



Identifying credible labels for use in green or sustainable public procurement

Why does credibility matter and how can credible labels be identified.

// Ashleigh McLennan

Ecolabels are a useful tool in Green/ Sustainable Public Procurement (G/SPP). They can be used by:

- institutions to define G/SPP criteria and/or to establish lists of green products;
- individual procurers to define requirements and verify bids meet requirements; and,
- companies as proof that their products meet green standards.

However, not all labels making environmental claims are equal. There are credible, third-party verified ecolabels which guarantee products meet specific environmental standards. There are labels which provide environmental information which can be used to assess if specific standards are met. And then there are labels which make non-transparent or ambiguous, unverified, or irrelevant claims.

It is not always clear to institutions and procurers what the differences between ecolabels and other green claims are, and what labels are suitable for use in procurement. This policy brief aims to provide an overview of how to identify credible ecolabels for use by public procurers.

Key recommendations

- Only credible ecolabels should be used to support G/SPP. This means, ecolabels which are, independent, transparent and verified by a third-party.
- Ecolabels which are certified by ISO 14024 ('Type I ecolabels') are guaranteed as credible.
- When Type I ecolabels are not available, other suitable options exist. However, labels making non-transparent or ambiguous, unverifiable or irrelevant claims should always be avoided.

1 Why does credibility matter?

Ecolabels are voluntary labels which companies can use to demonstrate their environmental credentials. In recent years, the number and prevalence of labels making green claims has grown, in line with growing consumer awareness about environmental issues. However, not all labels are equal. For example, some labels:

- make claims which are not verified by a third-party, meaning no guarantee exists that standards are in fact met.
- are based on non-transparent or ambiguous claims, meaning, it is not possible to assess the standards which are being met.
- only relate to specific environmental impacts, which are often not relevant to the product's main environmental hotspots (for example, a label about recycled packaging does not mean that the product itself is green).

In addition to potential greenwashing¹, using labels like these in public procurement can risk violating fundamental principles of transparency and procedural fairness² in procurement.

Fortunately, many high-quality national and international ecolabels exist, and where these are available, they provide an excellent tool for supporting G/SPP. The rest of this policy brief will explain how to identify credible ecolabels, and how they can be used in public procurement.

2 What different types of ecolabels exist?

2.1 Type I ecolabels – the 'gold standard' of environmental certification

To meet the principles of good public procurement, ecolabels should meet the following requirements:

- Independent i.e. the owner of the scheme is independent from the holders of the certificates (for example, government-run ecolabels).

¹ the act of giving a false impression of environmental impacts or benefits, which misleads consumers and reduces the advantage due to companies which are truly making an effort to green their business

² Principles according to World Trade Organisation's (WTO) Government Procurement Agreement (GPA) 2012: https://www.wto.org/english/tratop_e/gproc_e/gpa_1994_e.htm

- Transparent i.e. the requirements of the ecolabel are easy to find and view.
- Third-party verified i.e. to display the ecolabel, a company must submit evidence that the requirements are met to qualified body for conducting quality assurance.

Identifying credible ecolabels which meet the above requirements is actually very easy, as the labels themselves have been certified by the International Standards Organisation (ISO) 14024 standard for 'Environmental labels and declarations' as 'Type I' ecolabels.

In addition, Type I ecolabels must consider multiple environmental impacts across a product's whole lifecycle. This means they guarantee that certified products offer genuine environmental improvements over conventional products.

'Type I' ecolabels are thus guaranteed as credible, making them easy to integrate into public procurement.

There are other types of ecolabels which are credible but only consider specific environmental impacts or lifecycle phases are known as 'Type I-like'. They are also suitable for procurement but may not guarantee that all G/SPP requirements are met. This category includes, for example, the US Energy Star label, which sets a maximum level of energy consumption for electric appliances, or the Forest Stewardship Council (FSC), which certifies sustainable forest management for timber and forest products (see Table 1 for further examples).

Identifying Type I ecolabels

For a full list of Type I ecolabels, see the membership of the Global Ecolabel Network (GEN): <https://globalecolabelling.net/organisations/>

Examples include:

- Green Choice Philippines
- Green Label Indonesia & Indonesian Ecolabel (Ramah Lingkungan)
- Thailand Green Label
- SIRIM Eco-Labeling Scheme (Malaysia)
- Vietnam Green Label

2.2 Alternative labels to Type I that are also useful for G/SPP

Type I ecolabels may not always be available on local market. For example:

- No credible ecolabels are available in the country or for a specific product-group to certify green claims.
- Credible ecolabels are available, but since only a few companies hold them, running a competitive procurement contest based on the ecolabel's requirements might not be feasible.

In the above cases, alternative options to a Type I ecolabel can be explored. These are listed in table 1 and compared with Type I ecolabels

Table 1: Comparison of environmental label types and their potential use in public procurement

Label type	Description	Examples	Procurement use case
Type I (ISO 14024) Eco-labels	Voluntary, multiple-criteria based, third party guaranteeing overall environmental preferability of a product based on life cycle considerations.	German Blue Angel, Korean Eco-Label Program, Japanese Eco Mark Program, China Environmental Labelling, GOTS, TCO Certified	Can be assumed as credible and can be accepted as proof that specified environmental standards are met.
Type I-like Single attribute labels	Share many characteristics with Type I labels, however, they only focus on specific impacts.	Energy Star, FSC, PEFC, MSC, OekoTex	Those verified as credible (such as the listed examples) can be accepted as proof that specified environmental standards are met.
Type II (ISO 14024) Self-declared environmental claims	Self-declared environmental claims defined by ISO ³ , including evaluation methods, but without third-party verification.	Logos and declarations such as “100% recycled paper”	Lack of third-party verification means labels cannot provide as proof that specified environmental standards are met. If used in procurement, procurers must request proof of claim during tender and prior to awarding.
Type III (ISO 14025) “Environmental Declarations”	Voluntary programmes that provide quantified environmental data of a product, under pre-set categories of parameters set by a qualified third party and based on life cycle assessment, and verified by that or another qualified third party.	Environmental Product Declarations (EPD)	Do not assess sustainability, but do provide objective data, which can be used by a procurer/institution to carry out their own assessment.
Mandatory Product Rating Labels	Product information that is required by law to be displayed on all products available on the market.	Energy Labels	Provide objective data for all products. The rating at which a product can be classed as ‘sustainable’ must be defined

³ Requirements for the following self-declared environmental claims: compostable; degradable; designed for disassembly; extended product lifetime; recovered energy; recyclable; recycled content; pre-consumer material; post-consumer material; recycled material; recovered [reclaimed] material; reduced energy consumption; reduced resource use; reduced water consumption; reusable; refillable; waste reduction.
<https://www.iso.org/obp/ui/#iso:std:iso:14021:ed-2:v1:en>

			and continuously updated.
Environmental Management Systems ('Process' labels)	Certifies that organisations have a framework in place for continual improvement of environmental performance, as defined by ISO 14001.	European Eco-Management and Audit Scheme (EMAS), Indonesian Green Industry Scheme	Can be used to verify compliance with some selection criteria (i.e. proof that companies have environmental management systems in place) , but do not provide any information about the specific characteristics of a product (and therefore cannot verify compliance with technical specifications)
Sources: ISO (20219) Environmental Labels ; Open Contracting Partnership (no date) Guide to ecolabels ;			

It is worth noting that Type II labels are frequently debated regarding their suitability for procurement. In their favour, the claims made by Type II labels are defined and verifiable (the specific requirements and verification methodologies are listed in the commercially available ISO 14021:2016 standard). However, as 'self-declared' claims, the possession of the label cannot be taken as proof that a product meets the required standards. For this reason, procurers must request proof and conduct their own verification (for example, checking Product Data Sheets). Type II labels therefore do not address a common barrier to G/SPP, namely that procurers do not have the skills to carry out this verification step.

Energy Star vs. Energy Labels

Energy Star⁴ is a 'Type I-like' ecolabel for energy efficiency which is backed by the US Government and is referred to in the procurement and ecolabel requirements of many other countries. It sets high standards which can only be met by products with high performance. Energy Star allow consumers to identify the most energy efficient products available on the market.

Energy labels are country-specific product information labels which are required by law to be displayed on all products available on the market. They rate products according to a scale (for example, the European Energy Label rates products from A (best performers) to G (worst performers)). Energy labels allow consumers to compare the energy performance of different products. For procurers, energy labels can be a valuable tool for buying energy efficient products. Procurers should aim to purchase products from the top tier(s) of an energy label.

⁴ <https://www.energystar.gov/>

3 Methodology for comparing environmental information labels to support G/SPP

To establish which labels are available in a country are suitable for verifying G/SPP criteria, a benchmarking exercise can be conducted. The goal of a benchmarking exercise is to:

1. Identify labels available in the market.
2. Assess the credibility of the available labels to be used for G/SPP.
3. Assess the scope of labels, e.g. the lifecycle stages covered by different labels, and the environmental impact categories taken into consideration.

The results of a benchmarking exercise can be used to inform G/SPP guidance, as well as provide the basis for the creation of online green e-catalogues or product directories/ e-marketplaces.

Green Product Lists

An increasing number of countries are interested in supporting G/SPP through the creation of green product lists. The goal is to increase the visibility of green products and make them easier to purchase either directly or indirectly. Examples include:

E-catalogues: online shop of pre-approved suppliers or centrally purchased goods and services which public buyers can purchase or order from directly (i.e. without a separate competitive procurement procedure)

For example, the Korean 'e-shopping Mall', which allows procurers to search for products and buy these directly using integrated online ordering.

E-marketplaces: Online list of sustainable products and services offered by registered suppliers (i.e. direct purchase is not supported).

For example, the Malaysian [MyHIJAU Directory](#). This Provides a list of products available on the market which can be filtered according to type of label, including the ability to filter for Type I Ecolabels.

For more information, see the study '[Use of E-Catalogues in Sustainable Public Procurement \(SPP\)](#)'

3.1 Identify available environmental labels

The following should be assessed:

- Availability: what environmental labels are available in the country?
- Relevance for G/SPP: are the identified labels relevant to a product category identified as a priority for G/SPP?

Availability can be determined according by online ecolabel databases (such as the Ecolabel Index⁵), identification by stakeholders, and web-based research.

⁵ <https://www.ecolabelindex.com/ecolabels/?st=country,id>

3.2 Assess the credibility of available environmental labels

The suitability of a label for public procurement should be assessed against the following criteria: the independence of the scheme; the transparency of its criteria; the use of third-party verification. This credibility assessment has already been done for many labels world-wide by the following schemes:

- Siegelklarheit⁶: labels assessed as having a '3 Star' Credibility Rating
- ITC Standards Maps⁷: labels classified under 'Verification-Third Party', plus meeting 'accessibility' and 'transparency' criteria under the 'Sustainability'.

Labels not certified as ISO Type I, and not guaranteed as credible by Siegelklarheit (or if not available, the ITC Platform) will need to be assessed on a label-by-label basis.

3.3 Compare the scope of environmental labels

Different types of environmental labels have different scopes. For example, Type I labels cover the full life cycle impact of a product (or service) and a range of environmental impacts. 'Single Attribute Labels' and 'Product rating labels' on the other hand only focus on one environmental impact and/or life cycle stage.

For example, an ICT product which has been awarded the TCO Certified Type I ecolabel meets the same high energy efficiency requirements as a product awarded an Energy Star certificate (single attribute label). However, the TCO Certified product also meets requirements on product durability and repairability, reduction of hazardous substances, use of post-consumer recycled content, social responsibility requirements and more⁸.

Thus, different labels guarantee different standards. A benchmarking exercise must therefore check the specific requirements of each ecolabel, to make sure that an ecolabel can be accepted as proof that all relevant requirements are met, at the necessary level of ambition.

Again, the existing schemes Siegelklarheit and the ITC Standards Map can be used to support the comparison of ecolabels.

⁶ An initiative of the German Federal Ministry for Economic Cooperation and Development: <https://www.siegelklarheit.de/en/>

⁷ An initiative of the International Trade Centre: <https://www.standardsmap.org/en/home>

⁸ TCO Certified (2021) [Generation 9 for notebooks](#)

Conclusion

Not all environmental labels are equal. Some aim to provide assurance, while others only provide information. Some are independent and third-party verified, making them suitable for procurement, while others are not. Finally, some are comprehensive in their consideration of environmental impacts, while others have a more limited focus.

Thus, possession of a label cannot automatically be taken as a guarantee that high environmental standards are met. However, a benchmarking exercise can assess the suitability of labels and its results can be used to create a list of suitable labels and/or products which can be used to support G/SPP in a country.

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www.oeko.de | info@oeko.de

Contact

Ashleigh McLennan | a.mclennan@oeko.de

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Annex: Template for comparing environmental labels

The below template is provided as a starting point for those conducting a benchmarking exercise.

The values shown in the table provide an example of how three different labels theoretically compare:

- Label 1 represents a Type I ecolabel, in which a range of environmental impacts occurring across the lifecycle are considered.
- Label 2 represents a single attribute label, which is credible, but narrowly focused in scope.
- Label 3 represents a label in which the award of certificates is based on self-assessment only, meaning it could not be used as evidence that tender requirements are met, therefore limiting its usefulness in public procurement.

[PRODUCT CATEGORY]	[LABEL NAME]	[LABEL NAME]	[LABEL NAME]
Credibility	Yes	Yes	No
- Independent	- Yes	- Yes	- Yes
- Transparent	- Yes	- Yes	- Yes
- Third-party verified	- Yes	- Yes	- No
Lifecycle impact categories			
- Raw material extraction/production	- Yes	- No	
- Production and Manufacturing	- Yes	- No	
- Distribution	-	- No	
- Use Phase	- Yes	- Yes	
- End-of-Life	- Yes	- No	
Environmental impact categories			
- Chemicals	- Yes	- No	
- Water	- Yes	- No	
- Energy & climate	- Yes	- Yes	
- Waste	- Yes	- No	

Existing tools, like Siegelklarheit and the ITC Standards Map, have already assessed the credibility and scope of many labels and can provide much of the data necessary to complete an ecolabel benchmarking exercise.