

Sustainability Labels and Indicators 'Pinning down labels'



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Status

Label owners need to have their labels verified in terms of reliability and independence. Agreements have been made with the Dutch Council for Accreditation to ensure this. The labels database is expected to go live towards the end of 2006.

Facts and figures

- There are approximately 800 labels in circulation in the Dutch market (180 in non-food). The consumer is confronted with some 300 labels and comes across 130 of these labels with some regularity.

Period

2004-2007

Parties involved

Trade and Industry in a stakeholders consultation involving the Ministry of Agriculture, Nature and Food Quality (LNV), the Ministry of Economic Affairs (EZ) and Ministry of Housing, Spatial Planning and the Environment (VROM); MVO Nederland, the Confederation of Netherlands Industry and Employers (VNO-NCW), the Federation of the Dutch Food Industry (FNLI) and other civil society organisations.

More information

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These days a variety of products come with a label that gives some kind of assurance about environmental protection, social responsibility or animal welfare. This can be confusing for consumers and also raises doubts about reliability. Rather than introducing its own endorsement label, the government felt it would be more helpful to give consumers more insight into the existing labels, and among other things is now in the process of setting up an accessible database that will serve this purpose.

Context

Labels and certification systems relating to sustainability can be anything from 'natural' to 'free range'. This is something that is up to the individual company: as long as the information is not misleading, the manufacturer can make any kind of statement. This is marketing related to the company's brand policy. But civil society organisations and consumers are keen to know what the labels stand for. In response to a request from the government, the Social and Economic Council (SER) issued a set of recommendations. This led the cabinet to place two action points on the agenda – exploration of the possibilities for a Sustainability Indicators Platform and a labels database.

Effects

Various studies on sustainability criteria have been conducted. The results show a limited need among the SME sector to develop sustainability factors; moreover CSR Netherlands is ideally suited to dealing with that. The labels database is an independent and intelligent solution for consumers, which provides background information about the different labels.

Particular aspects

Companies are able to communicate clearly about sustainability. The Dutch Council for Accreditation verifies labels for reliability and independence and verifies admission.

Challenges

Despite being aware of the advantages of making labels more reliable, not all of companies that use labels will take part. Nevertheless, half of these companies are willing to spend approximately € 300,- per year on maintaining product information.

Compatibility with Ministry policy

The involvement of the business sector and civil society organisations, with a hands-off government, is consistent with the policy objectives of Trade and Industry and the Ministry. Businesses must demonstrate to the consumer that they are attending to all aspects of the three Ps (people, planet, profit).

Benefits

Labels are independently verified. This increases consumer confidence and meets the need for clarity. Companies provide background information about the label. If many labels are displayed on the website it will make sense for other companies to follow suit.