



Set-up of the EU product database for Energy-Labelled products - conditions for success

April 2018

We welcome the development of a European product database for Energy-Labelled products, which has the potential to become a highly valuable tool to monitor products sold on the European market and assess the impact of regulations on these. We believe that the architecture of the database will condition its success, and needs to fulfil the following conditions for it to be useful **for market surveillance authorities (MSAs), consumers and policy makers:**

- **Information on models' similarity, including across brands**, is essential for the database to positively impact the daily work of MSAs. Today, MSAs devote a lot of resources to market understanding. A database without information on where the product is sold or without indications on which models are similar from the Energy Label Regulations' perspective implies a loss of time and resources. MSAs from different Member States would continue inspecting technical documentation and testing equivalent models without this being flagged up.
- **EAN codes need to be a mandatory field of the database**, available in both its public and private parts (i.e. *all* EAN codes for a given model identifier). This is currently the only way for Apps targeting European consumers to be developed.
- The way the database is maintained in the long run will condition its ability to meet the objective described in the Energy Labelling Framework Regulation, i.e. "*provide the Commission with up-to-date energy efficiency information for products for reviewing energy labels*". **Ensuring data accuracy** will be key in this regard.

Our position is detailed below.

1. Market Surveillance Authorities & model identification

For the last 12 years, Topten¹ has been present in 9 to 17 countries, analysing product data of the most energy-efficient products, but also undertaking market monitoring exercises for the whole European market. With this understanding of the European market for energy-related products, we would like to highlight the following:

Though the European market is covered by the same European regulations, and most suppliers are able to offer their products across Europe, the European Single Market is split into 28 markets with strong national preferences due to:

- Technical reasons, e.g. type of plugs, type of gases

¹ www.topten.eu and www.topten.eu/documentation

- Organisational reasons, e.g. number of subsidiaries with different internal procedures on how to name products and to present detailed product information, variety of importers
- Marketing reasons, e.g. Southern Europe uses more top-loading washing machines than Northern Europe.

The number of products available on the European market is high. Orders of magnitude, according to discussions with [GfK](#), are in the tens of thousands per product category. For example, in the summer of 2017, in 18 European countries, there were around 28 300 TV models *sold* on the market (and more than 250 000 model references in the GfK database). In 17 countries, there were 18 500 washing machine models *sold* (and more than 170 000 model references in the GfK database). Figures at national level show the complexity for consumers: in France, in December 2017, 1499 references of dishwashers were available and sold at least once, 2026 TVs, 2794 refrigerators, 590 freezers, etc.

The number of products in a database is not an IT issue but it obviously makes market understanding more complex for MSAs, consumers and policy makers. It gets even more confusing when considering that manufacturers each have their own organisation (brands are owned by different companies according to countries) and their own policy regarding EAN codes² that are crucial for retailers.

One product having one test report and one Energy Label can be sold under a *large* variety of model identifiers, to cope with, for example, a different door shape for a refrigerator, a different range chosen by two different subsidiaries, differences in proposed dishwasher programmes (except the one used for the Energy Label), etc. Tipten research shows that for one basic dishwasher model, it is possible to find ten "Equivalent models" bearing other different identifiers, and each of these models has at least two different EAN codes. Hence, there can be at least 22 related EAN codes for only one model (from the Energy Labelling Regulation perspective).

⇒ For these reasons, it is absolutely key to provide Market Surveillance Authorities with the list of similar models per manufacturing group.

2. Consumers' needs: risks & opportunities

In July 2017, the Commission presented the database objectives as follows:

- Build a tool to support market surveillance
- Make it work without creating unnecessary burden for industry
- (In last position) Provide a tool that can be used for consumers and environmental policy.

While we support the first two objectives, we would like to highlight the importance of the third one.

The Energy Label is one of the most well-known policy instruments by European citizens: the public part of the database should either be useful and act as a showcase or should *not* be advertised to consumers. Consumer disappointment, if the database does not provide relevant data or is cumbersome to use, would severely affect the entire European product policy and could be used by Eurosceptic media.

² The International Article Number (originally European Article Number) generally includes the country of origin, the manufacturer and a product number.

National preferences described in Section 1 indicate that there is no such thing as a "European consumer". It is of no use, and even frustrating, for e.g. a Latvian consumer looking for a refrigerator to know which products are available in Europe but are not sold, or not anymore, in Latvia.

Today, all retailers in Europe work with EAN codes, in addition to model identifiers. When an App proposes links to a given product available in on-line shops, there are only a few, but key information fields that are automatically exchanged between the App developer and the retailer or its so called "affiliate network": type of product / brand / model identifier / EAN code (and may be: in stock / delivery fee included). Without the EAN code as a mandatory field in the database including the possibility to search by EAN and to have several EANs leading to the same product, retailers will not be able to match the products in the database with the ones in their range, offered in their shops. As a result, consumers will not be able to use the database if they cannot immediately see if they have access to the product or not.

UNEP recommends³ that the countries where the product is sold is indicated in product databases. We support this but acknowledge that this could be challenging for a database covering 28 countries. Should it not be feasible, it reinforces the need to use the full potential of EAN codes to have a chance to reach consumers and involve retailers, possibly through App developers.

Likewise, for consumers, it is key that the database speaks "their language" in terms of product subcategories that make sense to them (e.g. "combined fridge freezer" – not "category ABC according to EU regulation XYZ" - which is however useful for MSAs), and of vocabulary to be used by the database for its functionalities targeting the public⁴.

⇒ **The regulation states that the description of the model should be "*sufficient for it to be unequivocally and easily identified*" – EAN codes are the tool to reach this objective in our opinion and should be a mandatory field of the database, available in both its public and private parts. Having this information would be beneficial for consumers, retailers but also MSAs.**

Furthermore, App developers can transform a database for specialists into a communicative tool for consumers. However, we should not end-up in a situation in which any Apps could be seen as an "official" source because *using* data from the EU database while at the same time *limiting* data (e.g. showing only their partners' products or European models and products not manufactured in the EU) or *transforming* the data (e.g. bypassing the label and promoting a new confusing score from 0 to 100, using stars, etc.).

On the contrary, these **Apps should be developed under a strict framework designed by the European institutions themselves**, using the wealth of experience already acquired via the Horizon 2020 programme funded by the European Commission, such as the recent Digilabel or Topten Act projects. There should be strict requirements for the Apps accessing the database so that they commit to the idea of an unbiased public service of information (e.g. present the label first, preserve the scale format, colour and integrity of information, no cherry-picking of information, no mimicking, no promotion of other scoring system, etc.).

³ Developing lighting product registration system, Guidance note, February 2016, UNEP & Australian Aid.

⁴ For example, will it be clear to the public that the function "Show all models" will actually show the archive of models not available anymore on the market?

Likewise, we advise that if Energy Labels are to display QR codes, these lead to **webpages managed by the European Commission**.

3. Policy making & data accuracy

Management

Databases need to be managed in the long run, which implies having human and financial resources to host and manage registrations, take care of hardware and software maintenance, provide technical support for users, report errors, maintain and update communication systems for App developers, upgrade the system for future uses, possibly produce data analysis, etc. Management tasks can be contracted but administrative and technical checks are still needed.

A lot of databases in the world charge fees for product registration with two main purposes: to secure funds for good management, and also to avoid the database becoming a huge and inaccurate catalogue, by prompting stakeholders to keep it updated. As described by CLASP in their September 2017 memo, the registration fee in Australia is currently about AUS \$650 (approx. €430) per registration for small products (white goods), and even more for larger products. Despite that fee, the number of active models identified from the analysis of GfK data⁵ is significantly lower than the number listed on the registration product database⁶ - about 30% of all registrations are for products that are not reported in GfK sales data for Australia. This is a problem for consumers who may see products that are actually not available, and for policy-makers who would wrongly assume that the database pictures the market.

Databases need to be controlled and, it is not clear at the moment how the responsibility is going to be split between the European Commission and Market Surveillance Authorities, what sanction will be applied in case of inaccurate data, and by whom. For example, who will monitor whether or not registered products are effectively sold on the market, if products are registered twice (e.g. by a manufacturer and by an importer), or if some products are on the market but not registered at all?

The existence of this database needs to be known by all stakeholders. We call for a communication plan presenting the database obligations to manufacturers/importers and going beyond the membership of European Associations.

Ability to evolve

Besides the management aspect, the EU product database should also be able to evolve over time, along with the Ecodesign & Energy Labelling policies. This is key for the integration of new products, upcoming resource efficiency requirements, revisions of test methods and regulations, and possibly an extension of the database to include products covered by the Ecodesign Directive.

⁵ <http://www.energyrating.gov.au/document/whitegoods-efficiency-trends-1993-2014-appendices>

⁶ http://reg.energyrating.gov.au/comparator/product_types/28/search

Data accuracy

Since one of the objectives of the database is to help decision makers make informed decisions based on market evidence, and gain market insight for the coming decades, it is essential that the data present in the database is accurate and up-to-date.

To ensure data accuracy, we recommend that:

- Product information is reconfirmed every year (with an automated reminder) as is done in the US, *and* after a given time (the current EU plan is after the estimated life-time of the products): this way, manufacturers could be accountable for products that are reconfirmed after a year though not on the market.
- Manufacturers entering data into the database are not able to overwrite EEI or energy class results. In Australia, the system automatically calculates the EEI and it is impossible to overwrite the results, whereas so far it is only foreseen that the EU database will emit a warning message to which suppliers would not be obliged to react. Should the option to overwrite results be maintained, **Market Surveillance Authorities should be alerted about the overwriting.**
- Finally, we highly recommend the EC to dedicate **an annual budget to purchase sales data**, as done in Australia. Web-crawling solutions could also be explored as long as they provide sales data. This is key in order to cross-check and enrich the information coming from the database, and because, without clear information on dates of "availability on the market", it seems easy to "dilute" the market and make the database inoperative for market assessments.

Contact:

Topten International

Sophie Attali, Sophie sophie.attali@topten.info

ECOS – European Environmental Citizens' Organisation for Standardisation

Chloé Fayole, chloe.fayole@ecostandard.org