further actions that stakeholders want to take on these. The report was circulated prior the meeting to all participants. The aim of the meeting is also to look at what lessons stakeholders learned from this pilot project and what added value this project has brought for them.

In the last more than 1.5 years work was ongoing on this project. First in the project, we looked at the environmental impact of the teak garden chair through its life cycle. Following this we looked at different instruments that can be used to address the life cycle environmental impacts concentrating on the most important areas. The social and economic impacts of these were also addressed. The Commission financed a study to assist this part of the pilot project.

The study by the consultant (ERM) concluded that the **main areas** where improvements and actions can be made are the following:

- Biggest environmental impact lies in **wood production**. Certified forest management is a good tool to address this.
- Greater **consumer awareness** would also increase the pressure on retailers, distributors, and manufacturers to apply sustainable forest management practices.

- **Eco-design** is a good tool to address other environmental impacts. This includes waste minimisations and process optimisation during chair manufacturing, product packaging, waste and volume optimisation for more efficient distribution, and increased quality to increase the product's lifetime.
- **Consumer information** is important to mitigate impacts during end-of-life and lifetime extension. This included information on repair of the chair, use of the chair, etc. This should be done in a way that is visible and easy to understand for consumers.

At the second meeting we **extended** the project scope to generally **furniture** made of **tropical wood**, as it is a product that makes more sense to address with this stakeholder group.

We can now conclude the great work and inputs made from all the stakeholders' side, which is very much appreciated by the Commission, especially from Carrefour side.

2. PRESENTATION OF THE FINAL REPORT AND DISCUSSION

Mr **Paul Rowsome, Carrefour**, gave an overview of the draft final report. The report focuses on ongoing actions by different stakeholders in the areas identified for improvement and commitments in these areas. Carrefour found the ERM study that the Commission has commissioned for this project as very useful; they had good use of its results as a checklist for the teak chair and can extend its use to other products. However, they also see a need for concrete actions.

Carrefour intends to commit to make improvement on the weaknesses identified by ERM, e.g. transportation and packaging through eco-design. Carrefour also intends to commit to work together with suppliers and communicate to the commercial consumers in the supply-chain and to provide easy to understand information for consumers. Consumer organisations should be preferably involved here. On consumer information there is a general lack in consumer pull. They will continue the work on consumer information for good choice. Carrefour as well as FSC offers to communicate the ERM study to other retailers and suppliers so that they can make use of it for checking the environmental criteria of their products on the basis of this. Carrefour will also work for an increase of certified wood in their products; it intends to switch from garden furniture made of teak made of other certified species that have the similar quality as teak. In short, Carrefour intends to continue its work with suppliers, on certified wood, and improve on consumer information for good choice.

Carrefour still welcomes contribution from participants at the meeting to finalise the last report. They also distributed the new sustainability report to meeting participants.

The **Commission** made the following initial comments on the draft report, in short:

- In areas where actions are suggested, detailed actions with targets and timelines for the actions would be needed when finalising the report.
- We would encourage stakeholders to develop actions that include closer stakeholder cooperation, possibly also commitments for voluntary agreements, etc.
- Actions decided to be left out could also be expressed in the report.

The stakeholders furthered the discussion on possible actions and commitments to follow in the framework of this pilot project. Highlights of the discussion were:

- **Carrefour** provides everyday mass consumer products. The cost of the product for sale aspect is an important factor. In this case, wood is 70% of the product cost, certified teak is 30% more expensive, and furthermore, teak as material is on top of the quality range, with a superior lifetime. To change consumer habit, they must rely on extensive consumer information campaigns etc. They have already committed to WWF to work the FSC route. Certified schemes are considered by Carrefour to be difficult to explain in a good way to consumers. Tractability has been identified as a big issue and Carrefour work on this; this has been for long in food products, now it is becoming more of an issue for non-food products.
- **WWF** works mainly on forest management and improvement. The forest where Carrefour sources its teak from lost its certification in 2001 because of bad management and over-exploitation of the forest. Some retailers (but very few) have FSC teak wood. WWF have many ongoing activities in this area and continues working on FSC. But a weak point here from being successful is that WWF, according to them is that WWF is not asking for boycott of tropical wood. This is because the land would be transferred to something else, mainly agriculture. There are estimations that approximately 40% of tropical wood sold in France is illegal. There is minimal external third party audit for legality.
- **FSC** showed a typical Type II self-declaration on teak wood – that was concluded to be very contradictory. In the end it is important not to confuse the consumer. **WWF** is of the opinion that the only message possible to get a consensus on is FSC label. WWF also informed they have mid-level measures on B2B level to improve wood management.
- **IKEA** made the same conclusion as Carrefour and moved from teak to acacia. They have also worked with WWF, on a staircase model. They found traceability as important; but also that this is a lengthy procedure where 100% quality assurance is important to secure. It is clear that not enough FSC labelled wood is available on the market. Also, good forest management system takes time to build up. Therefore, we face the situation today of scarcity. IKEA informed that almost 70% of their products are manufactured in Europe. Overall, much improvement can also be made in transportation, e.g. using train or sea transportation.
- The **Chairman** made a remark it must be a big market for non-FSC wood in Europe; and concluded that scarcity on natural resources has in the past policy making been over-used as it often is possible to change to other species.
- **WWF** added to this that it would help if everybody also could go for choosing other species with similar qualities. **FSC** have the opinion there is a need for a good management system for all timber, at lowest level. The question would of course be if others could use this lowest bar as well. **Carrefour** argued FLEGT legislation is needed. Teak garden chair is a very small product as such; major teak wood use is boat products. **CEI Bois** find there is a real problem with teak wood; costs are important, but people also would like to have quality before labelling. We have to bear in mind that there is a lot of forest available in Europe. CEI Bois are also unhappy with the one-dimensional focus on FSC certifications as there are many (49) other labelling schemes available.
- Consumers generally speaking do not pay the full environmental price for the products they buy and consume – "consumers are simply not so concerned on the environment" – and do not want to pay the full price. The **Chairman** provoked on this and asked why this is the dominating situation today on the market; and continued to stress it cannot only

about costs, as many people today pay ridiculous amount of money for fashion. **FCS** stressed that the label with this text "this is stolen wood" would be more efficient. **WWF** claim more EU regulation is needed on import of illegal wood. **Carrefour** said there was no immediate benefit for the consumers to buy greener products. Therefore, they don't directly count on consumers – why should they pay more if they just buy what is correct? The solution would, according to Carrefour, be to give benefit of doing business e.g. tax break for eco-labels, awards, etc. Tax-breaks would according to **DG ENV** be difficult considering today's difficulties in developing sound criteria and targets, and the need to avoid eco-misleading claims. **OVAM** stressed following this there is a need to find the right message to consumers, e.g. "eco-oil" or "oil for better performance". **DG ENV** informed that the EU eco-label legislation (the Flower) for the Flower is currently being re-drafted. A new draft is ready before the summer-break. A workshop on tropical wood is planned to be organised in October.

3. WHAT ADDED VALUE IPP AND THE PILOT PROJECT HAD FOR YOUR ORGANISATION – DISCUSSED BY STAKEHOLDERS AND THE COMMISSION

It was discussed what the involved stakeholders have learned from the pilot project, how did the pilot project and the IPP approach provided an added value for them.

Experience of the European Commission on the pilot project

The following are the main results, findings, and recommendations from the IPP pilots:

- COM learnt about, through the two projects, how an IPP project can work in practice to improve the environmental impacts of products that can provide us a methodology for the future. However, it is very difficult to compare the two pilot projects. The pilots also reemphasised the **importance to look at the product life cycle**.
- It also shows that environmental work does not only stop for businesses at the product development level, or at the shelf of a retailer. The **consumers also have to be considered**, on the one hand taking into account the environmental impact at the use and waste phase of the products, and encouraging the consumption of greener products in order to have business benefits from green production.
- Willingness from the companies' side to carry these projects out is necessary to make product panel projects successful. **Lead company** is important to encourage actions with other participants and to have common actions for stakeholders.
- COM learnt about how different **an IPP project is with a retailer and a producer**. The retailers would need to take care of thousands of products; they would need rather an environmental checklist on what criteria to look at for different products. Producers can make much more elaborate developments because of their specific market.
- **Choice** of the product is important, in our case at first choosing the teak garden chair was too narrow to have active stakeholder involvement. It is important also what part of the product life cycle we are choosing as project participants, we do not have the same effect if we choose for example component manufacturers only or retailers or producers.

- COM learned that probably **more meetings** and **teambuilding** is necessary to establish a working relationship among the project participants in similar voluntary projects.
- We do realise that we have problems to get the **consumer organisations** on board. There are problems with the lack of resources and that we have to ensure **financing** for **NGOs** if we want to continue with similar IPP Projects in the future.
- As projects similar to the pilots it is resource intensive, the Commission will have to consider what products to address and how to address them including what role the Commission should play in this process. The work to prioritise products according to their potential for environmental must be used in this area.
- The COM acknowledges that there is need for practical tools/checklist for the retailers; they cannot carry out life cycle assessments (LCA) for every single product. The COM also acknowledges that there is need for **practical eco-design tools** from the industry, and have recognised that the result of the European Platform on Life Cycle Assessment could be further developed into the application of practical tools.
- COM learnt that for the Commission as well to carry out pilot projects is a resource intensive task but the outcome can be rewarding. Even if it is a voluntary commitment, it stills required resources from the COM.

Stakeholder experience on the pilot project

The following are the main results, findings, and recommendations from the IPP pilots:

- **Carrefour** has already been involved in three-four projects on product improvement before this IPP pilot exercise, but as the products and the projects are very different, they are difficult to compare. Generally speaking, Carrefour finds the product life cycle and stakeholder approach important. The ERM report gave food for thought, e.g. to work on transportation and the life cycle approach as such. They also find the exercise to be useful, especially the life cycle approach there is need for stakeholder discussions, and for good internal cooperation e.g. the involvement of the quality team. Many times it is difficult to find time and to find the right criteria to improve.
- **Carrefour** does not focus on consumer information for the time being, rather they try to improve other means, but they find pressure from e.g. WWF or from the financial sector to be a much more important than consumer pull. Instead, Carrefour would like to see how they can use the life cycle approach in the commercial chain, e.g. how the decision are made, how many decisions are made and where, for consumers outside and inside the store, for the shop manager in choosing the product and the information used, and the purchaser at local, regional and national governmental level.
- **WWF** found this to be an interesting forum to discuss. But how can duplication work be avoided? Many people already know each other, so maybe it would be possible also to join already ongoing dynamic processes and not to have a separate exercise.
- **FCS** found that activates are missing that really can make a change and a difference. They have a new initiative from 01.01.2007 on the issue how standards can be more efficient. FCS believes standards are the way forward. COM is invited to support this initiative.

- **IKEA** will spread the experience and results of this project within the company group. Stakeholder roundtable is always good. A challenge for the future is to make better decisions in the commercial chain.

4. FUTURE WORK ON IPP – BY THE EUROPEAN COMMISSION

Implementation of IPP by the Commission since 2003

- Work on the implementation of IPP up until now:
 - Implementation of the IPP Communication since 2003 estimates the Commission at present altogether with DG Environment and DG JRC have spent six man-years on this area;
- So far, the Commission have:
 - Conducted studies (EPD, life cycle tools and data web-site, life cycle awareness);
 - Identified the products with the greatest environmental impacts (EIPRO);
 - Started looking at the top of this list and to identify the improvement potential of these (IMPRO);
 - Started work on the European Platform on LCA which is a three-year project.
 - Are running two pilot projects.
 - Have two working groups:
 - Product Information, on how governments and stakeholders can act to make life cycle information a real driver for environmental improvement;
 - Reporting Formats: helps to prepare questionnaire for stakeholders and member states to report on the progress of implementation on IPP to the EP and the Council.
 - IPP thinking was taken up in other actions and policies in other fields, e.g. waste framework directive, waste strategy, research, EuP framework directive, resources strategy.

IPP actions in the future

- An analysis on the experience of the pilot project will be done after the pilot projects were concluded. Further projects might be carried out in the future, depending on the policy priorities. The COM also would like the stakeholders to carry forward this approach.
- We will further work on the different policy tools in the IPP toolbox and also on making them more coherent with each other, e.g. eco-design, GPP, eco-label, environmental technologies.) The Commission will further precise the prioritisation of products. And will look at among the products with the biggest environmental impact their improvement potential. This research can be used as appropriate to prioritise policy actions.
- The European Platform on LCA will be further worked on; handbook and database will be prepared. The results of these are planned to be further developed in the future to set easier to use eco-design instruments.
- The COM is planning to come forward with working papers related to eco-design and Environmental Product Declarations (EPDs).

- In 2007 the COM will report to the Council and to the EP on the progress made on implementing IPP. This will be partly based on questioners that stakeholders and MS fill in. This report will analyse the progress made in IPP so far and it will provide a basis how the work on IPP should continue.
- Finally, IPP will be the core of a new SCP action plan in the future. This will however have broader approach than IPP looking at more thoroughly on sustainable consumption for example.

5. ANY OTHER BUSINESS

Next steps

- Finalise the report. Consult the stakeholders on the report and suggested commitments.
- The final results of the two pilot projects will be communicated to the press.
- The results of the IPP Pilot Project will be presented to the Member States on the IPP Regular Meeting on 6 June 2006.
- In a year's time the Commission will monitor the work that has been done on the commitments by stakeholders. A final meeting will then be held with stakeholders monitoring actions taken on the commitments made.