



## **Consumers International Policy position on labelling and climate change**

### **1. Background**

Energy efficiency and sustainability are becoming a central part of many consumers' everyday decision-making. Increased awareness among consumers and industry about their impact on the environment, and consequently climate change, has led to an increase in demand for 'approved', bonafide low environmental impact, low greenhouse gas (GHG)-emission products. This growing concern about climate change, environmental degradation and GHG emissions has prompted governments, industry, consumer organisations and other stakeholders to look at how to meet the need for labels.

Environmental performance labels serve a number of important purposes. Labels should provide consumers with the information they need to understand the relative climate impacts of a product in terms of energy consumption, of GHG emissions and overall environmental impact, throughout the product's lifecycle. Labels also serve an important consumer education role, increasing consumer awareness of product impacts. Lastly, labels should also encourage consumers to choose, and seek out, more sustainable products, as a complement to sustainable product policy and broader governmental and industry action.

A variety of different 'green' labels, declarations and claims are appearing on products and services around emissions, other environmental aspects, and organic materials. These different aspects all lead to claims of being 'green', causing consumer confusion as to which aspects to look for. Consumers are misled when green claims are made yet only one area of environmental impact is considered. Eco-labels, organic labels and GHG labels should be revised to make it clear to consumers which aspects are covered and which are missing.

It is important that all labels be simple, useful, and easily understandable for both rich and poor consumers in both developed and developing countries. Labels should be accurate, complete and unambiguous. Images and colours should be used to ensure accessibility for illiterate consumers. Labels should be prominently displayed at the front, outer layer of the product packaging, not at the back or on internal packaging.

Often it is not clear whether claims are self-declared or third party verified, and if so by whom. Consumers need credible, independent labels produced through transparent processes. Consumers need to have confidence that they can trust both the information that the label provides, and the organisation, or certification body that produces it. A lack of clear guidance on what information consumers need and how it is best provided and by whom leads to consumer confusion and scepticism, as well as potential lack of buy-in from industry. It is critical that consumers be able to easily recognise genuine labels and for industry claims and labels to be properly monitored and regulated.

Many energy efficiency schemes have been established as a result of legislated national or regional initiatives such as the EU's energy labelling scheme, or Germany's 'Blue Angel'. However, there is no internationally harmonised approach for labelling energy efficiency, GHG emissions or environmental impact. Although there is work in progress on some of these issues, more efforts need to be made to strengthen the requirements for labelling through international standards and legal instruments. Market surveillance, ensuring that information provided and labels displayed are verifiable, is key to building consumer confidence. Third party testing is essential and should be carried out by accredited laboratories working on the basis of internationally agreed standards.

Industry have an important role to play in communicating its practices in terms of climate impact and providing the information to positively influence consumers' purchasing choices.

Labels should enable consumers to distinguish and choose between products using clear, concise information addressing the energy efficiency and environmental impact of products to enable them to easily compare and switch to preferable products. Once consumers are provided with credible, reliable information, its potential can be increased through awareness and educational campaigns to help consumers understand the content of labels and make informed choices.

Industry recognises that climate change, sustainability and energy efficiency are rapidly becoming important factors for consumers when making their purchasing choices and that this may be translated into a market advantage for certain products and services. Labels, if accessible and credible, can be an effective means of communicating information on the sustainability and energy efficiency of products to consumers. As such, producers and manufacturers should see labels as an opportunity to provide value-based distinctions for their products.

## **2. Recommendations**

### ***Consumer organisations should***

- Distribute information on the types of labelling, their content and reliability.
- Continue campaigns to raise awareness about climate change and the role that the consumer can play.
- Put emphasis on how product choice can mitigate climate change.
- Use behavioural segmentation techniques to promote relevant messages to differing audiences as opposed to mass media campaigns.
- Lobby governments and industry to implement labelling guidelines.
- Focus on adaptation, validation, harmonization and facilitation of existing, regional labelling initiatives.
- Act as a watchdog on industry compliance with labelling standards and regulation.

### ***Industry should***

- Work towards the standardised provision of environmental product information and labelling.
- Ensure compliance with new standards and labelling practices in all countries in which they operate.
- Work towards improving their products to reach the best possible rating on the label.
- Promote awareness and use of reliable labels.

### ***Governments should***

- Lead by example through green procurement of sufficiently labelled sustainable products.
- Enhance the credibility of labels and ensure the confidence of consumers by endorsing credible, internationally agreed labels.
- Hold businesses to account by ensuring that information given by businesses to consumers about the climate impacts of their products is accurate through transparent and independent labelling.
- Put in place institutional and regulatory policies that will help to differentiate justifiable environmental claims from fraudulent marketing slogans.
- Promote awareness and use of reliable labels.