

Opinion of the European Economic and Social Committee on ‘Towards an EU strategy on sustainable consumption’**(own-initiative opinion)**

(2020/C 429/08)

Rapporteur: **Peter SCHMIDT**

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1. Conclusions and recommendations

1.1. The COVID-19 pandemic has exposed the fragility of supply chains. Rebuilding the economy after the crisis will be an opportunity to rethink our society and develop a new model of prosperity. It is no longer a choice, but a necessity, to shift priorities towards more sustainable modes of production, distribution and consumption and to make all actors in supply chains more resilient to crises. The resilience of farmers that grow our food, or workers that produce our clothes is equally important as the resilience of importing companies, manufacturers, wholesalers, SMEs or retail chains in Europe.

1.2. The EESC calls for a comprehensive EU strategy on sustainable consumption. The most sustainable choice should be the easiest choice for citizens. This requires a systemic change in the way we produce and consume. In particular, the responsibility of producers⁽¹⁾ to address unsustainable consumption needs to be better acknowledged. As markets will not deliver sustainable outcomes automatically, a strategy is necessary to create the regulatory context and strategic direction both for the private sector (including through circular and sustainable business models) and for public authorities (e.g. through public procurement).

1.3. The social dimension must be fully integrated in the strategy along with the economic and environmental dimensions, to achieve a much-needed policy coherence for sustainable development. For too long the EU has concentrated on market-based solutions and neglected the citizens' and workers' dimension. Improvement of working conditions, minimum wages, social protection, investment in public services, inclusive governance, fair taxation, etc. should be included as sustainability criteria. This would contribute to making our production and consumption systems fairer and more sustainable in the long run. It would also contribute to the implementation of the UN Agenda 2030.

1.4. An EU strategy on sustainable consumption should pay particular attention to the impact on vulnerable populations and low-income households, which have been — and will continue to be — particularly hit by the current crisis, while also looking at the impact on vulnerable actors in supply chains, including farmers and workers. Sustainable products and services should be made accessible and affordable to all.

1.5. In the short and medium-term, all relevant policy tools (e.g. public procurement, labelling, taxation, etc.) should be better coordinated and geared towards this vision. A more harmonised approach is necessary to overcome the current fragmentation of EU policies and the silo approach.

⁽¹⁾ Producers are responsible across sectors, but the specific situation of farmers must be recognised.

1.6. In the context of the post-COVID recovery, the EESC calls on the Commission, the Parliament and Member States to work closely with the EESC on developing a substantial and coordinated programme of integrated policies that will help Europe 'build back better' and create the conditions for a comprehensive EU strategy for sustainable consumption. The EESC recommends the following specific actions for implementation:

- Introduce product norms and bans fostering sustainability, i.e. those promoting product longevity and sustainability
- Prohibit Unfair Trading Practices (UTPs)
- Improve the competition rules for collective initiatives that promote sustainability in supply chains
- Make social and environmental clauses in trade agreements enforceable
- Improve corporate accountability and increase the awareness of companies on the environmental (e.g. EMAS) and social aspects
- Introduce tax shifts from labour to resource use
- Promote fair and green public procurement, with minimum mandatory criteria
- Improve transparency by introducing mandatory labelling rules on origin, sustainability and the social dimension
- Encourage bottom-up initiatives and pilot interventions
- Address advertisement and marketing
- Promote education on sustainable consumption.

2. Introduction

2.1. The COVID-19 pandemic has exposed the fragility of supply chains and the need for an urgent and systemic transformation. Underinvestment in the health and care sectors, over-reliance on global supply chains and economic systems dependent on linear processes of production and consumption incompatible with planetary boundaries have jeopardised the capacity of governments to take quick and decisive action to protect public health. It is no longer a choice, but a necessity, to shift priorities towards more sustainable modes of production, distribution and consumption and to make all actors in the supply chains more resilient to crises ⁽²⁾. The pandemic has brought social protection, public services, low-skilled workers, occupational health and safety as well as working conditions to the centre of the media and policy debate.

2.2. The EU has fully committed itself to the UN 2030 Agenda and its 17 Sustainable Development Goals (SDGs). Yet the implementation of SDG 12 on sustainable consumption and production is still challenging in Europe ⁽³⁾, while being instrumental to the realisation of the Agenda 2030 as a whole. In fact, the ways in which most people consume today — large volumes at a high rate, along a linear trajectory and with significant wastage (take-make-dispose) — are not sustainable. Moreover, citizens have primarily been cast as individual consumers, which has put the burden of responsibility on people for their choices, without providing them with accessible or affordable alternatives.

2.3. The EESC has previously called for the EU to propose a new vision of prosperity for people and planet based on the principles of environmental sustainability, the right to a decent life and the protection of social values ⁽⁴⁾. A systemic EU approach to sustainable consumption is one of the essential building blocks of the EESC's strategic vision of a sustainable, wellbeing economy leaving no one behind.

2.4. The political momentum is high for the EU to take decisive steps towards this vision. The European Green — *and Social* — Deal has huge potential to rebuild the economy after the COVID-19 crisis on a more sustainable basis, contribute to creating a new prosperity model and ensure a just transition ⁽⁵⁾.

⁽²⁾ EESC Resolution on post-COVID recovery.

⁽³⁾ Eurostat, Sustainable development in the EU, 2020.

⁽⁴⁾ OJ C 106, 31.3.2020, p. 1.

⁽⁵⁾ OJ C 47, 11.2.2020, p. 30.

2.5. In particular, the new Circular Economy Action Plan (CEAP) includes a specific action on empowering consumers for the green transition and several initiatives that could help manifest the responsibility of regulators and companies. The CEAP should widen the scope of the 2018 'New Deal for Consumers', which was mainly focused on protection and enforcement rather than empowerment. The implementation of the Farm to Fork and Biodiversity strategies is also doubly important as the COVID-19 crisis has made it more urgent than ever to increase the resilience and sustainability of EU and global food systems. The upcoming 8th Environment Action Programme should be an opportunity to address sustainable consumption more decisively.

2.6. This opinion will contribute to the reflection on the post-COVID-19 recovery by providing concrete recommendations for a comprehensive EU strategy on sustainable consumption, as part of the European Green Deal and as a complement to the new CEAP.

3. Challenges — analysis of the current situation

3.1. Europe is still far from living within the boundaries of the planet. Different studies applying different methodologies to assess the EU's consumption patterns arrive at this same conclusion⁽⁶⁾, including a recent report by the European Environment Agency (EEA) and the Swiss Federal Office for the Environment (FOEN)⁽⁷⁾.

3.2. Consumption of products and services is a direct and indirect driver of pressures such as land-use change, emissions and the release of toxic chemicals into the environment, in turn generating a range of environmental impacts, including climate change, freshwater depletion and pollution, and loss of biodiversity. This 'ecological footprint' of consumption is high in Europe; in fact it is one of the highest in the world. Data suggest that we would need almost three Earths to sustain the global economy if everyone on the planet consumed like the average European⁽⁸⁾⁽⁹⁾.

3.3. To maintain its high consumption levels, Europe is dependent on resources extracted elsewhere. Europe is thereby, to an increasing degree, externalising its pressures on key environmental issues onto other parts of the world⁽¹⁰⁾. On the whole, this model is no longer compatible with a safe and sustainable future⁽¹¹⁾.

3.4. While exporting the EU's environmental footprint through trade cannot be considered sustainable, it also needs to be recognised that trade with the EU plays an important role in the socio-economic development of many countries, in particular LDCs. In fact, the EU actively promotes trade as a tool to foster sustainability globally and within trade partner countries. Principles of fairness, circularity and more sustainable consumption therefore need to be carefully aligned with trade, creating opportunities for both the EU and its trade partners⁽¹²⁾.

3.5. Current European consumption patterns also raise several questions regarding social equity. While parts of Europe have some of the highest material footprints in the world⁽¹³⁾, other regions in Europe are not able to afford a standard of living that is generally considered acceptable. The level of material deprivation varies hugely across the EU, as does the level of economic strain⁽¹⁴⁾. Consumption is thereby closely linked to political agendas on, e.g. nutrition, poverty and inequality⁽¹⁵⁾. More sustainable consumption in Europe as a whole may entail an increase in resource use for some, and a decrease in resource use by others — overall a better balance of access to resources and strengthened resource justice⁽¹⁶⁾.

⁽⁶⁾ EEA SOER 2020.

⁽⁷⁾ EEA.

⁽⁸⁾ Global Footprint Network.

⁽⁹⁾ Vandermaesen, T. et al. (2019) EU overshoot day — Living beyond nature's limits. WWF.

⁽¹⁰⁾ SOER 2020.

⁽¹¹⁾ Steffen, W. et al., 2015.

⁽¹²⁾ Kettunen, M., Gionfra, S. and Monteville, M. (2019). EU circular economy and trade, IEEP Brussels/London.

⁽¹³⁾ EEA.

⁽¹⁴⁾ Eurostat.

⁽¹⁵⁾ UNECE (2018).

⁽¹⁶⁾ Rijnhout L., Stoczkiewicz M., Bolger M. (2018). Necessities for a Resource Efficient Europe.

3.6. Unsustainable consumption is driven by a complex interplay between a range of different factors. The dominant business model is linear, with most companies' growth still based on more people buying more stuff. The effective lifetime of many consumer products is shrinking⁽¹⁷⁾, while repairing them is becoming increasingly (often intentionally) difficult⁽¹⁸⁾. Alternatives to the linear take-make-dispose economic model, such as those based on material circularity, servicing or sharing, could contribute to a reduction in overall material consumption but remain peripheral and are often not able to compete with linear solutions under current conditions⁽¹⁹⁾. In fact, secondary (reused/remanufactured/recycled) products are often sold in addition to primary (new) products, resulting in environmental impacts from both the primary and secondary production⁽²⁰⁾. Promoting circularity without promoting wider systemic changes in production (in particular product design), consumption and waste prevention would therefore only be addressing part of the problem. Consumers should benefit from a true 'right to repair'.

3.7. Price is one of the most important determinants and drivers of demand⁽²¹⁾ and as long as the price of products and services does not reflect more accurately their true costs, an overall shift to sustainable consumption patterns will not be possible. The economic costs of environmental and social externalities of production and consumption are currently usually borne by tax payers and by future generations, not by the companies who market the products and services in question. Products and services offering alternative solutions with lower impacts are still often more expensive and cumbersome to access, despite proven impacts of less negative externalities by more sustainable consumption options, such as organic and Fair Trade products⁽²²⁾.

3.8. Meanwhile, increased attention is being paid to true-cost accounting methods and studies have proliferated since economist Pigou coined the term 'externality' costs⁽²³⁾. The EC published in 2008 a strategy on the internalisation of external costs⁽²⁴⁾, identifying taxation, tolls (or user charges) and, in certain circumstances, emissions trading, as the main economic instruments for internalising external costs. However, the long-term trend in Europe is that revenue from 'environmental' taxes as a share of total tax revenue is decreasing⁽²⁵⁾.

3.9. Another challenge is posed by the currently dominant interpretation of competition law, adopting a very narrow concept of consumer welfare, which prioritises cheap shelf prices for the consumer over the sustainability of products and how they have been produced. In 2013, the Dutch competition authority (ACM), in the 'Energy Agreement' case, ruled that a multi-stakeholder Energy Agreement for Sustainable Growth with employers, trade unions, environmental organisations and others for energy conservation, boosting energy from renewable sources and job creation, was not in line with competition law requirements. In 2014, ACM, in the 'Chicken of Tomorrow' case, found that a multi-stakeholder agreement to increase the welfare of chicken, such as less antibiotics and more space, and additional environmental measures, was restricting competition.

3.10. The Commission guidelines on Article 101(3) state that the objective of Article 101 is to protect competition 'as a means of enhancing consumer welfare and of ensuring an efficient allocation of resources', without any indication on whether or how non-economic considerations can be taken into account. Many operators would like to step up their sustainability projects but investments are too high to take them on by themselves. Competition law guidelines should provide more clarity to operators on how to engage in sustainability cooperation.

3.11. A recent study by the Fairtrade Foundation presents evidence that 'an unclear legal landscape around potential collaboration in relation to low farm-gate prices restrict[s] progress towards working collaboratively to secure living wages and incomes across supply chains.' The report notes 'further clarity from competition authorities on how a pre-competitive collaboration on the issue of low farm-gate prices would be assessed under competition law would greatly aid progress'⁽²⁶⁾.

⁽¹⁷⁾ EEA (2018) Waste prevention in Europe.

⁽¹⁸⁾ EEB (2019) Cool products don't cost the earth.

⁽¹⁹⁾ OECD (2019).

⁽²⁰⁾ Zink, T. and Geyer, R. (2017).

⁽²¹⁾ Eurobarometer, food safety, June 2019.

⁽²²⁾ The external costs of banana production.

⁽²³⁾ Pigou, A. C. (1920). The Economics of Welfare.

⁽²⁴⁾ EC Strategy for the internalisation of external costs, COM(2008) 435 final.

⁽²⁵⁾ Eurostat.

⁽²⁶⁾ Competition Policy and Sustainability: A study of industry attitudes towards multi-stakeholder collaboration in the UK grocery sector — Fairtrade Foundation. London, UK; April 2019.

3.12. An obstacle to a coherent approach to sustainable consumption is the current fragmentation of EU policies. E.g. regarding the implementation of the 2014 EU Public Procurement Directive⁽²⁷⁾, several Commission DGs work separately on providing guidance documents to contracting authorities ('Buying Green' Handbook by DG Environment⁽²⁸⁾, 'Buying Social' led by DG GROW⁽²⁹⁾ — in the process of being updated) while there is a separate EC notice 'Guidance on Innovation Procurement'⁽³⁰⁾. This can be highly confusing for contracting authorities in the EU that wish to take an integrated approach to sustainable procurement, as laid down in SDG 12.3.

4. Vision — Towards a comprehensive EU strategy on sustainable consumption

4.1. Policies addressing the sustainability of production processes (e.g. ecodesign), products and services, and dealing with materials that become waste, have long been a cornerstone of EU policy and there is a relatively well-established policy framework in place. However, this approach is no longer enough to achieve the scale of change required in the time available — more attention needs to be paid to the role of consumption in pursuing sustainable development.

4.2. EU-level policies targeting consumption have so far focused on citizens' roles as consumers and on using information-based policy tools to try to influence consumers' behaviour. Key examples include product eco-labelling, awareness-raising campaigns and voluntary green public procurement criteria.

4.3. These policy tools have had a limited effect on unsustainable consumption. In fact, there is little evidence to suggest that improved information about products' environmental performance, such as eco-labels, result in real-life changes in purchasing behaviour, let alone at the scale required. This is due to various rebound effects, subconscious routines and habits⁽³¹⁾. Our choices as consumers (be they household, private-sector or public) remain largely driven by price and convenience⁽³²⁾. However, it is important to highlight that the responsibility for such choices in the existing system does not lie with consumers, but rather with producers⁽³³⁾. It is the capitalist logic and the imbalance of power in the supply chain that lead to a 'race to the bottom', prioritising price over sustainability.

4.4. It is also problematic to hold citizens responsible for delivering more sustainable consumption, while most products and services do not reveal their true costs and market and societal levers remain set on encouraging increased material consumption. The responsibility of the private and public sectors to address unsustainable consumption needs to be better acknowledged and tools adopted to help ensure — in a balanced and transparent manner — that the healthier, more sustainable and safer choice is the easier and more affordable choice for citizens. The EC should continue supporting civil society-led pan-European campaigns on sustainable consumption, focusing not only on individual decisions by consumers.

4.5. Part of the reason for the nature of EU-level policy to date is the balance of policy responsibilities between the EU and its Member States. Policy tools that can be used to try to regulate demand, such as taxes, largely fall under Member State competence. Nevertheless, the EU has a central role in ensuring that Europe lives within the boundaries of the planet and has several means by which to act on unsustainable consumption. Some Member States could also benefit from further guidance (toolkit) from the EU.

4.6. Single approaches, e.g. fair or circular, are important but not sufficient to achieve sustainability. Furthermore, there is a risk that developing policy responses to unsustainable consumption in isolation of each other may create unforeseen issues down the line. A comprehensive and coordinated approach is necessary, reflecting the complexity of the issue at hand and delivering a coherent contribution from diverse policy areas, ranging from research, innovation, sectoral and industrial policies to education, welfare, trade and employment⁽³⁴⁾. Importantly, an EU strategy needs to complement — not compromise — ambitious regulatory interventions where these are necessary.

⁽²⁷⁾ Directive 2014/24/EU.

⁽²⁸⁾ EC Buying Green Handbook.

⁽²⁹⁾ EC Buying Social.

⁽³⁰⁾ EC notice — Guidance on Innovative Procurement (2018).

⁽³¹⁾ I.e. concrete behavioural changes, as opposed to people's stated willingness to change behaviour (research on the latter has been summarised by LE Europe et al. (2018)).

⁽³²⁾ LE Europe, VVA Europe, Ipsos, ConPolicy and Trinomics (2018).

⁽³³⁾ See footnote 1.

⁽³⁴⁾ EEA.

4.7. An EU-level strategy on sustainable consumption should provide an ambitious framework for Member States and for the private sector to address both household consumption and public-sector consumption. Markets will not deliver sustainable outcomes automatically. A strategy is necessary to create the regulatory context and strategic direction that is conducive to ambitious front-runner initiatives both for products and for services (as the service economy is not necessarily sustainable).

4.8. An EU strategy would also resonate with the requests from European consumers for the EU to ensure structural changes and the creation of new infrastructures to allow consumers to adopt more sustainable lifestyles⁽³⁵⁾.

4.9. Mainstreaming the role of consumption at EU level may also help avoid rebound effects and other unforeseen effects of revised and/or new policy and support a longer-term cultural shift in how we view the concept of sufficiency and the role of consumption in achieving Agenda 2030.

4.10. An EU strategy on sustainable consumption should include targets for an absolute reduction of the material footprint of European consumption. EU-level targets can provide direction, momentum and coherence both for other governance levels and for private and public innovators to help deliver the wellbeing economy⁽³⁶⁾.

4.11. Further, the justice aspect of resource use is crucial and one that has long been overlooked in EU policy⁽³⁷⁾. A strategy on sustainable consumption must be a people-centred strategy, aimed at making sustainable consumer choices accessible, affordable and appealing to all. The strategy should pay particular attention to the impact on vulnerable populations and low-income households. High-spending social groups should also be addressed accordingly.

4.12. Workers and farmers have a key role to play in promoting sustainable consumption as they are both consumers at the end of the chain but also producers at the start of the supply chain. It is essential that sustainable consumption policies therefore include a balanced approach to sharing value in and across the value chain, such as promoting living wages for workers and living income for farmers, both in the EU and in the Global South, rather than exclusively aiming to obtain short-term cheap prices for consumers. Workers, trade unions, farmers' groups and civil society organisations can also have a key role to play in monitoring compliance of sustainability and human rights standards in global value chains.

4.13. Retail can also play an important role in fostering sustainable consumption by nudging consumers towards healthier and more sustainable choices. Within this sector, the consumer co-operative business model is particularly worth noting because of its specific entrepreneurial form, which puts the figure of the consumer-member at the core of its business and democratic governance structure.

4.14. An EU strategy should include initiatives to ensure transparent and reliable information flows to support sustainable consumption, making use of the opportunities created by new and emerging digital solutions. This could also support companies who are willing to innovate but currently lack metrics and data to allow for a reliable assessment of the ecological and social impacts of everyday consumption. SMEs, start-ups and cooperatives, which are essential innovators and pilot platforms, are facing this challenge in particular. Notably, the EU also has an important role in the harmonisation and verification of green claims made on the internal market. Currently, the high volume of such claims, with various degrees of evidence to support them, is creating confusion and possibly eroding consumer confidence in the legitimacy of any of these claims. The EESC therefore welcomes the Commission's ambition, under the implementation of the new CEAP, to make a legislative proposal aiming to ensure that companies substantiate their environmental claims.

4.15. An EU-level strategy on sustainable consumption should acknowledge and foster synergies with other policy areas. E.g. 45 % of Europe's total carbon emissions come from how we make and use products, and how we produce food⁽³⁸⁾. Food systems can be the source of restoration and enhanced resilience, if food is grown, processed and consumed differently. This almost certainly means feeding cattle as appropriate to the species, and consumers eating a balanced diet with less meat, which has both climate and health gains⁽³⁹⁾. Consumption and demand play a crucial role in our ability to

⁽³⁵⁾ BEUC (2020).

⁽³⁶⁾ OJ C 106, 31.3.2020, p. 1.

⁽³⁷⁾ Rijnhout, Stoczkiewicz, Bolger (2018).

⁽³⁸⁾ Ellen MacArthur Foundation (2019).

⁽³⁹⁾ OJ C 190, 5.6.2019, p. 9.

reduce greenhouse gas emissions. Similarly, the main challenge for addressing biodiversity loss and ecosystem degradation in Europe is our multiple-planet lifestyle⁽⁴⁰⁾. The EESC also repeats its call for a recognition of the rights of nature to ensure parity with the rights of individuals and of corporations⁽⁴¹⁾.

5. From Vision to Implementation — Opportunities for action at EU and Member-State level

5.1. In the context of the post-COVID recovery, the EESC calls on the Commission, the Parliament and Member States to work closely with the EESC on developing a substantial and coordinated programme of integrated policies that will help Europe 'build back better' and create the conditions for a comprehensive EU strategy for sustainable consumption. Green recovery plans should kick-start the necessary systemic change in the mobility, nutrition, housing, leisure, energy systems and high-impact product groups⁽⁴²⁾, looking at the impact of EU consumption both in the EU and in the Global South. The following proposals are offered as the starting point for this exercise.

5.2. Legal or regulatory instruments

5.2.1. Introduce product norms (regulation) and product bans (prohibitions) fostering sustainability, i.e. those promoting product longevity. The EESC was a forerunner and already called for a total ban on planned obsolescence in its 2013 opinion⁽⁴³⁾ on product lifetimes and consumer information, and in later opinions. It highlighted that it would be useful to establish a system that guarantees a minimum lifetime for purchased products. A recent report prepared by the EP IMCO Committee goes in the same direction⁽⁴⁴⁾. In this context, the implications of increasing E-commerce, e.g. during the COVID crisis, should also be looked at.

5.2.2. Prohibit Unfair Trading Practices (UTPs), not only in food supply chains, as done by the new Directive against UTPs in food supply⁽⁴⁵⁾ chains, but also in other sectors, such as textiles, counting with high widespread UTPs, aggravated by the COVID-19 crisis⁽⁴⁶⁾. The EESC calls for a balanced implementation of the UTP Directive to avoid protecting large brand manufacturers that are misusing their bargaining power to generate generous profit margins.

5.2.3. Competition law. Allow collective bargaining between suppliers and buyers on the price (and delivery conditions) of essential commodities, specifically at the interfaces which display great differences in the concentration levels of successive elements in the value chain (e.g. fragmented suppliers vs. concentrated buyers). In the on-going revision by the EC of the Horizontal Agreement Guidelines, a section on sustainability sectoral agreements should be reintroduced, following the model set forth in the section on environmental agreements in the former 2001 Guidelines⁽⁴⁷⁾, and adapting them to the current context, including consideration being given to the European Green Deal, the Paris Agreement and SDG 12.

5.2.4. Trade rules. Make social and environmental clauses in trade agreements enforceable, with sanctions (such as targeted increased tariffs aimed at strategic sectors, excluding sectors where imposition of tariffs could lead to increased poverty in LDCs) in case of non-compliance.

5.2.5. Corporate accountability. Mandatory duty of vigilance for purchasers along their whole supply chain (creates an obligation) for sustainable supply chains as part of ensuring corporate accountability. Rather than a 'check list' approach, companies should review their purchasing practices, as advised by the OECD⁽⁴⁸⁾, and be bound by more stringent laws on lobbying control. Action should be taken against greenwashing.

⁽⁴⁰⁾ Gerritsen, E. and Underwood, E. (2019) What the Green Deal means for Europe's biodiversity. Allen, B. and Charveriat, C. (2018) A meaty challenge. IEEP, Brussels.

⁽⁴¹⁾ OJ C 81, 2.3.2018, p. 22.

⁽⁴²⁾ IEEP & FEPS.

⁽⁴³⁾ OJ C 67, 6.3.2014, p. 23.

⁽⁴⁴⁾ IMCO report.

⁽⁴⁵⁾ OJ C 440, 6.12.2018, p. 165.

⁽⁴⁶⁾ Reports by OECD, civil society and trade unions.

⁽⁴⁷⁾ OJ C 3, 6.1.2001, p. 2.

⁽⁴⁸⁾ OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

5.2.6. Mandatory usage of a standard tool to track and trace information regarding the operations performed along the value chain — who, when, where, under what social and environmental conditions (gives the technical means to fulfil the obligation). Civil society and trade unions should be involved in the development and monitoring of environmental and social standards.

5.3. *Economic and financial instruments*

5.3.1. Tax shift from labour to resource use. Use the on-going revision of the VAT Regulation to provide clear criteria on how Member States can introduce reduced VAT rates for sustainably produced products and for services that can reduce the negative impacts of consumption, such as repair or sharing services. Promote measures to prevent fiscal competition and a 'race to the bottom' among Member States and fairer taxation of the most profitable sectors and capital.

5.3.2. Polluter pays principle (PPP). The EC has started to take the approach of internalising external effects more seriously, e.g. acknowledging that renewable energies are disadvantaged as long as the external costs of fossil resources are not fully reflected in the market price or trying to implement the PPP into the transport sector. It should be acknowledged meanwhile that these approaches are reconciling the ecological with the economic dimension of sustainability, but they do not incorporate the social dimension⁽⁴⁹⁾.

5.3.3. Fair and green public procurement (GPP). SDG target 12.7 mentions the importance of coming up with actions plans on sustainable PP. Various national actions on the UN guiding principles on Human Rights plans refer to PP, and several good practices exist at national level. E.g. Denmark has seen the transition in their public kitchens towards a high level of organic produce, where budget constraints are taken into account. ICLEI is currently promoting an initiative to push for mandatory, progressive sustainable food procurement in all European schools and kindergartens. In the new CEAP, the EC announced that public buyers will be encouraged to take part in the upcoming 'Public Buyers for Climate and Environment' initiative, which will bring together buyers committed to implementing GPP. The EESC calls on the EC to include broader sustainability criteria, such as social and fair trade considerations. The EESC also supports the EC's plans to propose minimum mandatory GPP criteria and targets in sectoral legislation, and phase in compulsory reporting to monitor the uptake of GPP.

5.3.4. Development cooperation policies supporting small-scale farming, SMEs and consumer cooperatives.

5.4. *Voluntary or information-based instrument*

5.4.1. Product labelling can help pull the sustainability efforts of certain companies upwards, but labels should never be used as an excuse not to regulate behaviours and practices that are not acceptable. E.g. one of the options being considered by the EC as a follow-up to the EU communication on stepping up EU action to protect and restore the world's forests is putting in place a deforestation-free label. However, this could lead to the perception that the EU is actually tolerating products on the EU market that are not forest-friendly, which would be highly confusing. The EESC calls on the EC to develop further existing labels of environmental excellence that cover the whole life cycle, such as the EU Ecolabel, and extend them to cover the social dimension. In particular, implementing a clear labelling system on the origin and means of production would facilitate consumers' choices⁽⁵⁰⁾.

5.4.2. Bottom-up initiatives and multi-level governance. Decentralising the action at the local level through trusted actors, such as city administrations and associations, is an effective way to design local actions, getting closer to citizens and engaging them in a meaningful way. There is a growing number of local authorities that have serious sustainability strategies, which the EC incentivises through awards such as the European Green Capital, the Green City Accord or the EU Cities for Fair and Ethical Trade City Award. These patterns and trends are likely to be influenced by the current responses to the COVID-19 crisis. Pilot interventions in real-life contexts can be very instrumental in informing the design and implementation of the EU strategy on sustainable consumption and should therefore be supported.

⁽⁴⁹⁾ OJ C 47, 11.2.2020, p. 30.

⁽⁵⁰⁾ OJ C 190, 5.6.2019, p. 9.

5.4.3. Advertisement and marketing. The role of advertising and marketing should also be addressed, with a view to moving away from its highly consumerist orientation and focusing on product durability and new use possibilities, while forbidding misleading advertising.

5.4.4. Education. Proposals should be put forward to incorporate education on sustainable consumption into school curricula from an early age and to encourage private-sector education initiatives (e.g. those promoted by consumer cooperatives), to foster citizen engagement and cultural change.

Brussels, 18 September 2020.

The President
of the European Economic and Social Committee
Luca JAHIER
