SIEGELKLARHEIT – WHAT'S BEHIND THE LABEL?

The guide for consumers to the labels landscape

In supermarkets and retail stores, a multitude of environmental and social labels draw the consumers' attention. But what do they mean? Is the focus on eco-friendly production or on fair working conditions or maybe even both? The German Federal Ministry for Economic Cooperation and Development's (BMZ's) consumer website *Siegelklarheit* (German for "Clarity in labels") provides some clarity. Users can see at a glance which environmental and social labels are trustworthy and ambitious. *Siegelklarheit* helps consumers in Germany understand and compare labels. And for anyone who wants to learn more, *Siegelklarheit* offers a detailed overview of the criteria and the methodology of the assessment. With the *Siegelklarheit* app, the information can be accessed while out shopping by simply scanning the product label.

That way consumers can make their contribution to more sustainable consumption that is less harmful to people and the environment.

Clarity in diversity

Consumers are at the end of a complex supply chain. The decision to buy — or not to buy — a particular product, therefore, has a direct impact on the conditions under which it is produced. More and more consumers are becoming aware of this and want to consume more sustainably. This is where environmental and social labels come in: they help consumers to identify more sustainably produced products. But with so many labels, it is easy to lose track. What are the differences between them? Which labels show that a garment has been produced according to international labour standards, and which ones stand for environmentally friendly production? And who guarantees that the label actually delivers what it promises?
It is not only the increasing number of labels that is confusing, but also the lack of transparency. Some labels are only used for marketing purposes and have little meaning.

They lead consumers to question the general credibility of labels and thus have a negative effect. *Siegelklarheit* wants to reverse this development.

Sound assessment

Whether a label delivers what it promises also depends on the system behind the label. For this reason, *Siegelklarheit* evaluates not only ecological and social aspects, but also the credibility of labels. For the evaluation, different requirements were developed. The analysis is carried out in two steps:

First, it is examined whether a label meets the minimum requirements in the dimension of credibility as well as in terms of environmental and/or social aspects. Minimum requirements deal with topics that are of particular relevance. For example, because they play an important role in ecological and social sustainability in the production process.
If a label does not meet these minimum requirements, it can instead be included under "unrated labels" and thus, be presented for information purposes only. This category also includes labels that may not yet have been evaluated or labels for which *Siegelklarheit* does not yet offer the appropriate product group.

If a label meets the requirements of the first phase, the entire criteria grid for the corresponding product group and for the credibility dimension is then checked in detail. Based on this, the rating "Very good choice" or "Good choice" is awarded.
The assessment of credibility is based on the Credibility Principles of the ISEAL Alliance — a global umbrella organisation of standard organisations — which were developed together with more than 400 organisations on five continents. Due to their overall relevance, the credibility criteria are used for all standard — regardless of their specific product focus.
The environmental and social criteria are based on international agreements, such as those adopted

by the International Labour Organisation (ILO). They take into account particular challenges within the different product groups. For example, the ban on hazardous chemicals is particularly relevant for the clothing industry, while the avoidance of conflict minerals and recyclability play an important role for IT products. The criteria cover the following topics, among others:

- Child labour
- Discrimination
- Biodiversity
- Air and water pollution.

Assessment results at a glance

The results of this evaluation are presented in a user-friendly way on *Siegelklarheit*. By means of a star rating, consumers can see at a glance which labels meet the minimum requirements and which even go beyond them. The methodology also takes into account the special features of the labels. Thus, an environmental label can be classified as a "very good choice" just as much as a label that takes both ecological and social aspects into account.

The structure behind Siegelklarheit

Siegelklarheit was developed in 2015 in consultation with i.a. consumer organisations and is continuously being updated. The German Federal Ministry for Economic Cooperation and Development is in charge of Siegelklarheit. GIZ provides the secretariat on behalf of the Ministry of Development (BMZ).

1. PHASE:
Are the minimum requirements of the German Government fulfilled?

Credibility

NO   YES

Not assessed

NO

Environment   OR   Social

YES

2. PHASE:
Detailed assessment using the entire set of requirements of the respective product group and the extended requirements for credibility.

Good Choice ! ☺   OR   Very good Choice ! ☺