B/S/H/

New EU rules for energy labelling in advertising

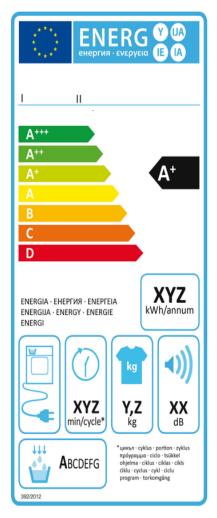
Commission Notice of 15 July 2024

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Legal Background



Old energy label for ovens, hoods and tumble dryers

- Some home appliances as, i.e. ovens, hoods and tumble dryers still have the "old" energy label (with energy efficiency classes (EEC) up to A+++) (note: for tumble dryers a new energy label will apply as of July 1, 2025).
- According to the old rules for energy labelling, advertisers shall make reference to the EEC in advertising where energy- and price-related information is provided.

New rules on energy labelling based on Frame Regulation

- Since 2021, rules on energy labelling have been updated and rescaled for some products (e.g. dishwashers, fridges or washing machines) based on a EU Frame Regulation from 2017.
- According to the Frame Regulation, advertisers shall refer to the EEC and the range of available classes in visual advertisements and technical promotional material; in the new rules for energy labelling it is specified that the following picto shall be used for the reference:

European Court of Justice Decision from October 2023

- The European Court of Justice (ECJ) decided in October 2023 on energy labelling in advertising for oven and hoods.
- The ECJ ruled that the advertising requirements result directly from the Frame Regulation as long as there is no new energy label / rules available for these products
- Consequently, advertisers must not only refer to the EEC, but also to the range of applicable classes in visual advertisements for such products
- Reference shall be made in the same way as adopted on the energy label or in an equivalent presentation (margin of discretion of advertisers)

The complete ECJ decision can be found here



EU Commission Notice of July 15, 2024

- The EU Commission has published a notice to specify and clarify the advertising requirements defined by the ECJ
- All products having an "old" energy label are affected (i.e. ovens, hoods, and tumble dryers etc (the latter until 7/25))
- Whenever possible, reference to the energy label and the range should be made using the following EEC picto:



- The labelling requirements are not only relevant for visual advertising / technical promotional material but also for e-commerce
- Reference shall be made to the range displayed on the energy label (even if partly excluded by ecodesign); no "greying out"
- The new requirements should be implemented as soon as possible; enforcement is recommended only after 6 months (for pre-existing printed material only after 12 months).

The complete Commission notice can be found <u>here</u>



Consequences for Marketing @ BSH



- Although the Commission notice is not legally binding, it should be followed and implemented by BSH!
- Already now BSH makes reference to EEC / range of classes in advertising for ovens, hoods and tumble dryers (in compliance with the ECJ decision), but not by means of the picto specified by the Commission
- What has to be changed?

BSH shall adapt the reference to EEC / range for the affected products and use the picto

- advertisings (incl. websites, SoMe content, videos, print adverts, catalogues)
- technical promotional material and
- E-commerce

More information about the use of the EEC picto can be found <u>here</u>

Summary

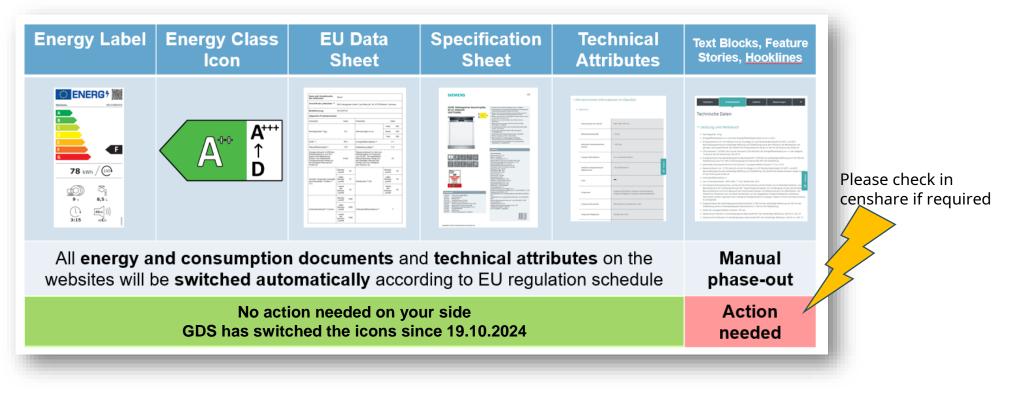


- Since 2021, energy labelling rules have been updated and rescaled for some product categories (as e.g. cooling products, dishwashers etc.) so that the range is never higher than 'A'.
- For products that have not yet been rescaled (as e.g. ovens, hoods, tumble dryers etc), however, the most efficient class can vary between 'A' and 'A+++'.
- Following the Commission notice, it is no longer sufficient to refer to the energy efficiency class of these products in text form but it is now necessary to display the following picto:
- This means: for those products
 - the current picto
 A is shown,
 - the new picto
 Any additional changes are not necessary!
- As on the Energy Label itself the scale is shown, the picto on the Energy Label itself doesn`t need to be changed



Upcoming Changes of Picto

Updated Energy Class Icon inside the Product information management (PIM) touchpoints



- Please note: The design of the EEC picto is mandatory and must not be changed!
- The size of the EEC picto shall be such that the arrow is clearly visible and legible.
- The EEC picto has to be shown whenever a specific product is advertised (in our brochures, on our websites, in ads, POS material, social media, TV, press releases etc.). This is usually the case if a concrete product VIB is mentioned.
- If the advertising does not relate to a specific product, but only to a product range or a feature, the EEC picto does not have to be placed, even if a certain product is shown as an example in this context.
- Please note: The EEC picto must be shown regardless of whether price information for the product is shown



Legal Risks of a Violation

A violation of the marketing requirements may be legally challenged by e.g. competitors (unlikely at this early stage) or consumer protection organizations.

Depending on local law, such lawsuits, injunctions or government inquiries may result in:

- The obligation to stop using the advertising without the new picto
- The affected marketing material must no longer be used and has to be destroyed/adapted
- Also possible: Claims for compensation of damages (e.g. by our dealers) / costs of the proceedings
- Fines and possibly even criminal sanctions cannot be fully excluded
- Reputational damages



Question:

How we deal with marketing material that has been published before the switch to the new EEC picto?

Legal Recommendation:

Already produced communication materials can still show the EEC in text form. As the European Commission recommends to update pre-existing printed materials within the next 12 months you can continue using your newly printed brochures. However please keep in mind that materials which shall be used for a longer time (e.g. POS-materials, materials displayed in your showrooms etc) shall be replaced in time.

Question:

Is there a minimum size of the new EEC picto?

Legal Recommendation:

There is no minimum or exact size defined for the new EEC picto. It has to be clearly visible and legible.

Question:

If a specific SKU is displayed and the new EEC picto is integrated next to it: Shall information about the EEC and the scale also be included in the asterisk text?

Legal Recommendation:

If the new EEC picto is displayed correctly there is no need to add any further information in the asterisk text

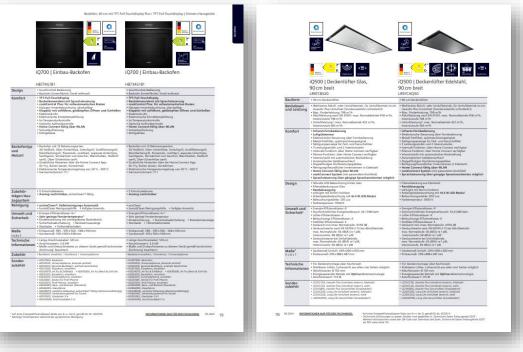
Question:

Shall we include the new EEC picto also in marketing material for our dealers or only in marketing material for end consumers? Legal Recommendation:

The new EEC picto has to be included in any advertising regardless of whether they are used for end consumers or dealers.

Question:

Does the new EEC picto has to be replaced in brochures, e.g. on product pages where specific products / SKUs are advertised?



Legal Recommendation:

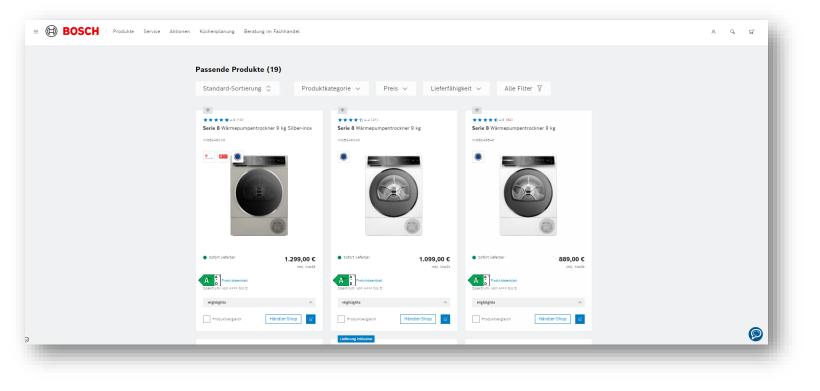
Yes. The updated EEC picto must be displayed whenever a concrete product (SKU) is advertised. Thus, a picto must be placed for each product. It can be placed in the table or beside / below the product picture.

Question:

Do I have to replace the new EEC picto on our websites?

Legal Recommendation:

According to the new EU rules, the new EEC picto must also be shown on our websites.



Question:

A banner is displayed at the OTTO website and links to Bosch dryers. Is it necessary to place the new EEC picto? Legal Recommendation:

In general a EEC picto has to be placed in a banner if it includes an advertising for a concrete product. This is not the case of the displayed device stands as an example for washer dryers in general. So it depends if you promote a specific SKU or a product (range) / feature in general.

Question:

When a post is created: do I have to place the new EEC picto or can I just write the EEC in a text?



Legal Recommendation:

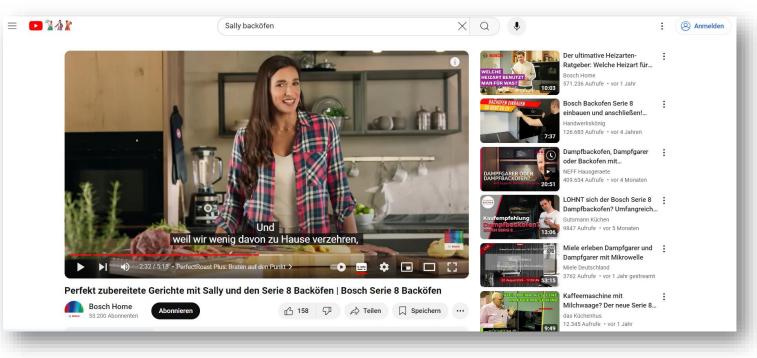
A EEC picto, thus also the updated EEC picto must be displayed whenever a concrete product / VIB is advertised. This is the case if a concrete product is mentioned. If so, the EEC picto is mandatory, just placing the info concerning the EEC in a text is not sufficient. Otherwhise EEC picto doesn't have to be placed.

Question:

Do I have to use the new EEC picto in a youtube video although I added the info about the EEC already in the copy?

Legal Recommendation:

Yes. Also in this case the new picto has to be placed. If it's technically not possible to add the picto into the copy, the picto has to be added to the video.



Question:

Do I have to use the new EEC picto in a press release when I refer to a specific product / VIB – but actually not talking about energy efficiency? Legal Recommendation:

Yes, a press release should also be viewed as visual advertising within the meaning of the EU regulation. Only if the press release does not refer to a specific product / SKU but only to a feature or an entire series the new EEC picto is not needed.

Question:

Do I have to use the new EEC picto also into films. For example into product films and / or even in TV spots?



Legal Recommendation:

All moving images (films) are viewed as visual advertising within the meaning of the new EU rules. Thus, whenever a specific SKU /product is mentioned or represented the new EEC picto has to be placed. Only if the film does not refer to a specific product / SKU but only to a feature or a series of SKUs or an entire product range the new EEC picto is not needed.

Question:

Do we have to use the new EEC pictos also in the presentation of our analog dealer trainings and / or virtual classroom trainings?

Legal Recommendation:

Yes, the pictos are mandatory in all product advertisement, i.e. not only end consumers but also for dealers.

Question:

Do I have to use the new EEC picto in an advertising where the product / SKU is not communicated in the text but a logo with a test result is shown (e.g. Stiftung Warentest)? Legal Recommendation:

The test result always refers to a specific product / VIB. Therefore, if a logo with a test result is shown this is always considered as an advertising of a specific product so that the new EEC picto must be placed.

Question:

Must Amazon use the new EEC pictos on its landing page and on its product list pages where specific products / SKUs are shown?

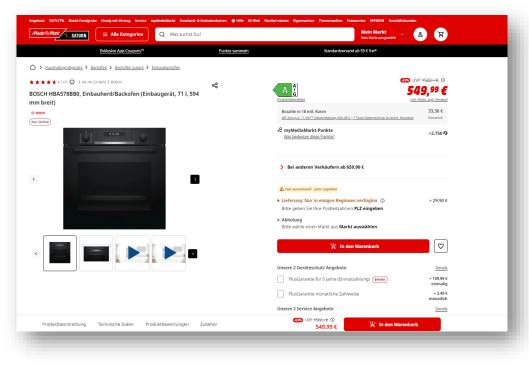


Legal Recommendation:

Yes, the marketing requirements apply to both, suppliers and (online) dealers. Please note: We can support our dealer to comply with the legal requirements, but we have to make clear that we do not provide legal advice for them.

Question:

Who is liable for the correct use of the new EEC picto on websites of dealers '/cooperation partners? Are we obliged to do something?



Legal Recommendation:

We as supplier as well as the dealer are obliged to show the required EEC picto. Are we talking about a gealers's website? If so, the dealer alone is responsible for the content and not BSH.

However, when we provide the marketing material to our partners (dealers/cooperation partners) we have to ensure that the marketing requirements under the new EU regulation are met.

Please note: We can support the dealer to comply with the legal requirements, but we have to make clear that we do not provide legal advice for them. Legal Support

If you are in doubt or have further questions regarding the marketing requirements of the new EU rules, please contact

- Your local legal department
- Or at MCW you can contact GLE-SM:
 - For Bosch and Gaggenau: Susanne Dilly
 - For Constructa and Neff: Christiane Richrath
 - For Siemens: Lars van Bruinessen