

GPSS, Business Opportunity and Climate Change.

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WHAT IS ENVIRONMENTAL LABELS AND DECLARATIONS

► Ecolabelling

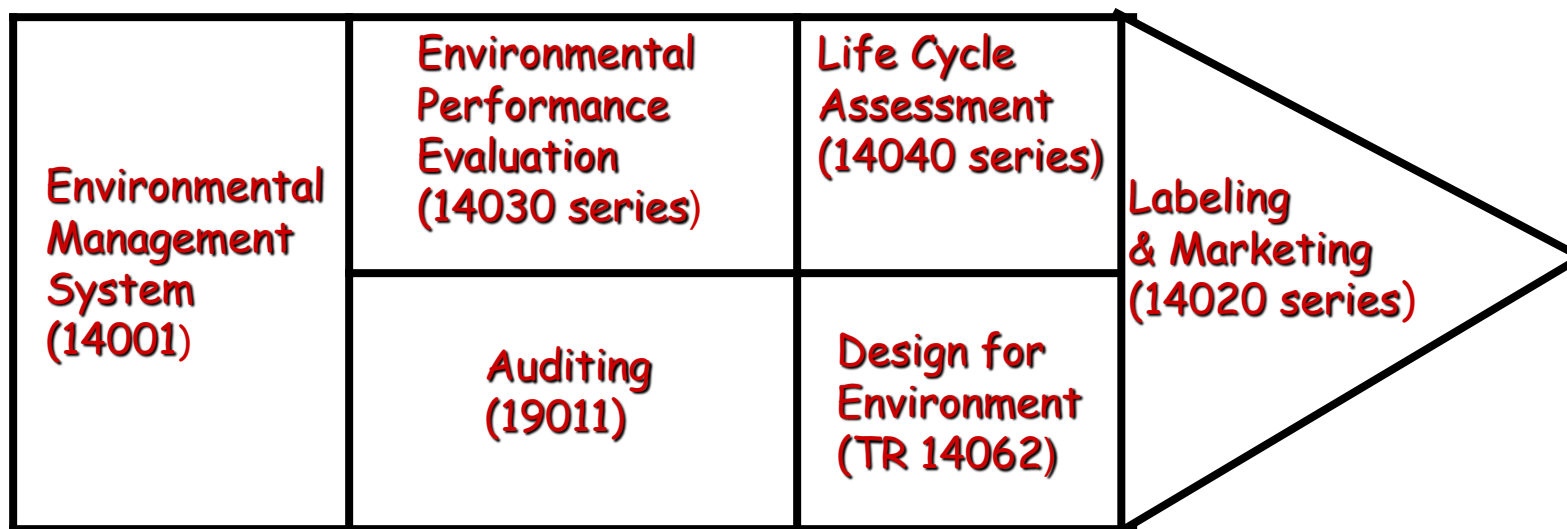
- ❑ The world's first eco-label is Germany's Blue Angel
- ❑ The Blue Angel was initiated by the German government and awarded by an independent Jury to products that are environmentally friendlier than others serving the same use
- ❑ Each label specifies that the product or service focuses on one of four different protection goals: health, climate, water, and resources

What is Ecolabelling?

► Ecolabelling

- ❑ A voluntary method of environmental performance certification and labelling that is practiced around the world
- ❑ A label that identifies overall, proven environmental preference of a product or service within a specific product/service category based on life cycle considerations and assessment
- ❑ Provides a marketplace where consumers and businesses can exercise better informed choice in making purchasing decisions
- ❑ Motivates producers and sellers to compete to improve their products by changing inputs or adopting different technologies to lower the environmental burden, improve public image and use eco-labelling as environmental marketing techniques to differentiate their products

Environmental Tools Box



Environmental Focus

Environmental

Product Focus

COSTS

Communication

REVENUE

Types of Ecolabelling

- ▶ International Organization for Standardisation (ISO) has identified three broad types of voluntary labels:
 - ❑ ISO 14024; Environmental labels and declarations -- Type I environmental labelling -- Principles and procedures
 - ❑ ISO 14021; Environmental labels and declarations -- Self-declared environmental claims (Type II environmental labelling)
 - ❑ ISO 14025; Environmental labels and declarations -- Type III environmental declarations -- Principles and procedures
 - ❑ FDIS 14026; Environmental Labels And Declarations — Principles, Requirements And Guidelines For Communication Of Footprint Information

Types of Ecolabelling

- ▶ **TYPE I**
 - ❑ A voluntary, multiple-criteria based, third party program that awards a license that authorizes the use of environmental labels on products indicating **overall environmental preferability** of a product within a particular product category based on life cycle considerations

- ▶ **TYPE II**
 - ❑ Informative environmental **self-declaration** claims

- ▶ **TYPE III**
 - ❑ Voluntary programs 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 a qualified third party

COMPARISON OF TYPE I, II AND III

Criteria Areas	Life Cycle Consideration
Type I - multiple Type II - single Type III - multiple	Type I - yes Type II - no Type III - yes
Selectivity	Third party verification
Type I - yes Type II - no Type III - no	Type I - yes Type II - preferred Type III - yes

SIRIM ECO-LABELLING CERTIFICATION SCHEME

- ▶ Provide independent verification of that your products are manufactured under environmentally-friendly criteria
- ▶ Boost your product's acceptance in international "green markets" that favor green products with a price premium
- ▶ Facilitate participation in green procurement programmes by the Government and the private sector
- ▶ Enhance your reputation among consumers as an eco-friendly business
- ▶ Contribute to the preservation and protection of the environment

WHY ENVIRONMENTAL LABELS AND DECLARATIONS STANDARDS WERE DEVELOPED

- ▶ To standardize the procedures, methodology, criteria, etc used in developing environmental labels and declarations scheme or program or in self declaration
- ▶ To prevent EL&D being used as barrier to trade
- ▶ To ensure credibility and impartiality of EL&D program or scheme
- ▶ To enable purchaser to make comparison and make accurate purchasing decision within one product category

ISO 14020, ENVIRONMENTAL LABELS AND DECLARATIONS – GENERAL PRINCIPLES

- 1 : Environmental label and declaration (EL&D) shall be accurate, verifiable, relevant and not misleading
- 2 : EL&D shall not be prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to international trade
- 3 : EL&D shall be based on scientific methodology that is sufficiently thorough and comprehensive to support the claim and that produces results that are accurate and reproducible
- 4 : Information concerning the procedures, methodology and any criteria used to support EL&D shall be available upon request to interested parties
- 5 : The development of EL&D shall take into consideration all relevant aspects of the life cycle of the product

ISO 14020, ENVIRONMENTAL LABELS AND DECLARATIONS – GENERAL PRINCIPLES

- 6 : EL&D shall not inhibit innovation which maintains or has the potential to improve environmental performance
- 7 : Administrative requirements or information demands shall be limited to those necessary to establish conformance with applicable criteria and standards
- 8 : Process of development environmental label and declaration (EL&D) should an open, participatory consultation with interested parties and through consensus
- 9 : Information on environmental aspects of products and services relevant to environmental label shall be available to purchasers or potential purchasers

ENVIRONMENTAL LABELS AND DECLARATIONS — PRINCIPLES, REQUIREMENTS AND GUIDELINES FOR COMMUNICATION OF FOOTPRINT INFORMATION

- ▶ Provides principles, requirements and guidelines for footprint communications for products addressing areas of concern relating to the environment
- ▶ Provides requirements and guidelines for footprint communication programs, as well as requirements for verification procedures
- ▶ Aim to ensure that only valid, science-based and comparable purchasing information is provided without any “greenwashing”
- ▶ Takes into consideration all relevant stages of life cycle of the product including raw material acquisition, production, use and the end-of-life stage
- ▶ Every footprint communication is required to have Product Category Rules (PCR), a set of specific rules, requirements and guidelines for developing footprint communication or one or more product categories

BENEFITS OF ECOLABELLING

1. Protecting the environment
 - a. Efficient management of renewable resources
 - b. Promoting efficient use of non-renewable resources
 - c. Facilitating the reduction, reuse and recycling of waste
2. Encouraging environmentally sound innovation and leadership
 - a. Offer market incentive toward becoming environmentally innovative
3. Building consumer awareness of environmental issues.
 - a. Increase consumer awareness of environmental issues and of the implication of their choices

EXAMPLES OF ISO ECO-LABELS

Type I



AUSTRIA



CANADA



CHINA



CROATIA



EU



FRANCE



GERMANY



JAPAN



INDIA



NORDIC
COUNTRIES



SINGAPORE



THAILAND



CZECH
REPUBLIC



THE
NETHERLANDS



USA



SIRIM

Type II



Type III



SIRIM
CO₂e: xx



HOW ECO-LABELLING BENEFITS BUSINESSES

BUSINESS COMPETITIVENESS

STEPS TO INCREASE BUSINESS COMPETITIVENESS



Understand Trade & Market Requirements

- ♦ **Technical regulations**
 - Labeling
 - Packaging
 - Transportation
 - Storage
 - Quarantine (disease control)
- ♦ **Standards**
- ♦ **Certification**
- ♦ **Testing**

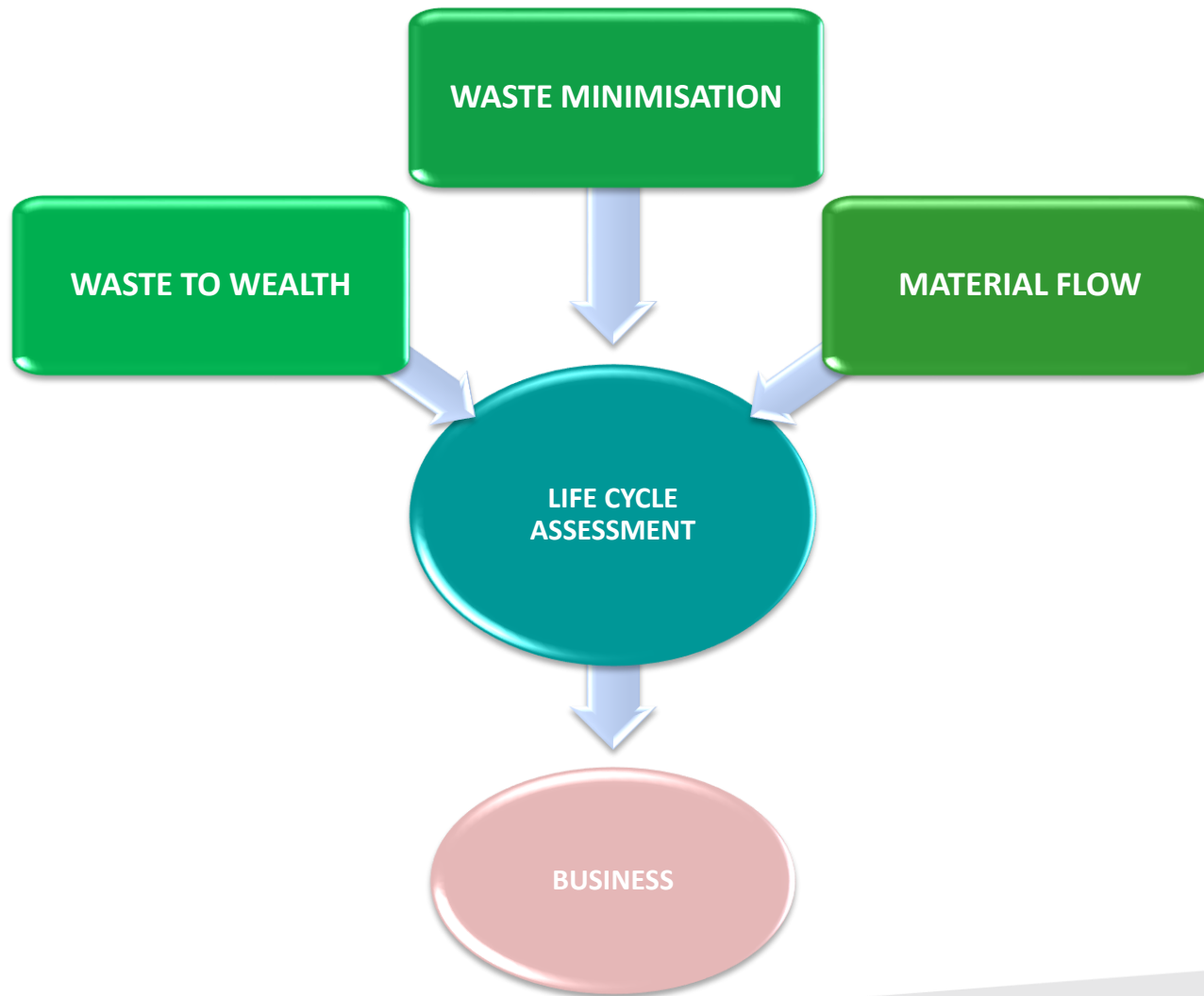
Compliance to Standards & Requirements

- ♦ Market access information
- ♦ Product standards compliance
- ♦ Product technical consultancy

Attestation

- ♦ Test report
 - ♦ Product certification
 - ♦ System certification

HOW ECO-LABELLING BENEFITS BUSINESSES?



HOW ECO-LABELLING BENEFITS BUSINESSES?

WASTE MINIMISATION HIERARCHY – waste management options in order of their environmental impact. **Aim** to extract the maximum practical benefits from products and to generate the minimum amount of waste



Opportunities

- Housekeeping improvement
- Product reformulation
- Materials alteration
- Technology alteration

Advantages

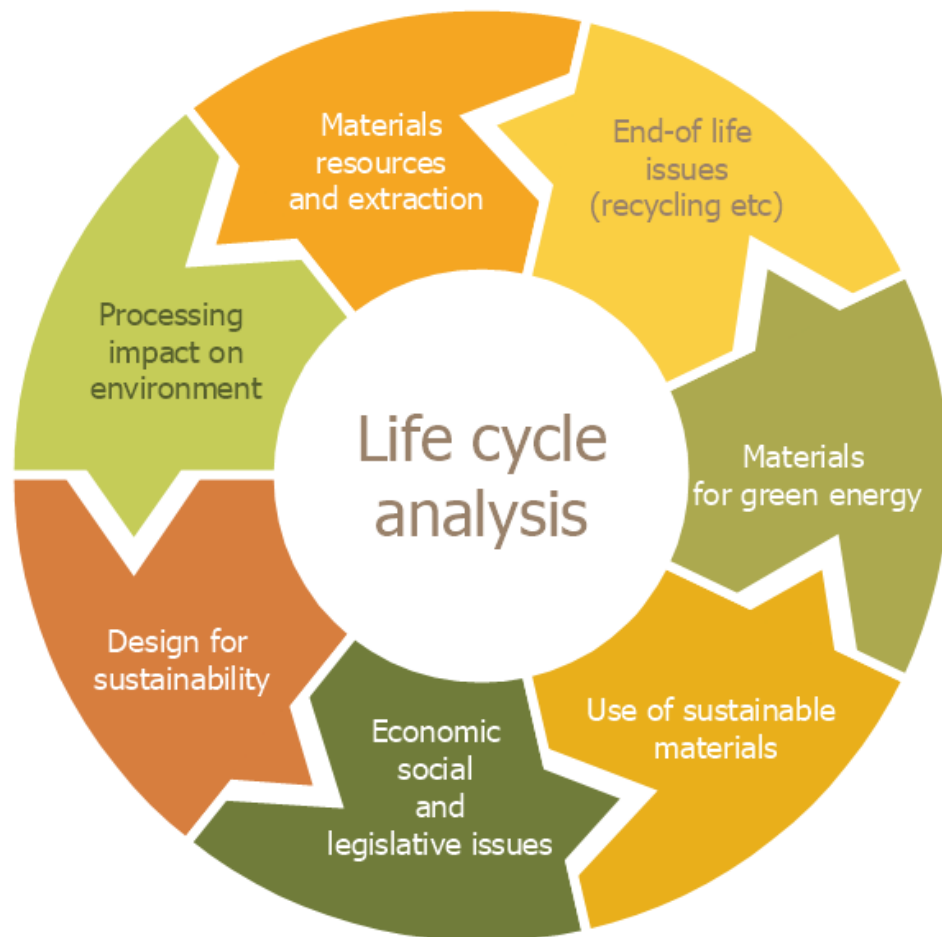
- Reduced costs
- Regulatory compliance
- Improve material tracking and inventory control
- Improved overall operational efficiency
- Improved corporate/brand/product image

Waste Minimisation Program

- 3 main phases:
- Planning and organisation
 - Waste audit
 - Implementing, monitoring and reviewing

Standardisation and Competency Assured

HOW ECO-LABELLING BENEFITS BUSINESSES?



Life Cycle is '**Consecutive and interlinked stages of a product/service system, from raw material acquisition or generation from natural resources to final disposal**'-ISO 14001, *Environmental management systems -- Requirements with guidance for use*

PRODUCT ENVIRONMENTAL CRITERIA SELECTION MATRIX FOR ECO-LABELLING

Stage of the life cycle	Environmental input/output indicators					
	Energy	Resources	Emission to			Other
	Renewable/ Nonrenewable	Renewable/ Nonrenewable	Water	Air	Soil	
Resource extraction						
Production						
Distribution						
Use						
Disposal						

Source: ISO FDIS 14024

- ▶ The above matrix links the stages of the product life cycle with the major environmental input and output indicators
- ▶ The study of the life cycle stages could lead to the conclusion that environmental impacts in some stages are insignificant and do not warrant further consideration
- ▶ The selection of product environmental criteria will not lead to the transfer of impacts from one stage of the life cycle to another without a net gain of environmental benefit

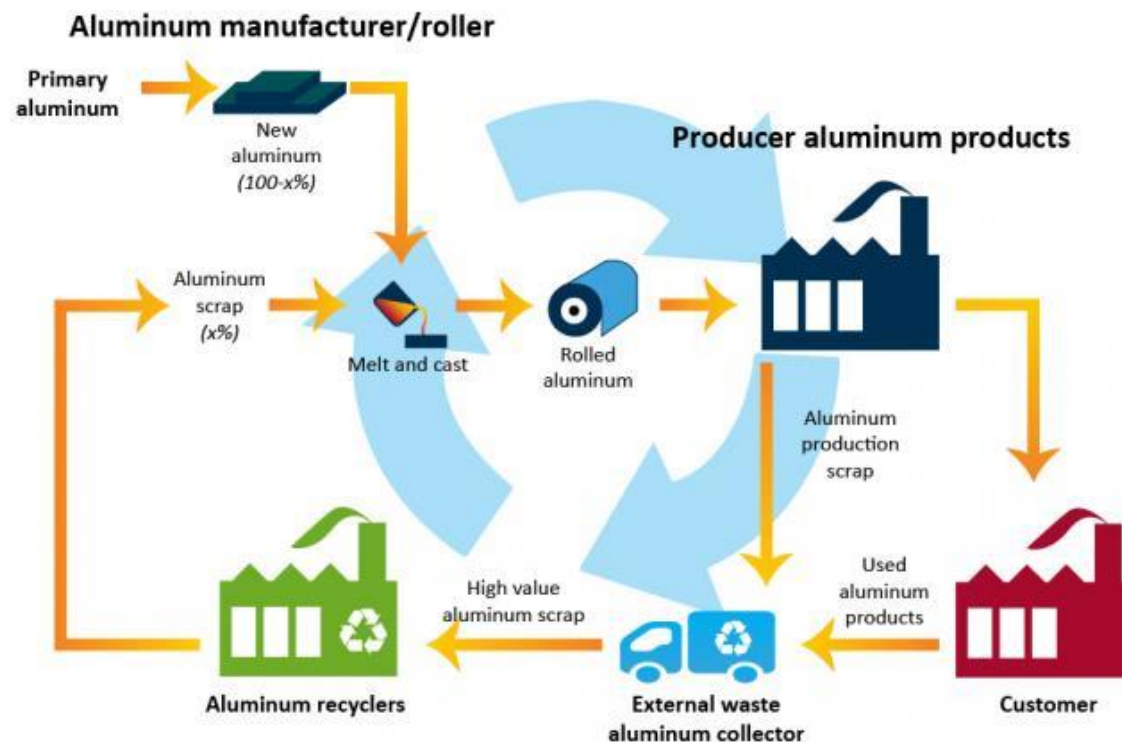
Standardisation and Competency Assured

HOW ECOLABELLING BENEFITS BUSINESSES?

Life-cycle approach aims to improve the environmental impact of a product over its entire life-cycle, from raw material extraction to production and distribution, consumption and final disposal.

LCA provides a scientific basis for governments and companies when carrying out sustainability assessments. Sustainability assessments lead to:

- reducing material
- energy consumption or waste production
- more environmentally friendly product range (eco)design
- greener image



ECO-LABELLING SUPPORTS NATIONAL AND INTERNATIONAL CLIMATE CHANGE INITIATIVES

CLIMATE CHANGE – MALAYSIA'S COMMITMENT

MALAYSIA'S INTENDED NATIONALLY DETERMINED CONTRIBUTION

- To reduce GHG emissions intensity of GDP by 45% by 2030 relative to emissions intensity of GDP in 2005 of 0.531 tons CO₂eq per thousand RM

Implementation:	10 years – 2021 to 2030		
Scope and coverage:	<u>Gases covered:</u> Carbon dioxide (CO ₂) Methane (CH ₄) Nitrous oxide (N ₂ O)	<u>Coverage:</u> Economy-wide emissions intensity of GDP	<u>Sectors:</u> Energy Industrial processes Waste Agriculture Land use, land use change and forestry
Actions taken by Malaysia:	<ul style="list-style-type: none"> ➤ 10th MP (2011-2015) – sustainable growth & mitigation strategies to reduce emissions of GHG <ul style="list-style-type: none"> ▪ Feed-in-tariff (FiT) mechanism in Renewable Energy Policy and Action Plan (2010) to: <ul style="list-style-type: none"> • Help finance renewable energy investment • Provide fiscal incentives and funding for green tech investment • Promote projects eligible for carbon credits ▪ Sustainable forest management and use of natural resources <ul style="list-style-type: none"> • Central Forest Spine (CFS) • Heart of Borneo (HOB) ➤ RM51 billion spent to enhance resilience against climate change 		

CLIMATE CHANGE – MALAYSIA'S COMMITMENT

MALAYSIA'S INTENDED NATIONALLY DETERMINED CONTRIBUTION **- To reduce GHG emissions intensity of GDP by 45% by 2030 relative to** **emissions intensity of GDP in 2005 of 0.531 tons CO₂eq per thousand RM**

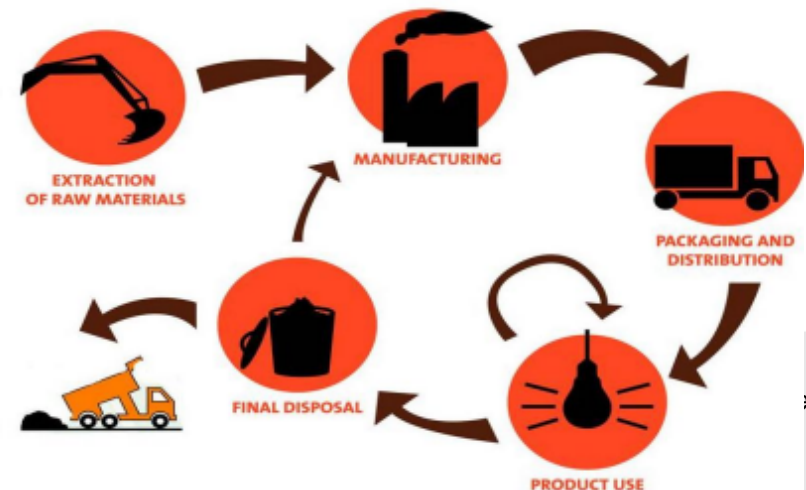
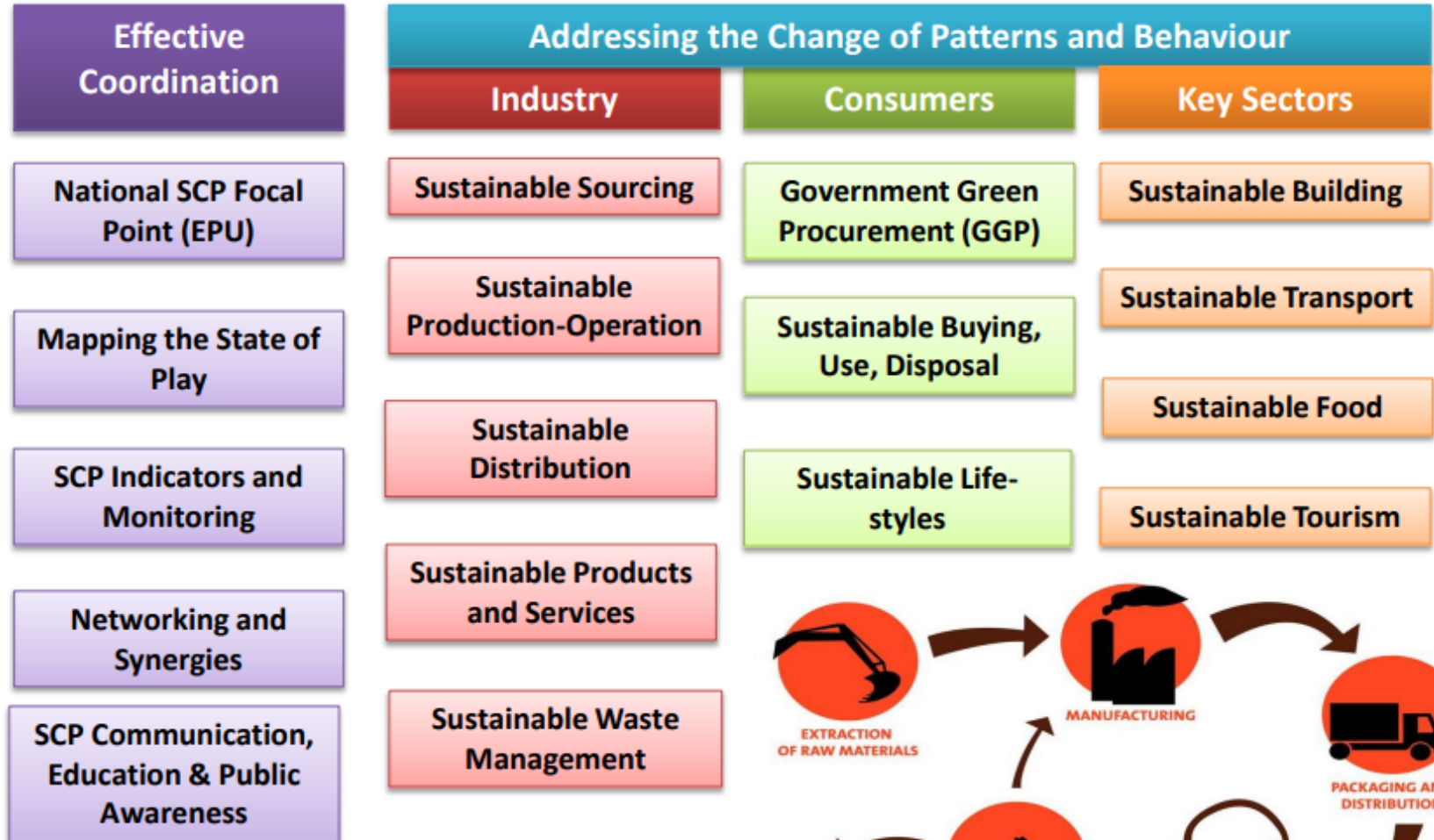
Actions taken by
Malaysia:

- 11th MP (2016-2020) – pursuing green growth for sustainability and resilience
 - Strengthening enabling environment for green growth
 - Adoption of sustainable consumption and production
 - Conserving natural resources
 - Strengthening resilience against climate change and natural disasters
 - Government Green Procurement Policy
 - Further reduce Malaysia's carbon footprint

Horizontal & Vertical Policy Interventions

SCP Policy Framework – Green Growth through SCP

SCP Blueprint / SCP Input to 11MP



CLIMATE CHANGE – UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



CLIMATE CHANGE – UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Current consumption and production patterns need to change to avoid irreversible damage to the environment
- If the global population reaches 9.6 billion by 2050, the equivalent of almost three planets will be required to sustain current lifestyles
- Increasing world population means increasing demand for the already constrained natural resources

What can the **producers** do?

- Better understanding of environmental and social impacts of products and services – product life cycles
- Identify hotpots within the value chain
- Design solution to promote more sustainable lifestyles, reducing impacts and improving well being

What can the **consumers** do?

- Reducing waste
 - Don't waste food
 - Reduce plastic usage
- Informed purchasing decision
 - Go for sustainable options
 - Buy from local sources

CLIMATE CHANGE – UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



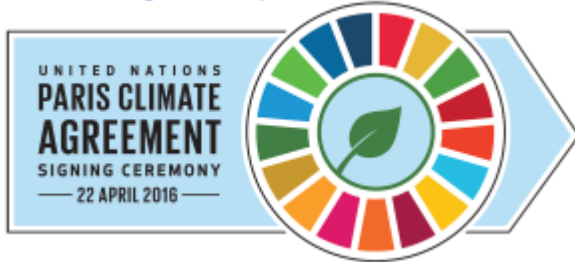
- Climate change is a global challenge that is affecting every country
- Impacts include changing weather patterns, rising sea level and mainly driven by the GHG emissions from human activities
- Solutions need to be coordinated at the international level and requires international cooperation to move countries toward a low-carbon economy



- To address climate changes, countries adopted the Paris Agreement at the COP21 in Paris on 12 Dec 2015
- Paris Agreement came into force on 4 Nov 2016
- Malaysia signed on 16 Nov 2016

- Provides a roadmap for climate change that will reduce emission and build climate resilience
- Provides a pathway forward to limit temperature rise to well below 2 degrees
- Sends a powerful signal to markets that now is the time to invest in the low emission economy
- Solidifies international cooperation for climate change and contains a transparency framework to build mutual trust and confidence
- Serve as an important tool in mobilizing finance technological support and capacity building for developing countries

CLIMATE CHANGE – UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



- It calls for **holding the increase in the global average temperature to well below 2° C above pre-industrial levels** and to pursue efforts to limit the temperature increase to 1.5° C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change
- Countries should **reach global peaking of greenhouse gas emissions** as soon as possible, recognizing that peaking will take longer for developing country parties, and to undertake rapid reductions thereafter
- Acknowledges the importance of **averting, minimizing and addressing loss and damage** associated with the adverse effects of climate change
- Provides capacity-building initiative for transparency to **help developing countries meet a new requirement** that they regularly provide a national inventory report of human-caused emissions, by source, and track their progress in meeting their national goals

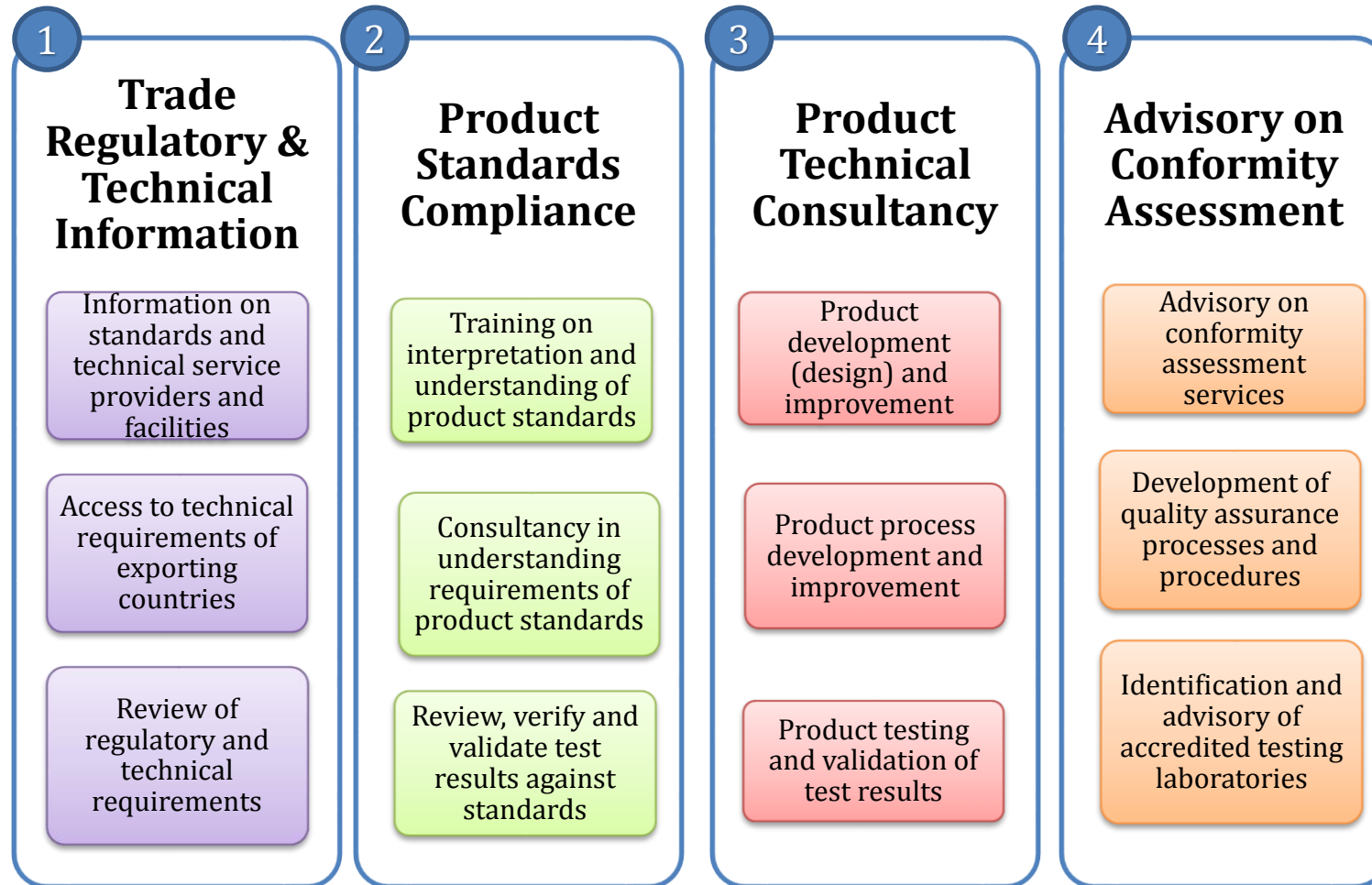
CONCLUSION

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- ▶ EL&D as a tool to communicate the environmental performance of products and services
- ▶ Provides mechanism for consumers to make purchasing decision based on environmental consideration.
- ▶ Enables producer to systematically optimize costs using life cycle analysis and material flow techniques.
- ▶ Supports Malaysia to achieve our commitment towards Paris Agreement climate change target and United Nation sustainable goals

COMPONENTS OF MARKET ACCESS SERVICE



NOTE: Applicant can seek consultancy in any of the components of combination of components

THANK YOU

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