

ENVIRONMENTAL LABELLING - AN OVERVIEW-



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FOREWORD

This paper is a compilation of several documents. It is a summary of reports, facts sheets and internet data that can be used as a source of information providing an overview on labels. It will introduce the reader to ecolabelling, fair trade and other topics about label use. The references of the documents used are available in the annex.

Note that some organisations refer to their ecolabelling initiatives as "programmes" while others use the term "schemes". In this paper, the term "programme" is predominantly used.

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INTRODUCTION

Labelling is an important market tool constituting an integral part of communication between actors in society (i.e. businesses, public authorities and consumers). Although ecolabels are based on voluntary initiatives, in some markets they are becoming an important factor for competition. Ecolabelling helps foster innovation in technological development, management and marketing. Moreover, ecolabels protect innovative manufacturers from 'free-riders' whose products and processes bear little commitment to environmental protection. Various labelling programmes exist which are managed by governments, private companies or non-governmental organisations.

Ecolabels provide consumers with the opportunity to choose more environmentally friendly products and in so doing influencing the market to produce less harmful goods. Labels, providing consumers with environmental and ethical information, persuade them to opt for those products over others available in the market.

For industries, labelling is a powerful tool which when used effectively and responsibly enables them to highlight the benefits of their products in comparison to those of their competitors. Given that ecolabelled products sell better, it becomes important for manufacturers to make environmental improvements to their products and manufacturing methods.

LABEL HISTORY

The origins of ecolabelling can be found in growing global concern on the part of governments, businesses and the general public for environmental protection. Ecolabelling was identified as a significant theme in Agenda 21 at the UN Conference on Environment and Development in 1992. More recently, the Johannesburg Plan of Implementation, concluded at the World Summit on Sustainable Development in 2002, recognised the importance of consumer information related to sustainable consumption and explicitly noted the continued need to work in this area.

In developed countries, as commercial enterprises recognised that environmental concerns could be translated into a market advantage for certain products, a number of environmental declarations and claims emerged in association with certain products. These included labels with such claims as "recyclable", "eco-friendly", "low energy", and "recycled content".

These types of product labelling aim to attract consumers who are environmentally aware and seeking to make informative purchasing decisions. However, these labels also have the potential of confusing consumers. In the absence of guiding standards and investigation by independent third parties, consumers could not be certain that the companies' assertions guarantee that each labelled product was an environmentally preferable alternative.

This concern with regard to credibility and impartiality led to the formation of private and public organisations providing third-party labelling. In many instances, such labelling took and continues to take the form of ecolabels awarded by programmes operated at national and regional (i.e. multinational) levels.

1. What is Ecolabelling?

“Ecolabelling” is a voluntary method of environmental performance certification and labelling that is practised around the world. An “ecolabel” is a label which identifies overall environmental preferences of a product or service within a specific product/service category. An ecolabel can broadly be understood as the use of labels to inform consumers that a product is more environmentally friendly relative to other products in the same category. In contrast to “green” symbols or claim statements developed by manufacturers and service providers, an ecolabel is awarded by an impartial third-party in relation to certain products or services that are independently determined to meet environmental leadership criteria.

Ecolabels are increasingly based on an environmental policy tool known as life cycle assessment (LCA). LCA is a method in which the environmental effects of a particular product are evaluated by analysis of the inputs and outputs of materials and energy and other important factors related to the product. LCA informs the consumer about real reductions of environmental stress and not merely the transfer of environmental harm in stages of the product’s life cycle. Though many existing ecolabelling programmes may not apply a comprehensive LCA. Ecolabelling schemes will typically involve a sequence of procedures on criteria setting, testing, monitoring and certifying. Criteria for the labels differ in terms of scope and stringency.

2. Types of ecolabel

There are many different voluntary (and mandatory) environmental performance labels and declarations. Different labelling programmes are run by governments, private companies and non-governmental organizations. The International Organization for Standardization (ISO) has identified three broad types of voluntary labels described here after (& 2.1).

2.1. ISO Definitions

The ISO has undertaken efforts to attempt to standardise the principles, practices and key characteristics relating to three major voluntary environmental labelling types (see below).

Type 1 <i>Environmental labelling</i>	A voluntary, multiple-criteria based, third party programme that awards a license authorizing the use of indicating overall environmental preferability of a product within a particular product category based on life cycle considerations. Most existing ecolabelling schemes can be attributed to Type 1.
Type 2 <i>Self-declaration claims</i>	Informative environmental self-declaration claims. These are environmental claims made about goods by their manufacturers, importers or distributors. They are not independently verified, do not use pre-determined and accepted criteria for reference, and are arguably the least informative of the three types of environmental labels. A label claiming a product to be “biodegradable,” without defining the term, is a Type 2 label.
Type 3 <i>Environmental declarations</i>	Voluntary programmes that provide quantified environmental data of a product, under pre-set categories of parameters established by a qualified third party and based on life cycle assessment, and verified by that or another qualified third party

Table 1: ISO Definitions of Environmental Performance Labelling

General principles of eco-labelling, based on ISO 14020, include:

- ✦ Information provided through ecolabels should give relevant, accurate and understandable environmental aspects of the product/service
- ✦ Procedure and requirements should not create unnecessary barriers to trade
- ✦ Scientific methodology that is verifiable should be used to support the claims
- ✦ Information concerning procedure, methodology and criteria should be made available to all interested parties

- ↗ All relevant aspects of products life cycles should be taken into account
- ↗ Ecolabelling should not prohibit innovation or potential to improve environmental performance
- ↗ Any administrative requirements should be limited as necessary
- ↗ Development of ecolabelling should be opened to all interested parties
- ↗ Provide sufficient and understandable information to purchasers

In addition, there is a single-issue label granted by a third party certification agency that refers to a specific environmental or sometimes ethical characteristic of a product, (i.e. certified organic cotton, dolphin safe tuna fishing, or sustainable forestry). This roughly translates into another type of label. Ecolabels are more popularly differentiated on the basis of the issuing agency.

2.2. Independent or private ecolabels

Independent or private ecolabels are issued by non-governmental organisations or research institutions. Most of these take into account a product's entire life cycle, which in the case of textiles will range from the production of fibres to the disposal phase of the discarded product. The following three categories provide an illustration:

- Non-Governmental Organisations (i.e. Good Environmental Choice)
- Institution related (i.e. Eco Tex 100, AKN Trademark Producer's Association)
- Company ecolabels: these ecolabels are used as a marketing tool by manufacturers to communicate real or supposed environmental benefits (i.e. Steilmann, Otto Versand, Hess Natur, Green Cotton)

2.3. National and international labels

National and international labels are introduced by the governments of various countries. These ecolabels are of special significance to manufacturers as they provide an opportunity to enter a new market and/or to address a certain market niche (refer to examples in annex 2).

2.4. Multinational

EU-label, Nordic Eco-label National - Stitching Milieukeur, EKO-Seal (Netherlands), Environmental Choice (Canada), Eco-Mark (Japan), Green Mark (China-Taiwan Province), Eco-Mark (republic of Korea), Environmental Labelling (China), Eco-Mark (India) (refer to annex 2).

3. Ecolabelling objectives

Ecolabelling has become a useful tool for governments in encouraging sound environmental practices, and for businesses in identifying and establishing markets (i.e. domestic and at times international) for their environmentally preferable products.

3.1. Protecting the environment

- ↗ Encouraging the efficient management of renewable resources to ensure their availability to future generations
- ↗ Promoting the efficient use of non-renewable resources, including fossil fuels
- ↗ Facilitating the reduction, reuse and recycling of industrial, commercial and consumer waste
- ↗ Encouraging the protection of ecosystems and species diversity and the proper management of chemicals in products

3.2. Encouraging environmentally sound innovation and leadership

The award and promotion of an ecolabel offers a market incentive to environmentally innovative and progressive businesses. In offering products that reduce stress on the environment, businesses can establish or reinforce a market niche and procure a positive corporate image among consumers, thereby obtaining an added advantage (and possibly inducing other businesses to follow the trend).

3.3. Building consumer awareness for environmental issues

Ecolabelling programmes can also serve to raise consumer awareness for environmental issues and for the implications of their choices. In countries where consumers are not as highly motivated by environmental concerns, ecolabelling can be used to promote and influence environmental actions.

A series of principles can be identified as being critical to an effective and credible programme:

1. Voluntary participation

The decisions of manufacturers, importers, service providers and other businesses to participate in an ecolabelling programme must be voluntary.

2. Compliance to environmental and other relevant legislation

A key contributor to the credibility of an ecolabelling programme is the nature and extent of programme participation requirements, both product-specific and more general conditions. Generally, the approach is to require compliance to legislation applicable on a local/regional scale. This approach acknowledges and avoids challenging the varying regulatory requirements that may exist in different jurisdictions. It also avoids imposing on foreign programme applicants what could be perceived as "unnecessary obstacles to trade".

3. Consideration of "fitness for purpose" and level of overall performance

It is also important to address the quality and performance of a product that is to be considered for ecolabelling. The credibility of both the ecolabel and the ecolabelling programme could suffer if products bearing the ecolabel do not demonstrate comparable quality and reasonable performance in relation to the alternatives. Market and consumer surveys and research have shown that environmental attribute is only one factor considered by consumers in their purchasing decisions, and is usually only considered once comparable quality and performance have been established.

4. Based on sound scientific and engineering principles

The need to assure consumers and producers that all aspects of a product's life cycle have been taken into account has initiated in most programmes a movement towards full life cycle review. However, criteria must also be practical in terms of being attainable (for a leadership market segment initially) and expressed in measurable units that can be verified.

5. Criteria must distinguish leadership

Criteria should be developed and adopted when they clearly distinguish a leadership segment of a product category from the rest of the category. While it can be quite challenging to determine the appropriate "cut-off point", it is essential in order to avoid and/or effectively address potential challenges of arbitrariness and/or irrelevant leadership criteria.

6. Criteria must be credible, relevant, attainable and measurable/verifiable

Maintenance of stringent technical requirements based on sound ecological science, on the one hand, assures consumers that they can trust the ecolabel, and on the other hand, assures licensing applicants that they will be treated objectively. Furthermore, there is a prevalent view that environmental product criteria should be based on indicators coming from life cycle considerations.

7. Independence

A credible ecolabelling programme should be operated by an organisation independent of vested commercial and/or other interests. Programme independence also extends to how product categories and environmental award criteria are determined. Typically, this is done through formal and direct representation of different stakeholders and interested groups on independent boards, panels or advisory groups; they generally include members from industry, environment, consumer, academic and scientific, and government sectors.

8. Open and accountable process

A credible programme must be based on an open and accountable process that can be observed, monitored and questioned at any time. At each stage fair, consistent and uniformly applied procedures must be established. A good quality management system is a strong asset and highly desirable. Moreover, public criteria review is an essential element of an open process.

9. Flexibility

In order to be credible and effective, programmes must operate in a business-like and cost effective manner consistent with market forces and requirements. They must be able to respond in a timely manner to technological and market changes. This requires, for example, periodic review and, when necessary, update of both environmental award criteria and categories.

10. Consistency with ISO 14020 and ISO 14024 guiding principles (or other appropriate documents)

It may prove advantageous for ecolabelling programmes to demonstrate consistency with the guiding principles contained in the relevant ISO environmental labelling standards. Such consistency could provide greater perceived legitimacy and soundness for ecolabelling programmes in place and under development (refer to annex 1).

1. Stakeholders

Multiple stakeholder participation in any ecolabelling initiative is important to its overall impact and success. While programmes never are identical, most involve the participation of the following groups:

1.1. Government

Many programmes are initiated and funded by government departments or agencies. Besides providing input (directly and/or indirectly) in programme development, management and delivery areas; governments, at different levels, can exert significant influence and demand through its procurement initiatives and activities.

1.2. Programme management authority (i.e. Programme Managers)

An independent body typically oversees and directs the programme delivery activities (i.e. technical, marketing, and administrative aspects). The level of involvement in delivery may range from co-ordinating functions and liaison among different delivery agencies to performing the actual day-to-day operational tasks.

1.3. Industry and commercial associations, retailers and companies

Industry and commercial sector awareness, interest and direct involvement are essential to programme success. Formulated criteria for certification and licensing must be credible and practical in the marketplace. Industry and retail involvement is key in this regard. Industry and commercial sector guidance and support from the outset and in all programme facets are desirable. It should be recognized that industry represents product producers and service providers as well as procurers.

1.4. Consumers

Consumer demand, whether in households, institutions or corporations, generates market impact. Consumer requirements and preferences must be determined, recognised and reflected in various programme initiatives and outputs.

2. Targeted public

The credibility of a programme can be enhanced through the involvement and support of various organisations, groups and individuals with no direct commercial interests in ecolabelling. Conversely, omission of such groups can jeopardise public confidence and acceptance.

Academia	Incorporating leading-edge research and expertise into the criteria development and review processes can improve the quality, cost effectiveness and efficiency of products.
Media	Important group for promoting ecolabelling to consumers and industry.
International Community	This broad category may include foreign consumers, industry representatives and participants, and other potential non-domestic interested parties (i.e. academic experts, media, NGO's, etc.). With the globalization of markets has arisen an increasing requirement for ecolabelling programmes to expand their consultative efforts beyond domestic borders.

Table 2: Targeted public

1. General keys steps

Ecolabelling programme generally involves three basic steps as described below:

1.1 Selection and determination of product categories

The selection of categories is a critical part of the ecolabelling process, since it has a major impact on the eligibility of specific products. The extent of the category can also determine the stringency of the criteria for certification. As much as possible, the determining factor is normally inclusion of all products that routinely perform the same function.

Proposals for certification criteria categories are generally accepted from any source. In practice, most proposals arise from industry or internally from the programme managers. Trade, consumer, environmental and other public organisations can also request consideration of specific categories. After formal review, often with technical advisory groups, selections are made. Most programmes also have some guiding principles to assist in the selection. These often include the environmental impact of the product, the degree of differentiation between products within the proposed category and the importance of the product in the marketplace.

1.2. Development and adoption of appropriate criteria, standards or guidelines

(including: development, public review, and finalisation/announcement)

Once product categories are selected, the requirements that an applicant must meet to be approved by the ecolabelling programme must be established. Technical and scientific specialists, generally from both government and the private sector, prepare draft criteria that are then made available to interested parties for consideration and feedback. Comments are received and reviewed by programme staff, technical experts or an advisory group, and are reflected when appropriate in the final criteria.

The complexity and limitations of full LCA methodologies have led to the use of relatively simpler and less comprehensive methods of environmental performance review. After consideration of a product's life cycle, programmes usually focus on a few key attributes, such as recycled content, reduced toxicity, pollution reduction, energy efficiency and capacity for recycling, and assess the range of industry performance in these chosen areas.

No matter the method of analysis, selection of certification criteria is a difficult task. Each programme using life-cycle review proceeds in a different manner. Given that none are conducting a comprehensive LCA, each is open to challenges that its criteria selection is based on a limited number of attributes. Added to this concern is the need to compare and give value to different kinds of impacts.

Studies of ecolabelling strategies and practices have raised several important questions related to these concerns. If, for example, a new production method significantly reduces the load of water pollution, but at the same time increases the use of fossil fuels and air pollution emissions, is the new method to be regarded as environmentally more sound than the old one? How can one compare the impacts that occur today with those that are expected in the future? Is the standard economic method of discounting future costs and gains appropriate with regard to environmental issues?

In spite of these difficulties, there is a trend to move towards more comprehensive life-cycle reviews and closer co-operation among programmes to try to harmonise criteria where possible. Also, programme managers in some countries have elected to generally focus on a limited number of key environmental criteria. In a few specific instances, particular programme managers have implemented and applied "load point" rating methods. Under such systems, points are awarded according to the level of compliance with certain established criteria rather than requiring that the applicant meet all the requirements. Applicants achieving a certain score then become eligible for certification. Although this type of system raises concerns regarding too much flexibility on environmental protection issues, it does give potential applicants greater scope in developing methods to reduce environmental stress.

1.3. Certification and licensing

(including: application, testing and verification, and license issuing).

When certification criteria are established, applicants (i.e. manufacturers, suppliers, distributors, importers or service providers) may apply for certification under the programme. This process involves compliance verification and testing, applicant licensing and monitoring.

Applicants are usually required to submit technical information (i.e. test reports, evidence of compliance with law/regulations, evidence of a quality management system, etc.) with their application. In addition, the implementation body may direct and/or perform an on-site audit or inspection. In some cases, independent verification is carried out by the programme, and in others, a declaration by the applicant is accepted on the assumption that competitors or environmental groups will notify programme officials if there is a suspicion that inaccurate information has been provided.

Applicants generally pay an application fee and the costs of verification.

Once the applicant is licensed to use the label on or in association with its certified product(s) or service, an annual fee is charged for use of the ecolabel.

Certification requirements and costs must be carefully and thoughtfully devised in order not to discriminate against some segments of industry, notably small- and medium-size enterprises that can encounter programme participation difficulties.

1. Environmental benefits

Product-Specific Environmental Benefits:

- ✦ Recycling and reduction of material through-put
- ✦ Use of less toxic substances
- ✦ Substitution for environmentally preferable materials (renewable)

Examples:

- ✦ Estimate in Eco-labelling of fine paper = 11% reduction in sulphur emissions from Swedish pulp and paper mills; 21% reduction in COD (Chemical Oxygen Demand) emissions and 50% reduction in AOX (Absorbable Organic Halogen) emissions (OECD report 1997)
- ✦ Sweden study on household chemicals and soap and shampoo decreased from 100,000 tons to 85'000 tons
- ✦ Printing Companies in Norway: 86% claimed that they had implemented changes to their production in order to fulfil the eco-labelling requirements

2. Industrial benefits

Manufacturer considerations:

- ✦ Green Public Image
- ✦ Valuable tool to communicate environmental benefits of product
- ✦ Safer Way to Make Environmental Claims
- ✦ Benchmarks for industry and supports improved performance
- ✦ Companies to differentiate themselves from competitors
- ✦ Rewards for innovation and leadership in the marketplace
- ✦ Industry can directly apply for ecolabelling

Supply Chain Considerations:

- ✦ For Retailers: gives customers real choice and contributes to image upgrade
- ✦ Purchasing Policies – green image, recognition, employee values

3. Consumers benefits

Consumers have a right to know about the products they purchase:

- ✦ Guidance in decision-making when buying a product or a service
- ✦ Ecolabels provide a new source of information
- ✦ Simple package but comprehensive coverage

Transparency and credibility of a label are important issues:

- ✦ Need reliable sources of information
- ✦ Independent third party verification of claims
- ✦ Consumer participation in ecolabel programme

Education and awareness raising:

- ✧ Ecolabels can serve as a driver for sustainable consumption
- ✧ Ecolabels can empower consumers

4. Governmental benefits

Green Procurement

- ✧ Provides an effective and easy to use tool for procurement programmes

Non government labelling systems have the following advantages in contrast with governmental bodies:

- ✧ Governments usually do not have the expertise required
- ✧ Other political priorities could conflict with effectiveness
- ✧ Ecolabelling programmes need to be dynamic

Some specific challenges raised by ecolabelling programmes are as follows:

1. Methodology

Some ecolabelling programmes are criticised for the failure of their methodologies in both criteria-setting and conformity assessment. It is acknowledged that the very nature of the programmes calls for a degree of subjective decision-making at some level. For example, the Blue Angel in Germany uses LCA to identify the most important environmental impacts of a product's life cycle. All aspects of the product, including its method of manufacture, use, length of service life and disposal, as well as all environmental impacts caused by the product, including the emission of hazardous substances, energy consumption, water or soil contamination and waste are examined to develop the criteria for selection of a particular label recipient. However, criteria which directly address the production stage of a product have rarely been defined. The reduction and avoidance of environmental damage which occurs at the production stage are left to legislative and regulatory measures. Therefore, the programme has been criticised for focusing on only a few isolated environmental impacts that usually occur during the use stage but ignore the environmental burdens associated with the production process.

2. Transparency

Sometimes, there is a lack of transparency and opportunities for participation in the development of product standards, such as bodies that might play a role in assessments of sustainability.

3. Discriminatory effects

Ecolabelling programmes may cause some discriminatory effects. Labels may be based on domestic environmental priorities and technologies in the importing country and may overlook acceptable products and manufacturing processes in the country of production. Moreover, foreign producers may be required to meet criteria which are not relevant in the country of production and environmental infrastructures may differ widely across countries. Certain parameters used for calculating the environmental effects of products throughout their life cycle may be based on information collected in the importing country or countries with comparable conditions, and may overestimate the environmental impacts in the actual country of production.

4. Financial cost

The financial cost of ecolabelling could also be quite high. This may have two aspects: the adjusting production processes to ensure that the product will receive the relevant ecolabels; and the expense of subscribing to and maintaining participation in an ecolabelling programme. The high cost of certification may negatively affect developing country exporters who are frequently small- and medium-sized enterprises. This concern has been particularly expressed in the fisheries sector, where the costs of bringing fisheries management practices into compliance with the criteria and principles of translational and foreign ecolabelling programmes, submitting to the certification process, and maintaining certifiable status could be prohibitive. As a result, less developed countries (LDCs) have emphasised their need for greater financial and technical assistance for the improvement of fisheries management systems. Another example is genetically modified organisms (GMO) labelling. The technology needed to test for GMOs in food products is very expensive. The market opportunities offered by an ecolabel that declares that a product is GMO free might therefore depend on labour and capital costs.

5. Institutional constraints

While voluntary programmes need not result in explicit restrictions as opposed to some mandatory programmes, they may indirectly affect trade due to institutional factors in producing countries. Institutional factors could include difficulties faced by producers in some countries in obtaining adequate supplies of materials, environmentally friendly technologies and other materials, which are acceptable for use in, or necessary to comply with standards for, ecolabelled products. Other institutional constraints could be inadequate and unequal financial and technical capacity within domestic regulatory agencies to facilitate more benign production practices. Without the support of the government, many private

industries may not become sufficiently organised to independently institute effective management programmes and achieve certifiable status.

6. Trade barriers

From the perspective of LDCs the most contentious source of debate centres on their concern that ecolabelling programmes may serve as de facto barriers to trade. They anticipate greater difficulty in attaining the certification than do firms in the issuing countries. The World Trade Organization (WTO) faces the challenge of reconciling ecolabel programmes with the technical barriers to trade (TBT) chapter of the 1993 Uruguay Round of trade negotiations (UR-GATT). While standards organisations must comply with WTO agreements such as the Agreement on TBT, private ecolabelling programmes may circumvent international guidelines in favour of their own specific procedures. Criteria so evolved run the risk of being biased, or focusing only on issues endorsed by the ecolabelling organisation. Competition among such organisations may in turn lead to the adoption of unnecessarily restrictive parameters which may affect market processes. It is essential, therefore, that certifying agencies be autonomous, and independent of incomes from license fees. This applies equally to the testing agencies involved in the certification process.

How effective is ecolabelling in achieving its objectives? How can "success" be measured? With a majority of national ecolabelling programmes having only been established in the last decade, efforts to measure effectiveness are incomplete. Nonetheless, positive responses of industries and consumers suggest that ecolabels are perceived as useful marketing tools and generally accepted symbols of environmentally sound consumer choices.

Given the difficulty in separating out the impact of ecolabelling from other economic, environmental and social policies, few programmes have tried to claim direct environmental benefits from ecolabelling. Nevertheless, efforts so far to measure the effectiveness of ecolabelling programmes have generally focused on such indicators as improvement in environmental quality of certified products, industry participation and consumer recognition.

1. Improvement in environmental quality of certified products

Over time, the success of an ecolabelling programme is partly demonstrated through higher environmental standards for products. Most ecolabelling practitioners support the need to implement routine revision processes to address technological and market advances, especially for product categories in which certified products and licensees exist.

2. Industry participation

An ecolabelling programme is a voluntary policy instrument, using the marketplace rather than regulation to achieve environmental goals. It, therefore, has to offer something to businesses to encourage them to participate. Producers and service providers must be confident that being part of the programme will improve their situation in the marketplace and/or enhance their corporate image. Credibility aspects are important to them as is a fee structure that is reasonable, fairly assessed, and does not discriminate against companies based on size, location or other general factors.

In measuring industry participation, most ecolabelling programmes can report a substantial and continuous increase in both criteria categories and certified products against the criteria. The growth in categories alone, however, may not be indicative of industry interest, as some categories may not have many (or even any) corresponding licensees.

On the other hand, an increase in certified products indicates that producers and/or service providers see advantages in displaying the ecolabel. Consumer surveys testify to a consistent preference for products that are perceived as environmentally positive. While consumer focus may shift from one criterion to another (i.e. from packaging, to elimination of toxic substances, to preservation of wildlife) the willingness of a large proportion of consumers to choose "green" products and pay a premium for them has been regularly confirmed. Nevertheless, surveys have also shown that superior environmental performance generally only becomes a key competitive factor once product performance, quality and value have been established.

An expanding number of licensees is another success indicator. Other success indicators relating to industry participation are the levels of voluntary "drop-outs" and determined instances of non-compliance. The more successful a programme, the greater the potential costs associated with leaving or being de-licensed. Another indicator, which some programmes have begun to encounter, is the revoking of a certification criteria standard due to overall industry improvement making the initially developed environmental leadership criteria no longer appropriate (or necessary). One other success indicator area is overall industry involvement in criteria category selection, criteria development and review, and marketing activities incorporating an ecolabel.







3. Consumer recognition and demand





Consumer recognition and demand are critical to the success of an ecolabelling programme. Without evidence that the programme promotes its activities and licensees, and consumers recognise and trust the ecolabel, it is difficult to enlist and maintain industry participation. It takes several years to build consumer and industry confidence. A key task is to ensure that information about the ecolabel and the certified products effectively reaches consumers. Tracking consumer recognition, therefore, has been an important feature of many programmes. Surveys indicate that recognition also implies trust and the possibility that consumers will be motivated to make purchasing decisions based on their shared belief that the product chosen will cause less environmental damage than its alternatives.

The involvement of and support by environmental NGOs (non-governmental organisations), consumer organisations and the media are key factors which have contributed to increasing the level of consumer awareness of environmentally preferable products in certain countries. In countries where consumer awareness of environmental issues is low, it may be difficult to convince companies that there is any advantage to be gained from an ecolabel. This suggests that some initial education work may be necessary prior to, or in conjunction with, the introduction of ecolabelling. Even in countries with a high degree of environmental awareness, initiatives have been undertaken to promote the ecolabel and the products that display it.






Beyond ecolabel recognition, consumer demand, in the form of household, institutional and corporate purchases of ecolabelled products, is a key success indicator. Greater impacts are also realised when ecolabelling criteria are used as "guidance tools" to identify greener products for government procurement and institutional purchasing. While opinion poll results can be helpful in assessing demand, purchasing patterns records are a more accurate means.







Annex 1 | Status of ecolabelling

Label	Product categories	Objectives	Issuing agency	Contact
 Austrian Ecolabel	Textile floor coverings	<p>To draw consumers' attention to products and services that are "more environmentally friendly as compared to the very harmful effects inflicted by other products fulfilling the same function"</p> <p>To motivate producers and traders to "develop and offer less environmentally-polluting products"</p>	The Federal Ministry of Environment, Youth and Family Affairs (BMUJF), the Federal Environmental Agency (UBA), the Austrian Consumer Association (VKI), and the Austrian Association for the Promotion of Quality (ARGE)	Federal Ministry of Agriculture, Forestry, Environment and Water Management Stubenring 1 A-1010 Vienna Tel.: +43-1-71100-0 Fax: + 43-1-711 00-0 E-Mail: office@lebensministerium.at
 Environmental Choice Program	cloth diapers, utility bags	<p>efficient management of renewable resources</p> <p>efficient use of non-renewable resources</p> <p>protection of ecosystems and species diversity</p> <p>proper management of chemicals</p>	environment department of the Government of Canada, TerraChoice Environmental Services Inc	Mr. John C. Polak 2781 Lancaster Road, Suite #400, OTTAWA, Ontario, Canada K1B 1A7 Tel: +1-613-247-1900 Fax: +1-613-247-2228 E-mail: jpolak@terrachoice.ca
 The Chinese Ecolabel		to reduce domestic environmental stress of products by using market forces as a means to supplement mandatory environmental laws.	China State Bureau of Technology Supervision (CSBTS) and the National Environmental Protection Agency (NEPA)	Mr. Xia Qing No. 8 Dayangfang, Beiyuan Beijing, Peoples Republic of China P.C. 100012 Tel: +86-10-849-153-08 Fax: +86-10-849-138-99 E-mail: nepaus12@svr1-pek.unep.net
 Environmental Choice (Croatia)	Linen towel on the rail	To stimulate the development of new (e.g. low-waste-content) technologies, the production and consumption of environmentally friendly products, the reduction of environmental pollution and rational resource and energy management.	Ministry of Environmental Protection and Physical Planning	Ms Nevenka Preradovic Ulica Grada Vukovara 78 HR-10000 ZAGREB Tel: +385 1 610 6569 Fax: +385 1 611 2073 E-mail: nevenka.preradovic@duzo.te.l.hr
 Nordic Swan (Norway, Sweden, Finland, Iceland, Denmark)	Yarns Baby Clothing Outerwear Curtains Furnishing Textiles Bedlinen Other textiles Diapers	to provide consumers with guidance to help them to choose the products and services that are least hazardous to the environment from the range available in the market	The Nordic Ecolabelling Board	Hans Petter Graver Kristian August gate 5 N-0164, OSLO 1136 Tel: +47-22 36 57 40 Fax: +47-22 36 07 29 E-mail: info@ecolabel.no
 European Union Label	Bed linen T shirts Bed mattresses Footwear Textile Products	<p>To develop ecolabelling criteria encompassing process and product-related criteria following the procedures of life-cycle analysis together with stipulating quality requirements.</p> <p>To influence the market by guiding consumers toward products with a reduced environmental impact.</p>	Commission of the European Communities	Mr. Simon Goss 200 Rue de la Roi (BU-5 6/146), B-1049 Brussels Tel: +32 2 229 1200 Fax: +32 2 295 5684 E-mail: simon.goss@cec.eu.int

Label	Product categories	Objectives	Issuing agency	Contact
 <p>Öeko-Tex Standard 100 (Germany)¹ International Certification</p>	Textiles	The Öeko-Tex label is to guarantee that textiles do not contain hazardous substances in amounts that could impair human health within normal conditions of use.	The International Association for Research and Testing in the Field of Textile Ecology	<p>Forschungsinstitut Hohenstein Schloß Hohenstein D-74357 ESCHBORN Germany Tel : +49 07143 2710 Fax: + 49 07143 271 51</p> <p>Zertifizierungsstelle Frankfurter Straße 10-14 D-65760 ESCHBORN Tel : +49 6196 966230 Fax: + 49 6196 966226 Germany</p>
 <p>Eco-tex® (Germany) International Certification</p>	Textiles	To identify environmentally sound products by official certification.	Eco-tex: Institute for Applied Ecology	<p>Gleuelerstrabe 373 A D- 50935 Kolln Germany Tel : +49 221 9436720 Fax: +49 221 9436723</p>
 <p>WWF Panda label (Germany) International Certification</p>	<p>effects on human health</p> <ul style="list-style-type: none"> - resource use - pollution - biodegradability - product quality - longevity - establishment of closed material loops 	This is not an ecolabel in the true sense; rather, it represents the cooperation between WWF and industry in supporting more environmentally sound production and changing attitude towards the environment.	World Wide Fund for Nature (WWF), and is awarded in Germany by the Panda Fördergesellschaft für Umwelt GmbH	<p>Panda Fördergesellschaft für Umwelt GmbH Hedderichstrasse 110 D-60591 FRANKFURT AM MAIN Germany Tel : +49 69 404 01 Fax : +49 69 404 235</p>
 <p>The Blue Angel (Germany) National Certification</p>		<p>Guiding the consumer in purchasing quality products with fewer adverse environmental impacts - - Encouraging manufacturers to "develop and supply environmentally sound products"</p> <p>- Using the ecolabel as a "market-oriented instrument of environmental policy"</p>	The German "Umweltbundesamt" (UBA) , or Federal Environmental Agency , in coordination with the Jury Umweltzeichen (Environmental Label Jury	<p>Mr. Wolfgang Lohrer Seeckstrasse 6-10 D-13581 BERLIN Tel: +49 30 8903 3394 Fax: +49 30 8903 3105 Email: wolfgang.lohrer@uba.de</p> <p>RAL: Institut für Gütesicherung und -kennzeichnung E.V Siegburger Str. 39 D-53757 SANKT AUGUSTIN Germany Tel : +49 224 1605 0 Fax : +49 224 1605 11</p>

¹ Note that in Germany there are 16 labels. In the table above we presented a selection.

Label	Product categories	Objectives	Issuing agency	Contact
 Eco Seal (Germany) <i>Privately Owned Brands</i>		The label marks products of the Neckermann Versand company that are less polluting than others of the same function. Water and energy saving processing methods are emphasised in textile production, as also less polluting dyes.	Neckermann Versand AG, a mail order company	Neckermann Versand AG Hanauer Landstrasse 360-400 D-60368 FRANKFURT AM MAIN - Germany Tel : +49 69 404 01 Fax : +49 69 404 235
 Hungary	Woolen-flax bed clothes Bed mattresses made of natural material	To direct producers and distributors to produce and distribute environmentally sound products (goods and services) and to inform consumers on the environmental features of the goods or services.	Hungarian Eco-Labeling Organization(HELO)	Zsuzsanna Fiegler Garibaldi u. 1 Budapest 1054 Tel : +36-1 312 9920 Fax: +36-1 312 9920 E-mail: fiegler.zsuzsanna@matavnet.hu
 Eco-Mark (India)	Textiles	To develop criteria following a cradle-to-grave-approach, for meeting the stringent legislation in European countries.	The inter-ministerial steering Committee set-up in the Ministry of Environment & Forests, the Technical Committee in the Central Pollution Control Board and the Sectional Committees of the Bureau of Indian Standards and/or Directorate of Marketing.	Dr. Sudhir K. Ghosh 'Parivesh Bhawan', CBD cum Office Complex, 2057863 East Arjun Nagar, Delhi - 110 032 Tel : +91 11 222 4812 Fax: +91 11 205 7863 E-mail: cpcb@alpha.nic.in
 Eco-Mark (Japan)	Cloth Diapers for Infants Unbleached Clothes Cloth Shopping Bags Textiles Made of Waste Fibers Household Textile Productst using recycled PET resin Textile products for industrial use	To develop eco-label criteria with an emphasis on parameters for avoidance of pollution, energy effectiveness during use, product quality, product safety and disposal, as well as the price. - To disseminate information on the environmental aspects of products and to encourage consumers to choose environmentally sound products.	Ecomark Office, Japan Environment Association (JEA)	Mr. Seiji Taguchi Ecomark Office, 7F Toranomon Takagi Bldg., 1-7-2 Nishi-shimbashi, Minato-ku, TOKYO 105-0003 Tel: +81-3-3508-2662 Fax: +81-3-3508-2656 E-mail: taguchi@japan.email.ne.jp
 Eco-Mark (Korea)	Clothing	Establishment of labelling criteria for reusable diapers made of 100 percent cotton and non-bleached and non-dyed textile goods.	Korea Environmental Labelling Association (KELA)	Mr. Moon, Seung shik 5fl. Han Vit Orthopaedic Surgery B/D, 92-2 Sanbon-dong, Gunpo-City, Kyonggi-do, 435-040 Tel: +82-31-398-0128 Fax: +82-31-398-0129 E-mail: ecomark@chollian.net

Label	Product categories	Objectives	Issuing agency	Contact
 <p>Stichting Milieukeur – The Netherlands</p>	<p>Cotton Hand dryers Clothing Cleaning cloths Footwear Toys</p>	<p>To develop criteria on the basis of life-cycle assessments.</p>	<p>founded by the government and is now operated by Stichting Milieukeur, an independent eco-labelling organization</p>	<p>Stichting Milieukeur (SMK) Eisenhowerlaan 150 NL-2517 KP THE HAGUE The Netherlands Tel : +31 70 3586300 Fax : +31 70 3502517</p>
 <p>EKO Seal (Netherlands)</p>	<p>Clothing, Underwear Cloth diapers Towels Household textiles</p>	<p>The organization has stipulated criteria for each stage of the production process, including accessories, packaging and social aspects as well as principal points for environmental improvement.</p>	<p>SKAL, a semi-public inspection organization for organic production methods.</p>	<p>SKAL P.O. Box 384 NL-3740 AP BAARN The Netherlands Tel : +31 35 5423747 Fax : +31 35 5417578</p>
 <p>KRAV (Sweden)</p>	<p>Textiles</p>	<p>Certification of organic textiles</p>	<p>KRAV, a federation of organizations representing producers (organic and conventional), consumers, trade, the food industry, environmentalists and animal welfare groups</p>	<p>KRAV PO Box 1940 S-75149 UPPSALA Tel: +46 18 100290 Fax: +46 18 100366 Email: info@krav.se http://www.krav.se</p>
 <p>Good Environmental Choice (Sweden)</p>	<p>Nappies Textiles</p>	<p>Development of criteria following a life-cycle approach.</p>	<p>The Swedish Society for Nature Conservation (Naturskyddsfdningen, SSNC), a non governmental organization.</p>	<p>Ms Eva Eiderstrom PO BOX 7005 40231, GOTEBOG Tel: +46-31-711-6450 Fax: +46-31-711-6430 E-mail: Eva.Eiderstrom@snf.se</p>
 <p>Green Label (Thailand)</p>	<p>Products made from cloth</p>	<p>To provide reliable information and guide customers in their product choices - To create an opportunity for consumers to make environmentally conscious decisions and thus create a market incentive for manufacturers to supply environmentally sound products - To reduce environmental impacts that occur during manufacture, use, consumption and disposal of products.</p>	<p>The Thai Green Label Board is the overarching entity responsible for making all major decisions. Its members are appointed by the Ministry of Industry.</p>	<p>R. Pongvipa Lohsomboon 210 Bangchak Refinery Building 4, Sulhumiv 64, Prakanong, BANGKOK 10260 Tel: +662-742-9650 ext. 102 Fax: +662-742-9695 E-mail: pongvipa@tei.or.th</p> <p>The Thai Industrial Standards Institute, Ministry of Industry, Rama 6 Road, Bangkok, 10400; Tel. (66 2) 245-7839 Fax (66 2) 248-7985.</p>
 <p>The Green Mark (Taiwan)</p>	<p>Cloth Diapers Non-Bleached Towels</p>	<p>To guide consumers in purchasing “green” products, and to encourage manufacturers to design and produce them.</p>	<p>Environmental Protection Administration, Taiwan Province of China, and is currently administered by the Environment and Development Foundation (EDF), a private institution.</p>	<p>Ning Yu Rm212, Bldg.53, #195 Chung-Hsin Rd. Sec.4, Chutung, Hsinchu, TAIWAN ROC 300 Tel : +886-3-591 62 21 Fax: +886-3-582 02 31 E-mail: ningyu@edf.org.tw</p>

Annex 2 | Guiding Principles for Ecolabelling

Annex 2-a | ISO 14020 -Guiding Principles for Environmental Labelling (including Type I - Ecolabelling)

- ✦ Accuracy
- ✦ Avoiding unnecessary trade barriers
- ✦ Scientific basis
- ✦ Provision of information on methodology
- ✦ Life-cycle approach
- ✦ Allowance of innovation
- ✦ Minimal administrative burden
- ✦ Open, consensual process
- ✦ Provision of information on products

Annex 2-b | ISO Guiding Principles for Ecolabelling Programmes [contained in ISO 14024]

- ✦ Voluntary nature
- ✦ Consistent with ISO 14020 requirements [see **above**]
- ✦ Applicants in compliance with environmental/other relevant legislation
- ✦ Consideration of whole product life cycle in setting criteria
- ✦ Criteria established to distinguish environmentally preferable products based on measurable
- ✦ Difference in environmental impact
- ✦ Product environmental criteria set at attainable levels, and give consideration to relative
- ✦ Environmental impacts, measurement capability and accuracy
- ✦ Product environmental criteria set for and reviewed within a predefined period
- ✦ Product criteria take fitness for purpose and levels of general performance into account
- ✦ Formal process of open participation/consultation among interested parties
- ✦ All elements in the ecolabelling criteria are verifiable
- ✦ Transparency through all stages of programme development and operations
- ✦ Unnecessary obstacles to trade are not created; open accessibility to all potential applicants
- ✦ Development and selection of criteria based on sound scientific and engineering principles;
- ✦ Criteria derived from data that support the claim of environmental preferability
- ✦ Free from undue influence; source(s) of funding do not create a conflict of interest
- ✦ Participation costs and fees kept low and applied equitably to all participants
- ✦ Confidentiality is maintained for all information which is identified as confidential
- ✦ Mutual recognition, based on confidence, is encouraged/pursued as appropriate

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<http://www.leopold.iastate.edu/pubs/staff/ecolabels/summary.htm>

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