



Eco- efficiency assessment from a Labelling perspective

*The role of communication tools and the prevention of misleading
claims that damage the credibility of the eco-efficiency concept*

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Presentation Outline

- Introduction
- Common misleading green claims
- How ecolabels can be used to prevent misleading claims
- Summary



Introduction

- An awareness of environmental issues has led to an increased number of environmentally conscious customers
- Influx of green marketing claims as businesses cash in on eco-consumerism



Some common misleading claims

- Hidden tradeoff- Suggesting a product is “green” based on a single environmental attribute (the recycled content of paper, for example) without attention to other important, or perhaps more important, environmental issues. Such claims are not usually false, but are used to paint a “greener” picture of the product than a more complete environmental analysis would support.
- Vagueness- by every claim that is so poorly defined or broad that its real meaning is likely to be misunderstood by the intended consumer e.g. chemical free, non-toxic



Some common misleading claims Continued

- No Proof – any environmental claim that cannot be substantiated by easily accessible supporting information, or by a reliable third-party certification, commits the Sin of No Proof. (For this research, we determined there to be ‘no proof’ if supporting evidence was not accessible at either the point of purchase or at the product website.)
- Irrelevance – by making an environmental claim that may be truthful but is unimportant and unhelpful for consumers seeking environmentally preferable products. It is irrelevant and therefore distracts the consumer from finding a truly greener option e.g. CFC
- The challenge for the customer will be identifying eco-efficient products



Definition

Amongst tools for implementing eco-efficiency include

- Marketing and Communications
 - Corporate Environmental Reporting
 - Eco-Labeling
 - Stakeholder Engagement

Used to prevent misleading claims and information

Definition of “Communication”

Any manner of information sharing with stakeholders, generally through one-way, non-iterative processes, e.g. Corporate Sustainability Reporting or product eco-labeling



Environmental Labels

- Eco-labelling is a market tool for identifying products that have met certain environmental or social standards or criteria. They promote ecoefficiency by
 - Decreasing environmental impacts of products throughout their life-cycle,
 - Promoting natural resource efficiency of industrial processes,
 - Enabling consumers to make informed decisions based on products environmental preferability



Environmental Labels continued

Main classification according to verification:

Type-I
ISO 14024
(1999)

Environmental labels
(e.g. Green Seal,)

Type-II
ISO 14021
(1999)

Self-declared environmental claims

Type-III
ISO 14025
(2006)

Environmental declarations
(e.g. EPD[®], Eco-leaf)



ISO-type I Ecolabels

- Indicate the overall environmental preferability of a product within a particular product category
- Qualitative, concise information
 - Allows consumers to take quick purchasing decisions
- Main features/characteristics:
 - Voluntary instrument
 - Multiple criteria
 - Life cycle approach
 - Third-party independent verification (national bodies)



Example of Type I Program: Green Seal, Inc.



Leading US Type I Program

- Non-profit, independent organization that promotes a more sustainable economy
1. Set environmental leadership standards
 2. Certify products and services
 3. Assist with greening of governments and institutions
 4. Educate purchasers





ISO-type II environmental claims

- Definition (ISO 14021):
“self-declared environmental claims made by manufacturers, importers, distributors, retailers, or anyone else likely to benefit from such a claim without independent third-party certification”. Single attribute
- Several forms of communication:
 - Statements, symbols or graphics on product or package labels, or in product literature, technical bulletins, advertising, publicity, telemarketing, internet
 - Main advantage for firms: flexibility



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Final consumers – ISO-type II claims

Examples:

- UKCRA The United Kingdom Cartridge Recyclers Association (UK)
- NAPM The National Association of Paper Merchants (UK)
- Ecological Woodparticle board (Italy)
- DIGODREAM- 100% recyclable textile floor covering (Italy)



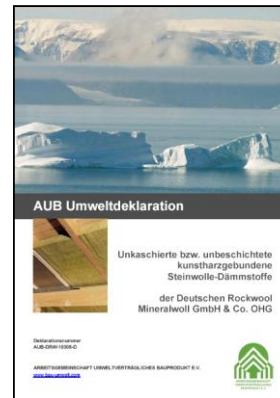
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ISO-type III environmental declarations

- Definition (ISO 14025):
“Quantified environmental data for a product, with pre-determined parameters, based on the ISO 14040 series of standards, which may be supplemented by other qualitative and quantitative information”
- Environmental Product Declarations (EPD)





Example: Fujitsu develops ISO-type III declarations and advertises it in newspapers

The diagram illustrates the product life cycle stages and their environmental impacts:

- Extraction:** 資源採取 (Resource Extraction)
- Design and manufacturing:** 設計製造 (Design and Manufacturing)
- Use:** 使用 (Use)
- Disposal/Recycling:** リサイクル廃棄 (Recycling/Disposal)

Environmental Impact data through product life cycle is captured quantitatively.

Advertising of Fujitsu Co. In newspapers

In June 2004, Fujitsu Co. took out a full-page advertising in major newspapers, including the Nikkei Shimbun, the most popular business newspaper in Japan. In the ad, an engineer points out that, "there are widely many environmentally conscious products in the market. But most of them are not proved with objective data comprehensively. Even if a product is called an energy-saving product during the use stage, it might consume numerous amount of energy during the production stage while consumers/purchasers are not informed. Such a product should not be claimed as environmental conscious product. In order

The advertisement includes the text: **製品をグリーンにします** (Making products green) and the Fujitsu logo with the slogan **THE POSSIBILITIES ARE INFINITE**.



Summary

- Environmental label schemes may serve as an important source of information about a product or company
- Self declared environmental label schemes and the like should, as a basis be avoided in that a pronounced use of these kind of labels may confuse consumers as to definition and meaning of labels in general
- If a company nevertheless chooses to declare its own label scheme, the company should ensure that the enterprise, the product or the service thus declared do have the qualitative benefits that other similar products, or services do not have



Thank you