



More transparency for consumers

Discussion paper

1 The importance of labels and systems of certification for sustainable consumption

Consumers are increasingly interested in the origin of products and the production methods used. A number of eco-labels exist, but reliable sustainability labels are lacking. Eco-labels often only take into account environmental factors, rather than social factors. In addition, some labels allow the inclusion of certain quantities of non-certified goods. Many areas, such as the fields of electrical and electronic devices, textiles or precious metals, transport etc., are only in the early stages of introducing environmental and social standards. The creation of transparent sustainability labels is an important step towards a sustainable way of life and sustainable economics. Labels reflect differences in progress on ecological and social methods of production. It is important that such labels are understandable for consumers and do not lead them to jump to false conclusions. If it says “ecological” or “fair” on the tin, it should be just that.

2 What a sustainability label must achieve

The changes over the past decades, with an enormous increase in the number of different varieties of products, as well as in the length of lists of ingredients and supply chains, have made labelling and controls more important than ever. The declaration requirements already in place can ensure transparency, providing constituents, ingredients and production methods are set out in an understandable way. Labelling of production methods which conserve resources or energy, or are socially responsible – including information on the mode of transport used and route taken – would further enhance transparency and potentially promote sustainable consumption. The Parliamentary Advisory Council on Sustainable Development supports the idea of a uniform, universally understandable label for goods in various sectors produced in an environmentally friendly way, which, like the Blue Angel label, creates confidence. In the food sector, The “Euro-leaf” organic label has become established. At the same time, differing levels of progress on making production environmentally-friendly, socially-responsible and (in the food sector) humane should continue to be permitted.

In order to achieve this, further-reaching labels could be introduced, taking into account other dimensions of sustainability of importance to consumers. This could include, for example, the further development of eco-labels which are already established. In any case, it is important for uniform criteria to be set. A project initiated by the Office of Technology Assessment at the German Bundestag (TAB), entitled “opportunities and risks of an overarching sustainability label”, is examining the introduction of a generic label for sustainable development.

In addition, consumers must be able to rely on labels and certificates. This means that checks and sanctions are necessary.



3 Enhancing the public sector's function as a role model through implementation of the EU Directive on public procurement

The new European Directive on public procurement allows the inclusion of requirements on “social, environmental and innovative aspects” in national public-procurement legislation – which are not restricted to life-cycle costing. The plans by the Federal Government to implement this Directive in its entirety for contracts above the thresholds is to be welcomed; likewise, the intention should be welcomed of examining in the near future the extent to which transposition into national law is also possible for contract values below the EU thresholds. The Parliamentary Advisory Council on Sustainable Development encourages the Federal Government to indeed take this step and to take greater advantage of the expertise available at the *Allianz für nachhaltige Beschaffung* (Alliance for Sustainable Procurement) and the *Kompetenzstelle für nachhaltige Beschaffung* (Centre of Excellence for Sustainable Procurement). As a role model, the public sector, which annually awards contracts worth around 260 billion euros, could significantly contribute to generating the relevant supply, and thus also helping to achieve sustainable development goals.

4 Enhancing transparency for consumers through the German Sustainability Code

Sustainable consumption and a sustainable way of life cannot be imposed by the state. Nevertheless, the state is responsible for pursuing and implementing the national sustainability goals and, in the future, also the global SDGs. These include standards for resource conservation, climate protection, biodiversity, landscape conservation, animal welfare, marine conservation, health and safety at work, living wages, respect for human rights, the fight against poverty and much more. Labels and certificates which consumers can depend on are an important instrument in this context, in order to help those who want to live and consume more sustainably.

The first step towards a more sustainable way of life and thus more sustainable forms of economic activity is enhanced transparency regarding production methods across the supply chain, as required by EU Directive 2014/95/EU, which is currently waiting to be transposed into national law. The Parliamentary Advisory Council on Sustainable Development calls on the Federal Government to seek to achieve wider application of the German Sustainability Code, which can also be used by SMEs. This Code contains criteria for sustainable economic activities, which can be compared and can be applied even where a product or process is not yet ready for a label or other form of certificate. On the subject of “sustainable business activities” under discussion by the State Secretaries’ Committee for Sustainable Development, the Parliamentary Advisory Council points to its own discussion paper.

5 Sustainable consumption as an indicator in the National Sustainable Development Strategy

In its position on the 2012 progress report (17/11670), the Parliamentary Advisory Council called for a consumption indicator to be examined. This indicator has the advantage of encompassing all products consumed in Germany, whilst existing indicators only cover goods made domestically. As most production for Germany – both of domestic consumer goods and prefabricated components for export – takes place abroad, this would more realistically reflect Germany’s own consumption of resources and energy, the greenhouse gas emissions produced, etc.. The mode of transport used and route taken by each article ought to be fed into this



calculation, since they have a significant impact on how environmentally friendly – and also how fair – production of an item is. The Federal Government is determined to ensure more attention is paid to environmental standards and occupational health and safety standards in other countries, as well as at home. A consumption indicator would be a suitable instrument for more targeted assessment of the progress achieved than was previously possible.