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Green tape

Want to show the world how green you are?
Bette Flagler negotiates the thicket of environmental
 labelling and management regimes

IF TRYING to sort the ins and outs of labelling your company as green has you seeing red, you're not alone. Consumers and companies alike are cautious about the value behind environmental claims, and fair enough. After all, to be certified by an independent, audited programme takes a lot of time and effort and often more than just a little money.

But first things first. If your primary motivation for slapping a green label on your product or company is to increase revenue, we've got some advice for you: while consumers want to do what's environmentally correct, they want it to be easy and they're not necessarily keen about paying for the privilege. Nobody goes out and buys a big bottle of clean and green — they buy a bottle of detergent and expect their clothes to come off the line bright. You sell to the masses on the benefits of your product, not on the basis that you do all the right things; but by being associated with a respected environmental label, you may reap indirect benefits such as greater market access, or price premiums as the label assumes its own brand recognition. And, on another level, by becoming more sustainable, you will waste fewer resources and raw materials — and that means cost savings.

Brigid Hardy admits that looking at international labelling regimes was bewildering when she and her business partners began planning their cleaning products company Beauty Engineered for Ever (BEE) in 2002. She settled on Environmental Choice New Zealand, which she felt took the most rigorous standards from around the world and applied them to New Zealand conditions. "We wanted [a label that was] associated with an independent auditor, had an international association and was of the highest standard," she says. "Obviously, that caused us a lot of work to make sure everything we did complied, but when you're starting out as an idealistic company, that's the level you want."

The trail BEE followed to environmental certification led the company through three areas of testing: formulae were scrutinised for compliance with Environmental Choice criteria; policies for energy management, water consumption and waste management were

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examined; and packaging was inspected for things like instructions for use to minimise waste and recyclability.

Home grown

Environmental Choice NZ is a product-specific “eco-label” owned by the government and run by the New Zealand Environmental Trust (NZET). It’s concerned with the environmental impact of a product or service throughout its lifecycle. The job of the NZET is to produce specifications for those products and services. Industry players are able to participate in that process.

When Colin Gooch, the technical director of Resene Paints, was searching for the right eco-label, he found many regimes offered internationally lacked rigour. While a paint may have been environmentally acceptable, who was to say it wasn’t just because it was degraded to little more than coloured water? So when NZET was developing specifications for paint, Gooch joined the group writing the criteria, to ensure they were tough. The paint specifications, originally written in 1993, have since been reviewed twice.

When a manufacturer wants to use the Environmental Choice label on one or more of their products, their first step is to study the licence criteria, which, in the case of paint, includes not only obvious environmental hazards like VOC (volatile organic compound) emissions, heavy metals and solvent usage, but also the company’s energy management, product performance standards, and product packaging. Once the applicant believes they meet the criteria, they are audited by a third party assessor who prepares a report, outlines a supervisory programme and determines the intervals at which the company will be reassessed.

Eco-labels can also be sector specific — in New Zealand, for instance, sector specific eco-labels include Forest Stewardship Council Certification, Marine Stewardship Council Fisheries Certification, Bio-Gro Organic and AgriQuality Standards, and Green Globe 21 Tourism Standards.

While eco-labels are product specific, environmental management systems (EMS) are based on the company’s systems, not the virtues of its products. They may or may not have logos attached (Enviro-Mark NZ has a logo, for instance), but a certified company may or may not choose to place it on their products.

Top gun

If you want to show you’re at the top of your game in environmental management systems, then ISO14001 is the big gun. It requires companies to define the impact of their products, processes and services, set objectives and goals (and have processes to meet them), and institute management review.

For some exporters, environmental accreditation is fast becoming essential. Take Christchurch’s Tait Electronics: 95% of its products are

exported and about three years ago environmental management questions began creeping into tender documents. Now, according to group quality manager Roger Atkinson, it has become much more critical — particularly in EU markets where the legislation on what products can contain and how they (and their packaging) are disposed of has become very stringent. Having been ISO9001 certified for about ten years, it was a logical step to move towards ISO14001. As an electronics manufacturer, it wasn't immediately obvious what Tait's environmental effects were — it needed a framework to help determine their impacts and help establish management systems. Tait turned to The Natural Step (TNS),

“We sell our products based on best value, best performance ... The environmental thing is the icing on the cake, but the consumer has to want to buy the cake”

a non-profit international organisation founded in Sweden in 1989 using scientifically based sustainability principles to help organisations set priorities, focus management and production systems, and provide direction and motivation. After partnering with TNS-New Zealand, Tait Electronics spent the better part of two years preparing for ISO14001 certification in November 2003.

In New Zealand and Australia, the Joint Accreditation System of Australia & New Zealand (JASANZ) is the over-reaching standards association and licenses others to serve as auditors. When a company decides to go for ISO14001, the first step is to work through the manual and determine when it is ready to be audited. A licensed auditor will visit the premises, inspect all the documentation and policies and determine whether the company is meeting the standards. If it is, it will be certified and reviewed annually.

Mark of distinction

If all that makes you weary just thinking about it, you might find Enviro-Mark NZ more user friendly. It's an internet-based environmental management system marketed and supported by LandCare Research, designed to be easier to use and manage than ISO14001. Enviro-Mark was developed in England and is used in five Commonwealth nations. It operates at five levels and companies can choose which level best suits their needs. The first level, Enviro-Mark NZ Bronze, is a certificate of compliance with relevant health, safety and environmental legislation. The top level, Enviro-Mark NZ Diamond, pretty much says the company is ready for ISO14001 accreditation. In between those two are silver, gold and platinum.

While manufacturers trying to win large contracts globally may see more demand for EMS accreditation, Peri Drysdale, chief executive of Christchurch clothing manufacturer Snowy Peak, believes there is a trend away from using eco-labels on retail consumer products. Drysdale says that Snowy Peak “eats, sleeps and breathes” sustainability, and the company signed on with Enviro-Mark NZ mainly as an internal check to see how it measured up. She's undecided about whether to take the company up through the grades, and doesn't use Enviro-Mark NZ certification on any company products or in its catalogue.

“We sell our products based on best value, best performance and being the most stylish. The environmental thing is icing on the cake, but

You be the judge

There are different labelling systems for different purposes.

- Decide if you want a label for your company or your product
- If you're looking for an environmental management system for your company, decide whether you're trying to impress the domestic or the international market
- If you operate in the domestic market only, do you need to go to the extreme of ISO14001, or would a lower tier of Enviro-Mark meet your needs?
- If you're looking for a product label, check around to see if there's a sector-specific one that suits

the consumer has to want to buy the cake.”

However, as a trade purchaser of textile products she says Snowy Peak favours textile supply companies that are certified with the international textile specific “Eco-tex” label.

It's not easy to put a price on getting certified under any of these systems. The user licence for Enviro-Mark is \$600 and auditing fees begin around \$500, so annually you can expect direct costs of around \$1100. The cost of application to Environmental Choice is \$250; the audit will range from \$500 for a simple assessment to as much as \$3000 for a complex one. Certification depends on the turnover of your product and annual fees currently range from \$1200 to \$17,500. One-third of the annual fee for a product goes into joint advertising for that product.

But the certification fees are not the only costs associated with the process. The biggest expenses are in administration, as Erna and Tonnie Spijkerbosch, owner-operators of Creeksyde Holiday Park in Queens-town, found when they became certified by the tourism sector's Green Globe 21 system. The Green Globe 21 process is in three stages: affiliate (an entry level of awareness), benchmark (where the likes of electricity usage, waste to landfill and environmental policies are measured for a year, submitted to Green Globe 21 and compared to the benchmark), and certification (a continuation of benchmark but audited externally).

Erna says the business was already well versed in reusing and recycling, but moving up through the ranks of Green Globe 21 in 2000 meant a big increase in workload. “Doing’ tended to come naturally, but all the paperwork needed to document what we were doing took time away from operating the park, enjoying and learning from our guests. It's been a large learning curve in terminology and documentation. We have had to learn to change scraps of job lists into “objective” spreadsheets, and I do feel that although things are more measurable we have less time available for doing.” It has meant a part-time admin job is now a full-time one and storage capacity on the computer has had to be extended. Money spent on benchmarking and auditing had to be diverted from operational costs and although this is offset by operational savings, this is easier to see in hindsight than at the beginning.

“All in all, we believe our leap of faith in being Green Globe 21 benchmarked and audited for certification was expensive and time consuming, but very rewarding, not only to ourselves for a job well done, but also for our bottom line financially and promotionally.”

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