



Position of the Dutch Retail Association – Detailhandel Nederland – on the consultation of the European Commission on:

Delivering more sustainable consumption and production

The Dutch Retail Association represents the Dutch council for SME-retailers (MKB-Nederland) and of large retailers (Raad Nederlandse Detailhandel).

Registered as interest representative: nr 22232504133-92

Please find hereunder our reaction to the part of the aforementioned consultation we found most relevant for the Dutch retail sector.

Preliminary remarks

The European Commission sees a pivotal role for the retail industry in achieving more sustainable consumption and production. According to the Dutch retail association retailers could indeed play an important role in steering purchasing decisions of consumers towards products with a better environmental performance. A fast increasing number of retailers embrace sustainability as an important societal trend. They choose to prioritize the selling of more environmental friendly products and spend significantly more time and effort in marketing these products.

However, retailers will by themselves unfortunately not be powerful enough to green the economy on their own. The consumer has clearly an autonomous will, which has to be respected. The retailer can only inform and seduce the consumer, but not force him. If the latter would deemed to be necessary, then the government should step in with laws and enforcement mechanisms.

Another important factor is that not for all environmental damaging products, more environmental friendly, or greener, alternatives are available at



affordable prices. This is not only just a simple matter of how markets evolve over time. In fact, the development of green products could be severely hampered by resistance of consumers and producers to buy or develop environmental friendly products.

It is also important to note that consumers could significantly differ in their attitude towards environmental friendly products. Up to now, only a small minority of consumers represents the true greens: those who buy environmental friendly products whatever they cost, or don't buy products at all. Then there is a far larger group of people who are prepared to pay a little more for a green product. They are not highly sensitive about the environment, but when it financially represents only a small additional outlay they might be persuaded for reasons of feeling good about themselves as conscious consumer. This group of people could be positively influenced by green marketing and incentives. A third, smaller group represents people who are practically only interested in price. A last group is composed of people who are poor and for that reason extremely price sensitive.

Notwithstanding such limitations, the Dutch retail association takes in principle a positive stance towards the drive for more sustainable consumption and production. It is thus in this spirit of being positive but trying to be realistic at the same time, that we have reacted to the consultation of the European Commission on Delivering more sustainable consumption and production.

Below we will briefly set out our answers to the questions we considered to be most relevant from the retailers perspective.



Option:

Set up the requirement that a reasonable percentage of products that are on the retailers' shelves, in selected priority categories, would qualify as meeting pre-determined environmental performance benchmarks.

Opinion:

Slightly effective

Justification:

Retailers have to fulfill the demand of the consumer. Some influencing of this demand by the retailers is indeed possible, but only up to a point. This means that there always has to be delicate balance between what the retailer offers and what consumers want to buy. In case at any moment in time the offer in the retail shop and consumer demand are severely out of balance, the retailer has only one option and that is to dump the unsold stock, quite often at a steep loss. In our view this idea of imposing what at a certain moment must be on the shelves, would therefore not be very workable.

Option:

Provide incentives to obtain that a reasonable percentage of products that are on the retailers' shelves, in selected priority categories, would qualify as meeting pre-determined environmental performance benchmarks.

Opinion:

Slightly effective

Justification:

Incentives for example in the form of subsidies have the tendency to create only short term effects. Often incentives lead to the advancement of demand. The moment the subsidy stops, demand immediately tumbles. This means that



subsidies in general do only have a long term effect when the subsidy itself is long term. Another important aspect of incentives is how they are structured from an administrative point of view. Only an easy and simple way of payment of the subsidy will be effective, otherwise consumers and retailers will not take the trouble to claim the subsidy.

Option:

Incentivize the use of 'green marketing' tools by retailers to promote better products and inform consumers on the environmental features of the products they sell.

Opinion:

Slightly effective

Justification:

A sizeable number of retailers is already taking its responsibility with regard to promoting better, greener products and informing consumers about the environmental features of products they sell. This makes us somewhat skeptical on the added value of incentivizing the use of 'green marketing' tools. We don't think that this would have a substantial effect.

Option:

Encourage and incentivize retailers to phase out from shelves less environmentally friendly products.

Opinion:

Not effective at all

Justification:



We have no idea how this would work in practice, apart from for example European legislation on phasing out traditional light bulbs over a couple of years in favor of a new generation of energy-efficient lighting. Under the rules manufacturers and importers can no longer from a certain moment in time sell clear incandescent light bulbs. However, shops may continue to sell bulbs already in stock. We do not see how such a scheme could work on a voluntary basis, because then there will probably always be a number of importers, producers and retailers who will continue to trade the relevant category of less environmentally friendly products. Moreover, we have experienced that more realistic timelines on phasing out are needed to avoid distortion of the retail market.

Option:

Enhance the role of existing multi stakeholder platforms, such as the EU Retail Forum for Sustainability, to deliver consumption objectives (for example the phasing-out of single use carrier bags) and promote voluntary agreements or formal covenants to recognize results achieved by actors taking part in the platforms (e.g.: adoption of a Code of Conduct).

Opinion:

Slightly effective

Justification:

The charm of existing platforms as the EU Retail Forum for Sustainability is that they are market driven and very much based on own commitments of companies, reporting, transparency and sharing best practices. From an environmental point of view more focus on the production and consumption of those products with the most potential for environmental improvement could be considered. Against this backdrop symbolic battles in terms of



environmental gains as the phasing out of single use carrier bags should be avoided.

Option:

Other measures: fiscal measures such as a lower VAT rate on environmental friendly products

Opinion:

Effective

Justification:

As earlier said, a lot of consumers tend first and foremost to watch their wallet and look at price. Making green products objectively cheaper is therefore an effective manner of boosting the uptake of these products.

Option:

Set up a scheme for monetization of some environmental impacts identified in the life-cycle assessment.

Opinion:

Effective

Justification:

If for example monetization of some environmental impacts identified in the life-cycle assessment means that the price of products which are environmental friendly decrease (substantially) in relation to less greener products this could be effective.



Option:

Apply VAT (and/or other product/commodities indirect taxation) on the basis of environmental performance of products, by eliminating reduced rates for environmental harmful products.

Opinion:

Effective

Justification:

If this causes a rise in the price of less environmental friendly products in relation to greener products this could be effective. Of course much would depend on how substantial the price would differ.

Option:

Recommend Member States to incentivize and sustain private consumption credit schemes aimed at supporting sustainable purchasing by final consumers.

Opinion:

Effective

Justification:

Credit schemes could be helpful in boosting the uptake of greener products, but to have a substantial effect the financial stimulus should be accordingly.

Option:



Create new financing tools at the EU level to fund and sustain environmental friendly purchasing (e.g. vouchers or eco-cheques for the final consumer to co-fund the purchase of more resource efficient products).

Opinion:

Slightly effective

Justification:

Such tools could be helpful in boosting the uptake of greener products if the financial stimulus for the final consumer is substantial.

Option:

Promote the creation of new financing tools at member state level to fund and sustain environmental friendly purchasing (e.g.: vouchers or eco-cheques for the final consumer to co-fund the purchase of more resource efficient products).

Opinion:

Slightly effective

Justification:

Such tools could be helpful in boosting the uptake of greener products if the financial stimulus for the final consumer is substantial. However, some caution is necessary. Especially in border regions differences in financing tools between countries could lead to market distortive effects, detrimental to retailers in those countries were governments abstain from such schemes.

Option:



Introduce awards for best products (from sustainability, attractiveness, innovation and cost efficiency points of view) in the framework of an existing EU business/consumer award scheme, e.g. the EU Business Award.

Opinion:

Slightly effective

Justification:

There are already many awards, labels and so on. One should be careful to create (not even more) confusion.

Option:

Provide incentives for consumers and other end-users not to consume (e.g. for using public transport instead of buying a new car).

Opinion:

Not effective

Justification:

This will not work, unless the incentives are really extremely negative (such as doubling via taxation the total driving cost of a car per kilometer. This would certainly help to boost the use of public transport, but would be politically suicidal). As retailers we are in general not in favor of measures targeted at no consumption. The goal should rather be to realize a shift to more greener consumption. Against this background it should also be noted that consumption is a key driver for growth and jobs. So, what we need is more, but greener consumption.



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For any questions and/or comments please contact the Brussels office of
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