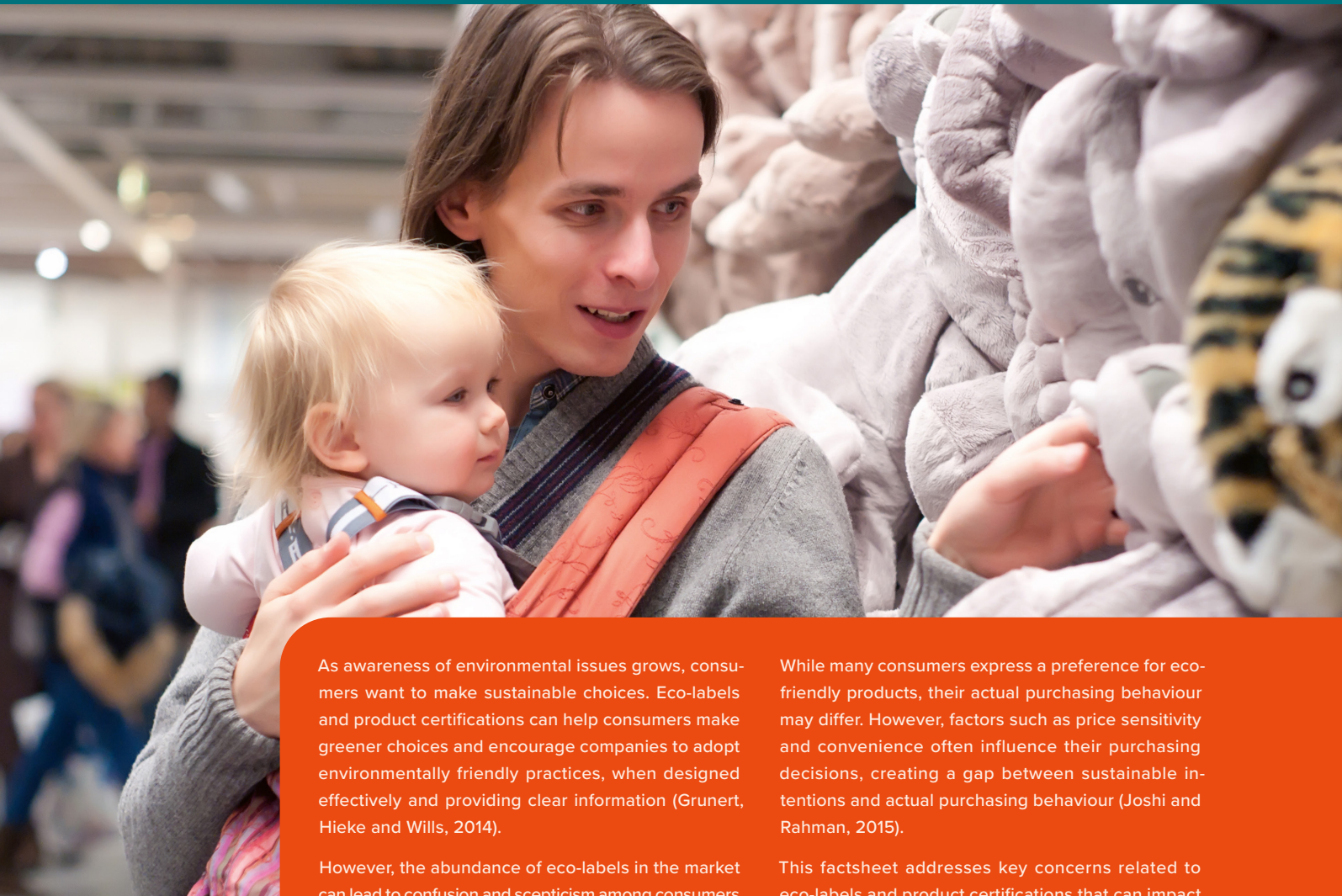




FACTSHEET

Consumer Concerns: Certification & Eco-Labels



As awareness of environmental issues grows, consumers want to make sustainable choices. Eco-labels and product certifications can help consumers make greener choices and encourage companies to adopt environmentally friendly practices, when designed effectively and providing clear information (Grunert, Hieke and Wills, 2014).

However, the abundance of eco-labels in the market can lead to confusion and scepticism among consumers. Many consumers remain uncertain about which criteria are used for certification and how the labelling process works. Recent studies reveal that label design and the type of information presented can raise concerns for consumers and influence their decisions about these sustainability indicators (Witek, 2017).

While many consumers express a preference for eco-friendly products, their actual purchasing behaviour may differ. However, factors such as price sensitivity and convenience often influence their purchasing decisions, creating a gap between sustainable intentions and actual purchasing behaviour (Joshi and Rahman, 2015).

This factsheet addresses key concerns related to eco-labels and product certifications that can impact consumer behaviour and foster a change towards bio-based products.

Key Consumer Concerns

Greenwashing remains a prominent issue for most consumers. A study by Guo et al. (2022) found that consumers are becoming more sceptical of unsubstantiated environmental claims, leading to a demand for greater transparency regarding a product's actual environmental impact. This scepticism can hinder sustainable purchasing decisions (Salgiya, 2024).

Another critical concern is the **credibility of certifications**. Here, labels verified by independent third parties tend to be viewed as more trustworthy by consumers and industry partners alike (Thøgersen et al., 2010). Also the reputation of the certification body significantly influences consumer confidence and purchasing decisions.

In order to be able to make informed decisions, consumers further rely on **clarity in labelling**. With the growing distribution and use of eco-labels, consumers can feel easily overwhelmed. Clear and straightforward information about a product's sustainability features is necessary for consumers to make informed choices (Grunert et al., 2014).

Consumers are also interested in the **scope of sustainability claims**. Consumers want to be assured that sustainability labels encompass various aspects beyond environmental impact, such as social responsibility, ethical sourcing, and fair labour practices. They seek holistic indicators that reflect a product's overall commitment to sustainability across its entire lifecycle and claim assurance that their purchases contribute positively to both the environment and the society at large (Taufique et al., 2017).

Although the Green Claims Directive by the European Commission imposes new criteria to stop companies from making misleading claims about environmental merits of their products and services, the **lack of consistent regulations** governing sustainability labelling poses additional challenges. The absence of standard rules leads to confusion in the market, causing consumers to question the validity of various eco-labels (Dendler 2014). Despite these challenges, many consumers express a preference for eco-friendly products (Joshi and Rahman, 2015).

Furthermore, **verification and traceability** are becoming increasingly important topics for consumers. They want mechanisms that allow them to confirm the authenticity of sustainability claims and trace products back to their origins, providing a full chain of custody. Consumers value transparency in supply chains and desire mechanisms for verifying the authenticity of sustainability claims (Bai et al., 2020). However, implementing such systems and collecting related data can be costly, particularly for smaller producers who may struggle with compliance.



EU Policy

Addressing Eco-labelling

To address the consumer concerns highlighted in this factsheet, several regulatory initiatives have been developed by the EU. These policies and directives aim to increase transparency, standardization, and credibility in eco-labelling and green claims.



EU Ecolabel Regulation (EC) No 66/2010

This regulation establishes a voluntary ecolabelling scheme recognized across the EU. It addresses consumer concerns by providing a single, credible certification for environmentally friendly products, reducing confusion from multiple labels.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32010R0066>



Proposal for a Directive on Green Claims

This proposed directive aims to combat greenwashing by requiring companies to substantiate their environmental claims, increasing transparency and consumer trust in green marketing.

https://environment.ec.europa.eu/publications/proposal-directive-green-claims_en



Unfair Commercial Practices Directive 2005/29/EC

While not specific to eco-labels, this directive prohibits misleading environmental claims in marketing, helping to prevent greenwashing and increase consumer confidence.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32005L0029>



Sustainable Products Initiative

By aiming to make products more sustainable, this initiative could lead to clearer sustainability criteria and more transparent labelling practices.

https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12567-Sustainable-products-initiative_en



Product Environmental Footprint (PEF) and Organisation Environmental Footprint (OEF)

These methods provide standardized ways to measure environmental performance, which could lead to more consistent and comparable eco-labels.

https://environment.ec.europa.eu/topics/circular-economy/levels_en



EU Taxonomy Regulation

While focused on financial investments, this regulation's classification system for sustainable activities could influence product certifications, making them more comprehensive and standardized.

https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en



Single Market for Green Products Initiative

This initiative aims to improve methods for measuring and communicating environmental performance, which could lead to clearer and more consistent eco-labels.

<https://ec.europa.eu/environment/eussd/smgp/>



Waste Framework Directive 2008/98/EC

By including provisions on labelling products containing certain substances, this directive could contribute to more comprehensive eco-labelling practices.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008L0098>



Energy Labelling Regulation (EU) 2017/1369

While specific to energy efficiency, this regulation sets a framework for clear and standardized labelling that could influence broader eco-labelling practices.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017R1369>

Intransparent Sustainability Criteria

Eco-labels often cover a wide range of sustainability criteria. Some of them may not be immediately apparent to consumers, as different metrics and scales are used to calculate the impact on the environment, for example:



Water Usage

Some labels consider water consumption throughout the product lifecycle, but the specific metrics used can vary widely between certification schemes.



Social Responsibility

Some eco-labels incorporate social criteria such as fair labour practices or community impact, but these are often less visible than environmental criteria.



Recyclability & Recycled Content

Many eco-labels include information about a product's recyclability or its content of recycled materials. However, the definitions and standards for recyclability can vary, and the percentage of recycled content required for certification differs between schemes. Moreover, consumers often struggle to understand the difference between recyclable products and those made from recycled materials, yet they prioritise recyclability and biodegradability over renewable origin (Herbes et al., 2018).



Carbon Footprint

While many labels address carbon emissions, the boundaries of what is included (e.g., production only vs. full lifecycle) can differ significantly.



Bio-based Content

Certification of bio-based content verifies the percentage of renewable materials in a product, but the methods for measurement and the thresholds for certification can vary between different labelling schemes.



Biodiversity Impact

Certain labels, particularly in agriculture and forestry, may consider a product's impact on local ecosystems, but the assessment methods can be complex and difficult for consumers to understand.



Chemical Use

The regulation of chemical inputs can vary widely between certification schemes, with some focusing on specific substances while others take a more holistic approach.



Often Omitted or Underrepresented Criteria

Certification schemes often lack comprehensive evaluation criteria. While some criteria like fair sourcing or energy efficiency are included in many schemes, critical aspects such as social responsibility, environmental impact, and sustainability are frequently overlooked. These gaps include incomplete assessments of carbon footprint, water usage, biodiversity, chemical safety, and potential food resource competition. A more holistic approach is needed to create truly meaningful certification standards.

Label Design & Information Provision

The design of eco-labels and the way information is presented can significantly impact consumer trust and cause concerns. Clear, simple, and visually appealing labels tend to be more effective in communicating sustainability information (Grunert, Hieke and Wills, 2014). The lack of standardisation in label design across different certification schemes makes it challenging for consumers to quickly identify and compare sustainable products.

Moreover, the depth and complexity of information provided on labels can be a double-edged sword. While detailed information can enhance transparency, it may also overwhelm consumers who lack the time or expertise to interpret complex sustainability metrics (Taufique, Vocino and Polonsky, 2017). This can lead to scepticism or disengagement from eco-labels altogether. On the other hand, overly simplified labels may not provide enough information for consumers to make truly informed decisions, potentially eroding trust in the certification process.

The credibility of the information source is also crucial. Labels issued by well-known, independent third-party organisations tend to inspire more trust than self-declared environmental claims by manufacturers (Thøgersen, Haugaard and Olesen, 2010). However, the proliferation of eco-labels has made it difficult for consumers to distinguish between credible certifications and potentially misleading claims, contributing to concerns about greenwashing (Guo et al., 2022).



Recommendations

To address these concerns, policy makers, consumer agencies, industry stakeholders and certification bodies alike should focus on:

- **Enhancing the transparency and reliability of eco-labels,**
- **Simplifying and standardising sustainability information and label design,**
- **Developing comprehensive holistic certification systems,**
- **Establishing clear regulations for sustainability claims,**
- **Implementing cost-effective traceability solutions,**
- **Educating consumers about sustainable choices and label interpretation.**

By tackling these issues collaboratively, label and certification scheme holders, certification bodies and policy makers can enable consumers to make informed, sustainable purchasing decisions while supporting businesses in their sustainability initiatives.

The 3-CO Project: Addressing Challenges in Consumer Communication

The EU-funded research project 3-CO (Concise Consumer Communication through Robust Labels for Biobased Systems) aims to address many of the concerns highlighted in this factsheet. 3-CO will create a supportive framework for Business-to-Consumer (B2C) communication for industrial bio-based products and publish guidelines for label design.

The project will verify its recommendations across ten different value chains, including textiles, beauty care, household goods, housing, and bio-based plastic toys. By improving the clarity and effectiveness of eco-labels, particularly for bio-based products, 3-CO aims to enhance consumer trust, reduce confusion, and promote more sustainable purchasing decisions.

In addition, smart digital solutions developed in 3-CO aim to support sustainable consumption and improve consumer behaviour towards purchase of biobased instead of fossil-based products.

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