



## PPA comments on proposed recast of Energy Labelling Directive



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### Proposed recast of the Energy Labelling Directive

The European Commission has proposed to "recast" the Energy Labelling Directive (92/75/EEC), which currently requires energy consumption information to be given only for certain household appliances, at point of sale. The proposed wording has been considered by the European Parliament, and the Commission is expected to provide the latest iteration of the wording to stakeholders in the coming weeks.

### Proposed changes affecting magazine, journal and business media publishers (magazines)

The proposed changes have two main effects:

1. At the moment energy labelling is only required at point of sale and on point of sale literature. The recast directive proposes to extend this requirement to all print advertising.
2. The recast will widen the range of products which, when advertised, will require compulsory energy information to be displayed. In short, if an advertisement makes any statement about energy, then compulsory information will be required in that advertisement. Such information will no longer be limited to the specified list of electrical products, such as refrigerators, washing machines and tumble dryers; products such as windows and doors which might mention energy efficiency through insulating qualities, would also be caught.

### PPA view

The magazine industry performs an important role in informing and educating the public on many issues, including environmental issues, climate change, recycling and energy-related matters. This role includes editorial ranging from general coverage in popular publications, to more specialist commentary in academic and business titles.

It is essential that magazines remain free to report on and produce editorial that educates and informs the public, and questions processes and practices that may harm the public. Magazines maintain the public's interest through independent and trustworthy journalism, presented in innovative and engaging ways.

This editorial is paid for in two main ways, by cover price and through advertising. A very large proportion of the industry's revenue derives from advertising (around 30% for consumer titles, and more than 50% for business magazines: see *The Advertising Statistics Yearbook 2008* (Advertising Association, 2008) and *Global Entertainment and Media Outlook 2008-2012* (PwC, 2008)); without advertising, valuable, quality editorial content would not be produced. The magazine industry needs to be vigilant in case of threats to this revenue, even when a threat may be the unintended consequence of actions taken with the best of intentions.

### Advertising in the printed media

The task of any advertisement for a product or service is to present the beneficial qualities of that product or service to the consumer. In the modern world, the consumer's decision to purchase will, in the majority of cases, not be made solely on the basis of the advertisement, but from a range of additional information derived in many ways. The aim is that advertising should be attractive; therefore anything which is likely to lead to the advertising appearing less attractive is likely to drive advertisers away. The magazine industry already faces market-led funding threats, as

print advertising is driven online and towards aggregators. Most magazines also have digital offerings which benefit from advertising online, but there is little doubt that magazines in print require their advertising revenues to be protected and not threatened.

## **Information on energy consumption for consumers**

We believe that the appropriate place for energy information is on the products themselves at point of sale, and on sales literature distributed at point of sale. The existing Energy Labelling Directive provides for this.

The proposed recast of the Energy Labelling Directive attempts to extend the existing requirements that apply to point of sale, to require print advertisements also to carry energy information. This will not only reduce the positive presentation of the product advertised, but will also risk tainting the impact of the energy information, as the information may not be viewed as independent of the item advertised. The existing regulations are effective both for traditional “showroom” point of sale, as well as for online and distance sales, and ensure that adequate information is provided to the consumer at the most appropriate place: point of sale.

If advertising’s effectiveness or attractiveness is reduced through the placing of mandatory information, this will inevitably lead to a reduction in advertising revenue. Some of this impact will be reflected in the capacity of the industry to offer quality reporting on environmental and climate change issues.

It is essential that in order to maintain and encourage a free press, inclusion of mandatory material in printed media must be kept to an absolute minimum. From a commercial perspective, it is this freedom that supports the “level playing field” that has allowed quality press to flourish in the UK and Europe.

The current proposals that mandatory energy information be required in print media advertisements will put the printed media at a particular disadvantage, since it will not apply to other media such as television or radio. However, even if the requirement was extended to all media, print media would be significantly disadvantaged, because in “transient” broadcast or online media, energy efficiency (and other public service information) can be added to an advertisement in a manner that allows it to be clearly differentiated from the advertisement itself. This can be achieved through the use of different voices, sound imaging and other contextual variations in production. Printed media cannot accommodate this; inclusion of mandatory information will inevitably encroach into the space available for other editorial, pictorial or advertising content. Print media will, by comparison to other media, suffer disproportionately as a result of these measures. It is hard to see the justification for the commercial print industry being forced to carry the burden of accommodating what is, in effect, public service information.

The “non-transient” nature of magazines poses an additional problem, in that once published, information contained within magazines cannot be updated. Magazines have a varying lifespan once sold. Where magazines are collected in such places as waiting rooms, or held in reference collections, energy information will become out of date as magazines age, with the consequential effect that the public risks being misinformed and confused.

## **In summary**

The magazine industry fully supports the fight to reduce the effects of human activity on the environment, and is committed to providing high quality editorial coverage of the issue to educate and inform readers. Further, thanks to the efforts of PPA member magazine publishers, international recycling targets for the magazine industry have been achieved in the UK four years early.

The introduction of mandatory energy efficiency information in advertisements will reduce the ability of PPA members to meet this commitment to fight environmental damage. Printed advertisements are not an effective place to provide detailed, energy-related information to consumers: legislation already provides for this information to be given as appropriate, particularly at point of sale.

A recast of the Energy Labelling Directive should provide for increased consumer awareness of energy-related information when making purchase decisions, but this should not come at a cost to the print media industry, which is contributing to the efforts to inform and educate consumers on this issue. The print media should not be prejudicially treated by comparison to broadcast media.

## Conclusion

The magazine industry in the UK, as elsewhere in Europe, is funded to a significant degree by advertising revenues. The correlation between advertising funding and quality publications is such that any measures that negatively affect advertising will have a directly negative effect on the quality and availability of editorial content.