



Eco-Labels: Making Environmental Purchasing Easier?

By Scott Case

Any purchaser who has ever been asked to buy less harmful or more environmentally preferable products has faced the same questions and concerns — I'm not an environmental expert, how do I identify the safer alternatives? Which of the human health or environmental factors is really most important? Can't someone just tell me which products are the green ones?

Luckily, there are a variety of different environmental labeling programs trying to resolve these challenges for purchasers. The eco-labels can make it easier to identify the less harmful and more environmentally preferable alternatives. Some of them even consider broader issues like whether the workers are fairly compensated or whether the rights of indigenous people are being protected.

It is important to note, however, that not all eco-labels are created equal. There are important differences between them. They have different focus areas. They are developed by different organizations for different purposes. Some are significantly more credible and meaningful; others are virtually meaningless. The challenge for purchasers is to be able to quickly separate the more credible labels from the less credible ones and to find successful ways of using them to buy safer products while keeping prices affordable.

Green Government

Federal Executive Order 13101, Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition, encourages agencies to use the "technical expertise of non-governmental entities such as labeling, certification, or standards-developing organizations."

Defining Eco-Labels

An eco-label attempts to provide relevant, accurate, and meaningful information to allow purchasers to incorporate human health and environmental considerations as part of the routine purchasing decision. Eco-labels are an internationally accepted way of differentiating among products. In fact, the United States is one of the few industrialized countries that does not have a government-sponsored, multi-attribute, eco-label program. Our Canadian neighbors and more than 20 other countries as diverse as Germany, Japan, Sweden, Brazil, India, Luxembourg, and Croatia, have a government-endorsed label they rely upon.

The lack of a single, government-endorsed, multi-attribute eco-label in the United States has led to the rise of numerous competing labeling programs. There are currently more than 40 U.S. eco-labels (excluding all of the food labels) and the numbers continue to grow as environmental and consumer groups, individual companies, and trade associations create their own. Some of the labels are almost meaningless, such as the "eco-labels" developed by a single company or those some trade associations grant to all of their members. As a result, purchasers must first determine which labels provide accurate, credible, and useful information before using them to help make purchasing decisions.

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Classifying Eco-Labels

There are a variety of different types of eco-labels purchasers will encounter. The following classification system expands upon the system developed by the International Organization for Standardization (ISO):

■ **“Warning”** labels identify specific concerns associated with a product. California’s Proposition 65 list, for example, designates more than 700 different chemicals as known human health hazards. Products sold in California containing any of the chemicals must be clearly labeled. Purchasers can then choose to avoid products carrying the warning labels.

■ **“Seal of Approval”** labels are awarded to products that meet a broad set of criteria determined by the standard-setting organization. The criteria are selected based on an independent evaluation of the human health and environmental impact occurring throughout the manufacture, use, and ultimate disposal of a commodity.

The more credible seals, such as those developed by Green Seal, the Canadian Environmental Choice program, and a few others are considered leadership standards. They are designed so that only the top 15 to 20 percent of products are capable of meeting their more stringent criteria.

Other seals, typically those developed by or on behalf of industry trade associations, identify minimally accepted standards and can generally be met by most products within the industry.

■ **“Single Attribute”** labels recognize products that exceed a selected threshold for a single environmental attribute. The U.S. government’s Energy Star program, for example, allows companies to identify products meeting its en-

ergy-efficiency specifications to promote their products with the Energy Star label. Scientific Certification Systems (SCS) awards a variety of single attribute labels recognizing attributes like recycled-content or indoor air quality. These labels are extremely valuable for verifying a single attribute, but they are less useful for those organizations trying to balance multiple human health and environmental considerations.

■ **“Report Card”** labels resemble the nutrition labels that appear on packaged food. They provide information on attributes selected by the labeling organization. This type of label requires the purchaser to determine which human health and environmental attributes are most relevant before deciding which products are more preferable. SCS provides this type of label for electricity generation facilities.

■ **“Multi-tier”** labels reward products with additional recognition for achieving higher levels of environmental performance. The U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) standard, for example, includes four categories: certified, silver, gold, and platinum. Some advocates prefer the multi-tier approach to the pass/fail approach of the seal of approval and single attribute programs because they think it provides useful differentiation among the certified products.

It is important to note, however, that a multi-tier approach does not necessarily mean a label is more meaningful. Some multi-tier labeling programs are significantly weaker than their pass/fail counterparts so even products earning the highest possible rating might fail to meet the pass/fail standards.

Comparing Eco-Labels: All Labels Are Not Created Equal

There are three critical components of any labeling program—the validity of the standard on which the label is based, the process used to set the standard, and the verification processes used to demonstrate if a product meets the standard. Within each of the three components, there is a spectrum of possible strategies ranging from the most to the least desirable.

Based on recommendations by the U.S. Environmental Protection Agency (EPA), Consumer’s Union (publisher of *Consumer Reports*), and members of the Global Ecolabelling Network (GEN), purchasers can use the following guidelines to identify the most credible labels.

Validity of the Standard

■ Standards should have a clear and consistent meaning. The meaning of the label should not change based on who is certifying a product or which manufacturer’s product is being certified.

■ Standards also should be very clear about what aspects of a product’s environmental performance they cover. In reviewing labels for office fax machines, for example, the Energy Star label only ensures the product meets specific energy-efficiency performance levels. The Green Guard label only addresses indoor air quality issues. The Environmental Choice label covers both energy-efficiency and air quality concerns in addition to other environmental considerations such as whether the fax machines minimize noise and can accept remanufactured toner cartridges.

■ The environmental information should be meaningful and verifiable. It is important to know

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exactly what a label means. Vague terms like “environmentally friendly” are insufficient because different organizations could interpret the term differently. The standard should include explicit information defining what ingredients and practices are acceptable or prohibited or which testing protocols are used to make such determinations. Comparing several eco-labels to determine if they are addressing similar concerns is one way of ensuring the information is meaningful. GEN members often have agreements among themselves to recognize the validity of each others standards, which provides further evidence of their validity.

■ The standard guidelines and resulting standard must not conflict with the Federal Trade Commission’s (FTC) *Guides for the Use of Environmental Marketing Claims*.

Standard-Setting Process

■ There should be no conflict of interest for the standard setting organization. This precludes an individual company from developing standards for products it manufactures or sells and precludes a trade association from developing standards for products its members manufacture or sell.

■ Multi-attribute standards should be based on human health and environmental considerations throughout the life cycle of the product from raw material extraction, manufacture, use, and ultimate disposal of the product. The life cycle stages considered and covered by the standard should be explicitly stated.

■ Written opinions of key stakeholders from companies throughout the industry, environmental and consumer safety organizations, end users, and other interested parties,



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including members of the public, should be actively solicited throughout the development process.

■ Standards should be developed in a transparent process that clearly identifies the funding sources for the standard setting organization. It should also identify the name and professional affiliations of everyone involved in preparing, reviewing, commenting upon, and finalizing the standard.

■ All comments provided throughout the standard development process should be available to the public and clearly identify the commentator and document the standard setting organization’s response to the comments.

■ Standards should be reviewed and updated on a regular basis.

Verification Process

A variety of protocols are available to verify that a product meets a standard. Some are more rigorous (and more expensive), but provide a greater degree of assurance. The protocols listed below are presented in ascending order from least to most preferable.

■ **Self certification:** Individual companies certify their products meet the environmental standard.

■ **Self certification with random audits:** Individual companies certify their products, but the standard setting organization conducts random audits to ensure compliance.

■ **Independent third-party certification:** An independent organization verifies the products meet the standard based on information provided by the manufacturer.

■ **Independent third-party certification with on-site audits:** An independent organization verifies the products meet the standards based on information provided by the manufacturer and after an on-site visit to verify the accuracy of the information provided by the manufacturer.

It is important to note that a stringent verification process is relatively meaningless if the standard against which a commodity is being measured is not meaningful.

Using Eco-Labels

Purchasers are using eco-labels in several ways to reduce the adverse human health and environmental impact of their purchasing decisions.

Researching Human Health and Environmental Considerations

Reviewing the issues addressed by several eco-labels is a very effective way of quickly determining which considerations are most important for an upcoming purchase. It is the first place most purchasers begin. Purchasers then use the information from a variety of sources to prepare purchasing specifications or develop request for proposal (RFP) criteria. EPA, GEN, and Consumer’s Union each make it easy to quickly locate many of the relevant eco-labels for any commodity.

Developing Purchasing Specifications

Purchasers are also increasingly comfortable using a single, credible eco-label as the basis for a purchasing specification. While neither Massachusetts nor Santa Monica, California required Green Seal certification for the safer cleaning products they buy, their product requirements were built from Green Seal’s institutional cleaning product standard after carefully reviewing all of the other relevant labels.

Label Comparison

Consumer’s Union, publisher of *Consumer Reports*, compares the value of various eco-labels on its www.eco-labels.org Web site.

Both RFPs clearly stated that Green Seal certified products automatically meet their environmental requirements. Many of other purchasers also use Green Seal standards for paint, cleaning products, or other products, including Chicago, IL; Sarasota County, FL; Multnomah County, OR; Portland, OR; Seattle, WA; the Aberdeen Proving Ground in Maryland; EPA headquarters; the U.S. Department of Interior and dozens of others.

Green Seal is not the only certification program frequently incorporated into purchasing specifications. Portland, Santa Monica, Seattle, and others include references to Forest Stewardship Council (FSC) certified wood and wood products. Santa Monica, Massachusetts, and the Western States Contracting Alliance (WSCA) mention TCO certification in their RFPs for computer equipment. Sarasota County references the Chlorine Free Products Association's (CFPA) processed chlorine free label. Public- and private-sector purchasers throughout Canada reference the Environmental Choice program.

Rewarding Certified Products

While some purchasers remain reluctant to require products to be certified, government purchasers are beginning to reward certified products during product evaluation because it makes it easier to determine which products meet the human health and environmental requirements. The Canadian government, for example, provides additional consideration to those products certified by the Environmental Choice program when evaluating bids for office electronic equipment. Cleaning product suppliers in Ventura County, CA, can avoid a lengthy and time consuming verification process if its products are already Green Seal certified.

Requiring Certified Products

Purchasers have traditionally avoided requiring products to be certified because they fear it will limit competition thereby increasing costs. As markets for certified

products mature, this becomes less of an issue because sufficient competition is available within the pool of certified products. Almost everyone, for example, requires purchases of Energy Star certified products because the certified products are so widely available. The Commonwealth of Pennsylvania determined this was also the case with cleaning products. As part of a recent solicitation, Pennsylvania required all products to be Green Seal certified or to demonstrate compliance with the Green Seal institutional cleaning product standard.

Growing numbers of purchasers are requiring all new construction projects to be LEED certified or to demonstrate compliance with the standard, including Portland, Sarasota County, EPA, and others. EPA required Green-e certification when it purchased renewable energy for several of its laboratory facilities. Bidders were required to be certified or to become Green-e certified within 45 days of contract award. Similarly, almost a dozen purchasers in Canada, including the Canadian government, require generating facilities to be certified by the Environmental Choice program before they will buy "green" electricity.

Future of Eco-Labels

Given the growing numbers of purchasing officials seeking safer products, eco-labels will remain an important tool for purchasers. Until the United States joins the rest of the world in developing or endorsing a single, multi-attribute, eco-label, purchasers will need to remain familiar with the available labels. It is also important to note, however, that given the increasingly global economy, many products sold overseas might already meet foreign eco-certification requirements because it is essential for overseas sales. As a result, it never hurts to ask about eco-certification or to use eco-labels to develop human health and environmental requirements. You might be surprised to discover that some products you buy are already certified. You won't know unless you ask. □

Editor's Note: The Green Purchaser is a regular feature tracking the growing sustainable purchasing movement—the effort to buy less polluting products from less polluting companies. Scot Case is the Director of Procurement Strategies at the Center for a New American Dream where he helps institutional purchasers buy less polluting products from less polluting companies. Visit: www.newdream.org/procure or e-mail Case at scot@newdream.org.



PRO PATHWAYS

Visit the following organizations referenced in the article:

—Chlorine Free Products Association: www.chlorinefreeproducts.org.

—Consumer's Union: www.eco-labels.org.

—Energy Star: www.energystar.gov/purchasing.

—Environmental Choice: www.environmentalchoice.ca.

—EPA Environmentally Preferable Purchasing Program:

www.epa.gov/oppt/epp.

EPA Standards and Label Database: <http://yosemite1.epa.gov/oppt/eppstand2.nsf>.

—Federal Trade Commission: www.ftc.gov/bcp/gnrule/guides980427.htm.

—Forest Stewardship Council: www.fsc.org.

—Global Ecolabelling Network: www.gen.gr.jp.

—Green-e: www.green-e.org.

—Green Guard: www.green-guard.org.

—Green Seal: www.green-seal.org.

International Organization for Standardization: www.iso.org.

—U.S. Green Building Council's Leadership in Energy and Environmental design (LEED): www.usgbc.org/leed.

—Scientific Certification Systems:

www.scscertified.com.

—TCO: www.tco-development.com.