

## ENVIRONMENTALLY CONVENIENT PRODUCT POLICY AND TOOLS FOR ITS APPLICATION

Miroslav RUSKO

### ABSTRACT

*Economic, social and environmental situation in the last century has resulted in the activities represented by the concept of sustainable development. In order for development to have a long-term positive effect, it must be sustainable. Sustainable development is about ensuring that the resources of the Earth, which we use to promote economic growth, will be available also to future generations. The attention that is currently paid to the threats posed by global climate change is an example of how human freedom and human development can be undermined when the interests of economic growth and development are separated from the interests of the environment. The current environmental problems' solution is not just a question of technical solution, which until recently was caused by either a response to an environmental problem accrued or within the more progressive approach as a preventive approach. It should be a change in the value of the orientation of a human, as an individual, but also of society and all mankind. As today's consumers are beginning to become increasingly more aware of the problems of environmental pollution, so do producers and trades are beginning to modify their thinking and behavior towards pro-environmental direction and this way try to address their consumers.*

**KEY WORDS:** environment, development, sustainable development, product

### Introductions

Excessive consumption of natural resources and reckless environment pollution are among significant global problems of our civilisation. The idea of infinite natural resources that can be used without limits as we wish, the idea that we can sustainably manage them on both global as well as regional level, the idea that the economic growth means progress, that science and technologies will solve all our existing and future problems is dominant with a part of the population. Contrarily, other part of the population radically refuses such approach to solving the current environmental problems. A solution is somewhere in between these two extremes. To contribute to sustainable development as regards not only the humanity but also all life forms on the planet means to reassess the system of our priorities. It is necessary to limit the excessive polluting of the environment, reduce the population growth, in particular in developing countries, and to limit the excessive consumption in industrialized countries. Over-consumption in industrialized countries and under-consumption in developing countries (dialectically related to over-production and lagging-behind) is the main source of the global instability.<sup>1,2,3,4</sup> The current product policy sees a significant trend in focusing on a value-driven product strategy, i.e. a constant process of developing a product programme based on the value category for the customer.<sup>5</sup> Within the environment policy we can distinguish the following [adapted<sup>6</sup>]:

- regional environmental policy,
- environmental policy concerning investments,
- environmental policy concerning waste,
- product policy,
- environmentally oriented consumption policy,
- substance flow policy.

### Sustainable production and consumption

An appeal for sustainable consumption was already made during the Earth Summit in Rio de Janeiro in 1992. Chapter 4 – “Changing Consumption Patterns” of the AGENDA 21 document concerns two programme areas: unsustainable patterns of production and consumption, and developing national policies and strategies to encourage changes in unsustainable

<sup>1</sup> Note: For instance rich industrialised countries (20% of the world population) consume as much as 86% of the global resources, the rich fifth of the world population consumes 45% of all produced meat, 84% of paper, owns 74% of phones, etc.

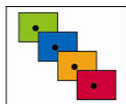
<sup>2</sup> UNDP. Human Development Report.1998

<sup>3</sup> BRUNNDTLANDOVÁ,G.H., 1991. Naše společná budoucnost. Praha, 297 s., ISBN 80-85368-07-02, p.8

<sup>4</sup> Note: the expression „industrialised countries“ and „developing countries“ includes the categories used by UN to express developer market economies or developing countries with market economic and Asian socialist countries

<sup>5</sup> VLČEK, Radim, 2002Hodnota pro zákazníka. - Praha: Management Press, ISBN 80-7261-068-6, 443 s. [s. 329]

<sup>6</sup> RUBIK,F. - PETSCHOW, U. - SCHOLL,G., 1995.Basic outline the environmental oriented product policy. Workshop: Instruments of the Product Oriented Environmental Policy of the Middle and Eastern European Countries 20.-22.11.1995, Warsaw. Heidelberg/Berlin:IOW, p. 13



consumption patterns<sup>7</sup>. Contrarily to the idea of sustainable development focusing in particular on the business area, sustainable consumption is a task especially for the consumers - individuals or the state. It is necessary for the consumers to change their purchase behaviour. However, they cannot do it just by themselves. Sometimes they lack information about how to live "more sustainably".

The 6<sup>th</sup> EU Environment Action Programme (6EAP) states that the consumers need information to help them choose more environmentally-friendly products with the aim of positively affecting the market<sup>8</sup>. The first EC programme for consumer protection and information policy focuses on ensuring enough information for consumers to enable them to:

- determine the basic features of the offered products and services (characteristics, quality, quantity, price);
- make a rational choice between competing products and services;
- use the product safely and to full satisfaction;
- claim compensation for any risk stemming from the delivered product or service.

As the aspects of the environment protection still play an important role in the consumption and consumer policy of the EU, there is a closer connection between the environmental and consumer policy. The report of "Consumption Opportunities – Strategy for change" prepared by UNEP ROE (Regional Office for Europe) and UNEP DTIE (Division of Technology, Industry and Environment) define 4 fundamental strategies leading to sustainable consumption:

- efficient consumption – a topic for the industry sector;
- different consumption – related in particular to governments;
- conscious consumption – a task for social and environmental organisations;
- appropriate consumption – to define and optimise the consumption<sup>9</sup>.

The issue of the environmental ethics of production and consumption as part of indirect environmental instruments covers a broader range concerning philosophical and theoretical considerations about the ethics, ecology and environmental science, i.e. views of the ethics and moral of doing business, teaching towards sustainable consumption, ethics and protection of consumer rights, up to media publication of globally distributed pro-environmentally oriented documents, charters, codices, principles, declarations both business and consumer<sup>10, 11</sup>. A significant document in the area of the environment protection and fulfilment of human rights and freedoms – the right to favourable environment – in compliance with principles of sustainable development is the Aarhus Convention which, besides other, declares a right of the public to have access to information on the environment. The public should have enough information available in order to<sup>12</sup>:

- understand what is happening in its surroundings;
- participate actively and knowingly in decision-making about the environment;
- co-participate in other activities concerning the environment protection, including improving its environmental behaviour.

At the moment, the environmentally aware customers, but in particular major businesses, ask

- what were the conditions of a product's production,
- whether materials and processes friendly to the environment and the employees' health were used,
- how it is possible to recycle the product's packaging and the product itself, or dispose of it after the end of its lifespan<sup>13</sup>.

It should be the interest of every consumer to buy safe, healthy and environmentally-friendly products. It is every state's interest and irreplaceable obligation to protect its national market from products representing an increased risk to health, safety, assets or the environment. The state, therefore, ensures protection from unsuitable products through a set of controlling, supervisory and inspection bodies. However, such supervision does not automatically mean a proactive approach to the product policy of producers.

Each producer has to respect the laws related to the environment and a series of other legal regulations and standards concerning directly or indirectly the environment. Producers are the best ones to evaluate the scope allowed by the legislative framework to implement voluntary undertakings. A whole series of significant businesses implement several environmentally oriented activities in connection to the quality management systems and environment management systems. At the moment, businesses successfully use several programmes using market rules based on the voluntary

<sup>7</sup> KLINDA, J. [Ed.], 1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR, 517 s., ISBN 80-88833-03-5, s. 40-44

<sup>8</sup> TŘEŠŇÁK, P., 2001. 6. akční program EU pro životní prostředí. Environmentální aspekty podnikání, 2, Praha, s. 4-5

<sup>9</sup> VELEK, O., Ekologická stopa. In konferencia Udržiteľná spotreba – výzva pro 21. stololetí. Available online at:

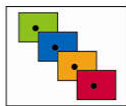
<http://www.ekospotreba.unep.cz/spotreba.php>

<sup>10</sup> MOLITOR, B., Etika hospodářství. Praha: Česká křesťanská akademie, 1998, ISBN 80-85795-29-9, 182s.

<sup>11</sup> SEN, A., 2002. Etika a ekonomie. Praha: Vyšehrad. 2002, 119 s., ISBN 80-7021-549-6

<sup>12</sup> KOZOVÁ, M. - PAVLIČKOVÁ, K., 2002. Aarhuský dohovor a jeho uplatnenie v rozhodovacích procesoch a projektoch, plánoch, programoch, politikách a právnych predpisoch. Pezinok: Jaspis, 32 s., ISBN 80-85576-35-X

<sup>13</sup> HŘEBÍČEK, J. - SUCHÁNEK, Z., 1998. Zkušenosti se zaváděním systémů environmentálního managementu v ČR. Planeta, 2-EMAS, Praha



principle, including also the environmental labelling. The main aim of these activities is to promote the environment protection and pollution prevention in balance with the social and economic needs<sup>14</sup>.

One of the instruments of the preventive environmental strategy which can contribute to a change in the consumer behaviour in favour of sustainable consumption is the environmental assessment and product labelling (ecolabelling). Ecolabelling is a manifestation of the business ethics and its aim is to motivate and inform both consumers and producers. An environmentally sound product is considered a respected and motivating tool of the product policy. An environmental label provides positive information about the product as regards the environment protection for the consumers, users, producers and importers, where it is determined by specific requirements defining above-standard, environmentally-friendly parameters which distinguish the environmentally suitable product from other products of the same product group and, at the same time, it presents an environmental profile of the respective product.

Ecolabelling crosses the real-time boundaries of market entities as regards positive impacts on the environment and the environmental consequences of the pre-production phase, production, use and disposal of waste related to a certain product. It can contribute in a decisive degree to establish the right relationship of the market players with the environment elements, their protection and creation, to increase caution and reduce risks in decision-making processes and prevention of damage and losses in the environment and, eventually, to increase the economic efficiency of activities and their results<sup>15</sup>.

The issue of sustainable consumption and ecolabelling was included into the agenda of a special meeting of the UN General Assembly – Earth Summit +5, the World Summit on Sustainable Development in Johannesburg, as well as into other important international activities.

### **Environmentally friendly production and consumption**

Poverty and environment degradation are closely interrelated. While poverty results in certain kinds of environmental stress, the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialised countries, which have serious consequences, aggravating poverty and imbalances. Measures to protect and improve the environment have to take into account the current imbalances in the global patterns of consumption and production.

Special attention to the need to change the consumption patterns is paid in the 6<sup>th</sup> EAP<sup>16</sup> as well as in the AGENDA 21. So far, growing knowledge of the importance of consumption has not gone hand in hand with understanding of its consequences. Some economists doubt the traditional concepts of the economic growth, and stress the importance of pursuing the economic goals which take into account the full value of natural resources. The document points out the need to pay a special attention to the demand for natural resources generated by unsustainable consumption and to the efficient use of those resources consistent with the goal of minimising depletion and reducing the environment pollution<sup>17</sup>. The following measures are necessary to achieve sustainable production and consumption patterns<sup>18</sup>:

- to promote patterns of consumption and production that reduce environmental stress and will meet the basic needs of humanity;
- to develop a better understanding of the role of consumption and how to bring about more sustainable consumption patterns.

Development should include an effort to achieve sustainable consumption patterns. At the same time, the society needs to develop effective ways of dealing with the problems of disposing of mounting levels of waste products and materials. Institutions should make a concerted effort necessary to reduce generation of wastes by<sup>19</sup>:

- encouraging recycling in the industrial processes and at the consumed level;
- reducing wasteful packaging of products;
- encouraging the introduction of more environmentally sound products.

Increased environmental awareness of consumers and an increased interest on the part of some industries in providing environmentally sound consumer products is a significant development that should be encouraged. Governments and international organisation, together with the private sector, should

<sup>14</sup> RUSKO, M., 2000. Národný program environmentálneho hodnotenia a označovania výrobkov v SR. – In KONTRIŠOVÁ, O. - BUBLINEC, E. [Eds.], 2000. Monitorovanie a hodnotenie stavu životného prostredia III., FEE TU vo Zvolene a ÚEL SAV vo Zvolene, s.211-216, ISBN 80-228-0906-3

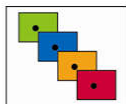
<sup>15</sup> KOLLÁR, V. 1997. Environmentálne vyhovujúce produkty – hospodárska a environmentálna politika trhu produktov. In RUSKO, M. [Ed.] Manažérstvo životného prostredia (EMS, EMAS), Banská Bystrica, s. 43-56. ISBN 80-96793-0-9

<sup>16</sup> KOLLAROVÁ, Helena [Ed.]: Environmental Technologies and Eco-inovation in the Czech Republic. - Praha: CENIA, ISBN 978-80-85087-6-7, 115 p.

<sup>17</sup> KLINDA, J. [Ed.], 1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR, 517 s., ISBN 80-88833-03-5, s.40

<sup>18</sup> KLINDA, J. [Ed.], 1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR, 517 s., ISBN 80-88833-03-5, ods.4.7

<sup>19</sup> KLINDA, J. [Ed.], 1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR, 517 s., ISBN 80-88833-03-5, ods.4.19



- develop criteria and methodologies to assess the environmental impacts and requirements on the resources throughout the full life cycle of products and processes. Results of such assessments should be transformed into clear indicators in order to inform consumers and decision-makers<sup>20</sup>;
- encourage expansion of environmental labelling of products and other environmentally related product information programmes designed to assist consumers to make informed choices<sup>21</sup>;
- encourage information provision to consumers and assist individuals and households to make environmentally informed choices<sup>22</sup>:
  - providing information on the consequences of consumption choices and behaviour so as to encourage demand for environmentally sound products and use of products;
  - making consumers aware of health and environmental impact of products, through consumer legislation and environmental labelling;
  - encouraging specific, consumer-oriented programmes, such as recycling and deposit/refund system;
- promote more positive attitudes towards sustainable consumption through education, public awareness programmes and other means, such as positive advertising of products and services that utilise environmentally sound technologies or encourage sustainable consumption and production patterns.<sup>23</sup>

Governments themselves play an important role as regards consumption, particularly in countries where the public sector plays a large role in the economy and can have a considerable influence on both corporate decisions and public perceptions. They should therefore review the purchasing policies of their agencies and departments so that they improve, where possible, the environmental content of government procurement policies, without prejudice to the international trade principles<sup>24</sup>.

The topic of changes in the consumption patterns is dealt with AGENDA 21, especially in its Chapter 4 which contains programme areas focusing on unsustainable patterns of production and consumption and developing of national policies and strategies to encourage changes in unsustainable consumption patterns. As the issue of changes in the consumption pattern is very broad, it is dealt with by several other chapters of AGENDA 21, in particular those concerning energy, transport and waste as well as chapters on economic tools and transfer of technologies.

Effective use of economic instruments and market and other incentives has a great importance for the environmentally oriented product policy in order to achieve the following main goals<sup>25</sup>:

- to incorporate environmental costs in the decisions of producers and consumers; not to pass these costs to other parts of society, other countries or to future generations; thus to reverse the tendency to treat the environment a "free good";
- to move more fully towards integration of social and environmental costs into economic activities so that prices will appropriately reflect the relative scarcity and total value of resources and contribute towards the prevention of environmental degradation;
- make adequate use of market principles, as necessary, in the framing of economic instruments and policies to pursue sustainable development.

The need to change consumption patterns is also dealt with by the Plan of Implementation of the World Summit on Sustainable Development (WSSD) which took place in Johannesburg in 2002, in particular its Chapter III. - Changing unsustainable patterns of consumption and production<sup>26</sup>.

#### **Sustainable production and consumption in the 6<sup>th</sup> EC EAP**

The European Parliament and the Council of the EU, having regard to the Treaty establishing the European Community, and in particular Article 175(3) thereof, stated that the Community's fifth environmental action programme (5EAP) "Towards Sustainability" ended on 31 December 2000 delivered a number of important improvements, and that continued effort is required to meet short-term and long-term environmental objectives as set out by EC.

The 6<sup>th</sup> EAP relates to a period of ten years (2002 – 2012), starting on 22 July 2002<sup>27</sup>. The respective initiatives to meet long-term objectives in various policy areas consist of a whole series of measures, including legal regulations and strategic approaches. These initiatives should be presented progressively at the latest within four years after adoption of the

<sup>20</sup> KLINDA, J. [Ed.],1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR,517 s.,ISBN 80-88833-03-5, ods.4.20

<sup>21</sup> KLINDA, J. [Ed.],1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR,517 s.,ISBN 80-88833-03-5, ods.4.21

<sup>22</sup> KLINDA, J. [Ed.],1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR,517 s.,ISBN 80-88833-03-5, ods.4.22

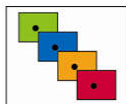
<sup>23</sup> KLINDA, J. [Ed.],1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR,517 s.,ISBN 80-88833-03-5, ods.4.26

<sup>24</sup> KLINDA, J. [Ed.],1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR,517 s.,ISBN 80-88833-03-5, ods. 4.23

<sup>25</sup> KLINDA, J. [Ed.],1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR,517 s.,ISBN 80-88833-03-5, kap. 8.18

<sup>26</sup> Implementačný plán Svetového summitu o trvalo udržateľnom rozvoji v Johannesburgu. Banská Bystrica, Enviromagazín 7/2002, ISSN 1335-1877, s.8-33

<sup>27</sup> Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 laying down the Sixth Community Environment Action Programme



decision. The document, besides other, states that a prudent use of natural resources and the protection of the global ecosystem together with economic prosperity and a balanced social development are a condition for sustainable development. The Programme aims to achieve a decoupling between environmental pressures and economic growth whilst being consistent with the principle of subsidiarity and respecting the diversity of conditions across the various regions of the European Union. The Programme establishes environmental priorities for a Community response focusing in particular on climate change, nature and biodiversity, environment and health and quality of life, and natural resources and wastes. For each of these key long-term objectives and certain short-term targets a number of actions are identified with a view to achieving the said targets. These objectives and targets constitute performance levels or achievements to be aimed at. The objectives, priorities and actions of the Programme should contribute to sustainable development in the candidate countries and endeavour to ensure the protection of the natural assets of these countries. The Programme should promote the process of integration of environmental concerns into all Community policies and activities in line with Article 6 of the Treaty in order to reduce the pressures on the environment from various sources. A strategic integrated approach, incorporating new ways of working with the market, involving citizens, enterprises and other stakeholders is needed in order to induce necessary changes in both production and public and private consumption patterns that influence negatively the state of, and trends in, the environment. Economic globalisation means that environmental action is increasingly needed at international level, requiring new responses from the Community linked to policy related to trade, development and external affairs enabling sustainable development to be pursued in other countries. Good governance should make a contribution to this end. Trade, international investment flows and export credits should make a more positive contribution to the pursuit of environmental protection and sustainable development. The Programme aims at:

- better resource efficiency and resource and waste management to bring about more sustainable production and consumption patterns, thereby decoupling the use of resources and the generation of waste from the rate of economic growth and aiming to ensure that the consumption of renewable and non-renewable resources does not exceed the carrying capacity of the environment.
- promoting the adoption of policies and approaches that contribute to the achievement of sustainable development in the countries which are candidates for accession, building on the transposition and implementation of the acquis. The enlargement process should sustain and protect the environmental assets of the Candidate Countries such as wealth of biodiversity, and should maintain and strengthen sustainable production and consumption and land use patterns and environmentally sound transport structures through, besides other, promotion of transfer of clean technologies to the Candidate Countries.

Promotion of sustainable production and consumption patterns by effective implementation of the defined principles (6<sup>th</sup> EAP, Article 2) to internalise the negative as well as the positive impacts on the environment through the use of a blend of instruments, including market based and economic instruments requires, inter alia:

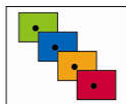
- encouraging reforms of subsidies that have considerable negative effects on the environment and are incompatible with sustainable development, inter alia by establishing, by the mid-term review of the Programme, a list of criteria allowing such environmentally negative subsidies to be recorded, with a view to gradually eliminating them;
- analysing the environmental efficiency of tradable environmental permits as a generic instrument and of emission trading with a view to promoting and implementing their use where feasible;
- promoting and encouraging the use of fiscal measures such as environmentally related taxes and incentives, at the appropriate national or Community level;
- promoting the integration of environmental protection requirements in standardisation activities.

Improving collaboration and partnership with enterprises and their representative bodies and involving the social partners, consumers and their organisations, as appropriate, with a view to improve the environmental performance of enterprises and aiming at sustainable production patterns, requires pursuant to the 6<sup>th</sup> EAP:

- promoting an integrated product policy (IPP) approach throughout the Programme that will encourage the taking into account of environmental requirements throughout the life-cycle of products, and more widespread application of environmentally friendly processes and products
- encouraging wider uptake of the Community's Eco-Management and Audit Scheme (EMAS II) and developing initiatives to encourage companies to publish rigorous and independently verified environmental or sustainable development performance reports
- establishing a compliance assistance programme, with specific help for small and medium enterprises
- stimulating the introduction of company environmental performance award schemes
- stimulating product innovation with the aim of greening the market including through improved dissemination of results of the LIFE Programme<sup>28</sup>

---

<sup>28</sup> Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000 concerning the Financial Instrument for the Environment (LIFE)



- encouraging voluntary commitments or agreements to achieve clear environmental objectives, including setting out procedures in the event of non-compliance.

To help ensure that individual consumers, enterprises and public bodies in their roles as purchasers, are better informed about the processes and products in terms of their environmental impact with a view to achieving sustainable consumption patterns pursuant to the 6<sup>th</sup> EAP:

- encouraging the uptake of eco-labels and other forms of environmental information and labelling that allow consumers to compare environmental performance between products of the same type;
- encouraging the use of reliable self-declared environmental claims and preventing misleading claims;
- promoting a green public procurement policy, allowing environmental characteristics to be taken into account and the possible integration of environmental life cycle, including the production phase, concerns in the procurement procedures while respecting Community competition rules and the internal market, with guidelines on best practice and starting a review of green procurement in Community Institutions.

Pursuant to the 6<sup>th</sup> EAP, long-term objectives shall be pursued taking into consideration the Integrated Product Policy approach and the Community's strategy for waste management<sup>29</sup> by means of the following priority actions:

- developing a thematic strategy on the sustainable use and management of resources, including inter alia:
  - an estimate of materials and waste streams in the Community, including imports and exports for example by using the instrument of material flow analysis;
  - a review of the efficiency of policy measures and the impact of subsidies relating to natural resources and waste;
  - establishment of goals and targets for resource efficiency and the diminished use of resources, decoupling the link between economic growth and negative environmental impacts;
  - promotion of extraction and production methods and techniques to encourage eco-efficiency and the sustainable use of raw-materials, energy, water and other resources;
  - development and implementation of a broad range of instruments including research, technology transfer, market-based and economic instruments, programmes of best practice and indicators of resource efficiency;
- developing and implementing measures on waste prevention and management by, inter alia:
  - developing a set of quantitative and qualitative reduction targets covering all relevant waste;
  - encourage ecologically sound and sustainable product design;
  - raising awareness of the public's potential contribution on waste reduction;
  - the formulation of operational measures to encourage waste prevention, e.g. stimulating re-use and recovery, the phasing out of certain substances and materials through product-related measures;
  - developing further indicators in the field of waste management;
  - developing a thematic strategy on waste recycling, including inter alia:
    - measures aimed at ensuring source separation, the collection and recycling of priority waste streams;
    - further development of producer responsibility;
    - development and transfer of environmentally sound waste recycling and treatment technology;
- developing or revising the legislation on wastes, clarification of the distinction between waste and non-waste and development of adequate criteria for the further elaboration of Annex IIA and IIB of the framework directive on wastes<sup>30</sup>.
- promotion of sustainable consumption and production patterns at the international level;
- making progress to ensure that trade and environment policies and measures are mutually supportive;
- promoting a world trade system that fully recognises multilateral or regional environmental agreements and the precautionary principle, enhancing opportunities for trade in sustainable and environmentally friendly products and services.

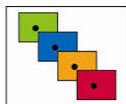
### **The 7th Environment Action Programme**

The 7th Environment Action Programme (EAP) will be guiding European environment policy until 2020.<sup>31</sup> In order to give more long-term direction it sets out a vision beyond that, of where it wants the Union to be by 2050: "In 2050, we live well, within the planet's ecological limits. Our prosperity and healthy environment stem from an innovative, circular economy where nothing is wasted and where natural resources are managed sustainably, and biodiversity is protected, valued and

<sup>29</sup> Council Resolution of 24 February 1997 on a Community strategy for waste management

<sup>30</sup> Council Directive 75/442/EEC of 15 July 1975 on waste, amended by Commission Decision 96/350/EC

<sup>31</sup> Decision No. 1386/2013/EU of the General Union Environment Action Programme to 2020 „Living well, within the limits of our planet“



restored in ways that enhance our society's resilience. Our low-carbon growth has long been decoupled from resource use, setting the pace for a safe and sustainable global society."<sup>32</sup>

It identifies three key objectives:

- to protect, conserve and enhance the Union's natural capital
- to turn the Union into a resource-efficient, green, and competitive low-carbon economy
- to safeguard the Union's citizens from environment-related pressures and risks to health and wellbeing.

Four so called "enablers" will help Europe deliver on these goals:

- better implementation of legislation
- better information by improving the knowledge base
- more and wiser investment for environment and climate policy
- full integration of environmental requirements and considerations into other policies.

Two additional horizontal priority objectives complete the programme:

- to make the Union's cities more sustainable
- to help the Union address international environmental and climate challenges more effectively.

The programme entered into force in January 2014. It is now up to the EU institutions and the Member States to ensure it is implemented, and that priority objectives set out are met by 2020.

### **Environmentally sound business policy**

Business and industry, including international companies, play a decisive role in the social and economic development of a country. A stable political regime creates suitable conditions for business and industry, allowing to work responsibly and efficiently and to implement long-term strategies. Business and industrial activities are the foremost contributors to the prosperity growth, which is the main goal of development. Business companies - small and big, formal and informal - create the majority of working and business opportunities, as well as opportunities to make a livelihood.

Suitable business and industrial policy and its practical implementation which makes use of more efficient production procedures, applies preventive strategies, uses cleaner technologies and processes in the whole life-cycle of a product and thus reduces generation of wastes, can help reduce the negative impact on the resources and the environment.

Management of some enterprises understood the context and introduced a system of responsible care and programmes of product stewardship which lead to openness and dialogue with employees and the public; they carry out environmental audit and evaluate fulfilment of individual programmes. A growing number of such management members voluntarily and at their own initiative take over the responsibility and manage their activities so as to minimise their impact on human health and the environment. The situation was helped by regulation measures adopted by individual countries, such as higher awareness of consumers and the public, and awareness of the management in business and industry. A positive approach of business and industry to sustainable development can be increased by economic tools such as free-market mechanisms which allow for the product and service prices to reflect the environmental costs of their inputs, production, use, recycling and final disposal in a growing degree and in compliance with the specific conditions in individual countries<sup>33</sup>.

### **Green public offices**

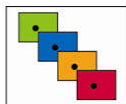
Green office – a short term for environmentally sound behaviour of institutions - public authorities, schools as well as independent enterprises. Green (sustainable) offices can be implemented at the level of individuals, households, small and big organisations and businesses.

The major consumers within the European Community are public bodies with costs amounting to about 14 – 16 % of the gross national product of the European Union. By taking advantage of their purchase power in choosing goods and services which are more environmentally friendly, public organisations can substantially contribute to sustainable development.

As the state administration uses public money of its tax payers, precise rules have been prepared and stipulated at national and European level in order to ensure their most suitable use, prevent discrimination and ensure their transparency. First and foremost, the public procurement rules are applied to the state, regional and municipal authorities and executive bodies governed by public law (these bodies do not have industrial or commercial nature, pursue a general interest and are mostly financed and administered by the state). The rules concern special sectors: water, energy, transport, post.

<sup>32</sup> Environment Action Programme to 2020. - [on-line] Available on - URL:

<sup>33</sup> KLINDA, J. [Ed.], 1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR, 517 s., ISBN 80-88833-03-5, s. 338



### **Green purchasing**

Green purchasing is an example for the broad public and private sector, and it affects the market. Introduction of a policy of green public procurement increases the demand for environmentally sound products, which encourages the consumers of such products. Promotion of green public procurement gives incentives for development of industry, development of green technologies and products and promotes them on the market. Small and medium enterprise, in particular, can gain profit from green public procurement as it offers opportunities to find markets for their innovative solutions and products.

### **Green public procurement**

Green public procurement (GPP) is a way of integrating environmental requirements into the process of public procurement by public bodies through technical requirements or criteria for tender evaluation. The importance of green procurement is especially in the fact that it creates a market demand for the environmentally friendly products and thus promotes offer of these products. Introduction of an environmental point of view into public tenders can motivate producers to develop new products and technologies with less negative impacts on the environment as well as motivate suppliers to introduce environmental management systems.

GPP is one of the set of efficient tools for promotion of production processes which are environmentally friendlier and stimulate supply of goods and services with the high value which is characteristic by its environmental benefit throughout the product's lifecycle.

On 31 March 2004 the Council and the European Parliament adopted two new documents concerning public procurement: Directive 2004/18 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts and Directive 2004/17 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors. The aim of the directives was to make the European legislation for the given area better arranged, simpler and more modern.

Green public procurement is one of voluntary instruments of the environmental policy. Voluntary means that individual EU Member States and public organisations can choose themselves the degree of its application. It is defined in Communication of the Commission COM(2008)400 as a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.

The objective of the *National Action Plan for Green Public Procurement in the Slovak Republic for years 2007 – 2010* is to improve the environmental conduct of the public sector through increasing the scope of green public procurement implementation, and by 2010 establish conditions for the Slovak Republic to approach the average degree of green public procurement achieved at the present by the EU Member States with the best results.

### **Environmentally sound sale**

In October 2004 the first international conference of ecological sellers took place in the town of Sendai (Japan). More than 1,000 representatives gathered to confirm the importance of an ecological sale and joint international activities in the area. In the Sendai Declaration adopted at the conference, all stakeholders agreed upon establishment of an international organisation (International Green Purchasing Network - IGPN) with the main task of promoting ecological purchasing at global level. IGPN was established next year by various shareholders from international organisations, associations, government organisations, regional authorities and NGO and it took over the initiative to implement ecological purchasing. IGPN collects and delivers information on global green purchasing activities, case studies on development of new eco-products and eco-services and know-how, purchasing guidelines, information on products, research outcomes and the latest trends, as well as on international conferences and workshops focusing on promotion of ecological purchasing around the world.

IGPN develops internationally harmonised principles of green purchasing, tools for product evaluation, constructs a database of eco-services and products, a database of environmental directives and regulations, training tools, and measurement assessment methods. The objective of IGPN is to spread the green purchasing activities globally to establish ecological supplier networks, which shall contribute to establishment of a sustainable society.

In January 2011 IGPN had 12 Council members, 12 promotion associations advertising green purchasing, 14 advisory members, 1 associate member and a secretariat in Tokyo.<sup>34</sup>

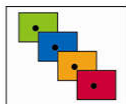
### **Product policy and environmental tools of its implementation**

Product policy means analysis, planning, implementation and control of activities (measures, decisions) related to the product as a marketing tool, for instance the external design of a product, composition of a product series, brand policy etc. It is part of a marketing mix. It is closely related to the quality policy. Strategic considerations within the product policy of a

---

<sup>34</sup> International Green Purchasing Network. - Global Ecolabelling Network Newsletter - GENews, No. 26 August 2011, p. 5





company in a competitive environment are dominated by structural and company factors which determine the competition. Success of a company is nowadays based on the philosophy of preparation of products and their launch onto the market where they satisfy needs, wishes and requirements of consumers, or they themselves create these needs, and on the business philosophy based on searching of customers for the existing products offered on the market.

Strategic decision-making of businesses in conditions of competition and market globalisation requires knowledge of markets, orientation on the quality, cost reduction and innovations. Understanding of these processes requires obtaining knowledge and being able to apply it in a creative way. The product and its three levels are the basis of the marketing mix and a means to achieve profit from a long-term perspective. The theory on the product and quality can be partially divided into two areas as regards the subject they examine:

- a general theory of product examining the product in all its various forms as regards the requirements and possibilities of its origin, its efficient value, usefulness, quality, processes, activities and their outcomes,
- a specially-focused theory of product examining individual groups of products, internally differentiated or interlinked to individual elements of processes and activities of market entities and the value chain of an entrepreneur company.<sup>35</sup>

The product policy means, in particular, the following 4 areas of interest:

- development and launch of new products on the market (based on monitoring the product usefulness as a motivation for purchase)
- adaptation of the offered quantity of products to the real needs (based on monitoring the frequency of needs)
- the so-called "product production" (adaptation of technical features, design etc. according to the customer requirements and needs)
- monitoring of the life span of products.<sup>36</sup>

Instruments of the product policy can be applied at the level of the government product policy or the so-called product management which expresses the social responsibility of businesses, consumers and the state<sup>37</sup>.

A company has to define what sustainability means for its business (from the environmental, economic, social as well as ethical point of view) because its approach to the product issues will depend on its vision, obligations and type of business, i.e. the area of products or services<sup>38</sup>.

Instruments of the product policy can include taxes and subsidies supported by a legal regulation

- price ones supported by a legal regulation
- economic and regulatory ones supported by a legal regulation
- public procurement supported by a legal regulation
- distribution ones (consumption, logistics)
- communication ones
- technical normalisation
- voluntary (standardised, non-standardised).

There are tendencies in the environmental product policy to extend indirect instruments based to a rather great degree on voluntary activities of producers and a growing environmental awareness of people. Systems of environmental assessment and labelling are implemented to declare that a product meets the parameters complying with the current knowledge, minimises or even eliminates adverse effects on the environment. There is also an effort to assess the product throughout its whole life cycle, i.e. from raw material, through its production, up to its disposal or recycling. Application of these systems results not only from the effort and requirements of state environmental bodies but also from the interest of producers themselves and the consumers.

Labelling of products that are less pollutant for the environment by a state-guaranteed environmental label is a respected and motivating indirect instrument of the product policy. Consumers are thus provided with guaranteed information on the products, the use of which contributes to the environment protection.<sup>39</sup>

### **Voluntary tools of an environmentally oriented product policy**

A system approach to environmental management can be by:

- EMS (Environmental Management Systems. Requirements with guidance for use) according to ISO 14001: 2015

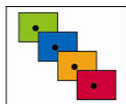
<sup>35</sup> KOLLÁR, Vojtech et al., 2003: Produktová politika. - Bratislava: Sprint vĕra, ISBN 80-88848-96-2, 560 s.

<sup>36</sup> Výrobová politika podniku, výrobová analýza, výrobové preferencie. Ekonomika podniku, okruh 7. - [on-line] Available on - URL: >  
<http://www.euroekonom.sk/download/0066-statnice-ekonomika-podniku-05-07.pdf>

<sup>37</sup> RUBIK, F. - PETSCHOW, U. - SCHOLL, G., 1995. Basic outline the environmental oriented product policy. Workshop: Instruments of the Product Oriented Environmental Policy of the Middle and Eastern European Countries 20.-22.11.1995, Warsaw. Heidelberg/Berlin: IÖW

<sup>38</sup> CHARTER, M., 2001. Řízení ekodesignu. Environmentální značení, 2,3-2001, Praha, s.9-11, ISSN 1212-476

<sup>39</sup> Národní program environmentálního hodnocení a označování výrobkov. - [on-line] Available on - URL:  
><http://www.seps.sk/zp/mzp/info/vyrobyky.htm>



- EMAS (Eco-Management and Audit Scheme) - EU Regulation 761/2001 of 19.3.2001 on the voluntary participation by organizations in a eco-management and audit scheme (EMAS II) amended the EC Regulation 1836/1993 (EMAS I) on the voluntary participation of industry at Community program of environmental management and assessment approved by the Council of Ministers EC 29.6.1993 (entered into force on 13.7.1993 with effect for individual Member States of the EU from 13.4.1995). It was subsequently amended by Regulation of the European Parliament and Council Regulation (EC) No. 1221/2009 on the voluntary participation by organizations in a Community eco-management and audit scheme - EMAS III. The SR was to promote EMAS, the Act NR SR. 351/2012 on environmental verification and registration of organizations in the EU Eco-Management and Audit Scheme and on amendments to certain laws.

Voluntary tools of an environmentally oriented product policy can include

- tools standardised by
  - legal regulation (e.g. EMAS – legal regulation within the EU as well as SR)
  - legal regulation and standard (e.g. type I environmental labelling – legal regulation within the EU as well as SR and ISO 14024)
  - standard (e.g. lifecycle assessment, standards of ISO 14040 series)
  - procedure specifying the certification conditions (e.g. PEFC), or the respective calculation (e.g. ecological, carbon or water footprint)
- non-standardised tools (e.g. environmental marketing, environmental benchmarking).

Voluntary standardised tools of an environmentally oriented product policy can be governed by

- a legal regulation which sets out no sanctions but establishes a legal framework for functioning of the respective scheme – e.g. type I environmental labelling
- ISO standard – e.g. ISO 14020 series standard
- standard published by an organisation different from ISO, e.g. - Forest Stewardship Council (FSC) has established a system of forest certification (10 principles and 56 criteria, defined in the standard FSC-STD-10-001). Forest management standard is a technical document – a standard defining the requirements on forest management which have to be fulfilled by a forest administrator and which are the basis for an assessment during a certification process.<sup>40</sup>
- procedure specifying certification conditions – e.g.
  - PEFC (Programme for Endorsement of Forest Certification)
  - PEFC certification of the consumer chain (C-o-C)
  - a procedure specifying respective calculation, e.g.
    - ecological footprint
    - carbon footprint
    - water footprint.

### **Environmental labels and declarations**

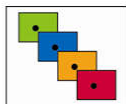
Environmental labelling exists as standardised or without any voluntary or obligatory regulation. It is a natural manifestation or product of at least two significant interest groups – a part of producers or businessmen who want to increase the competitive features of their products through qualified labelling on one hand, and a part of consumers, involved environmental activists, researchers and state officers who want to provide or ensure an option to a common as well as industrial consumer to choose those products from the products on the market that have more reliable environmental characteristics<sup>41</sup>.

### **Conclusions**

Over the past decades the European Union has put in place a broad range of environmental legislation. As a result, air, water and soil pollution has significantly been reduced. Chemicals legislation has been modernised and the use of many toxic or hazardous substances has been restricted. However, many challenges persist and these must be tackled together in a structured way. Successive environment action programmes have provided the framework for Union action in the field of the environment since 1973. The Sixth Community Environment Action Programme ('6th EAP') ended in July 2012, but many measures and actions launched under that programme continue to be implemented. Suitable business and industrial policy and its practical implementation which makes use of more efficient production procedures, applies preventive strategies, uses cleaner technologies and processes in the whole life-cycle of a product and thus reduces generation of wastes, can help reduce the negative impact on the resources and the environment. A positive approach of business and industry to sustainable development can be increased by economic tools such as free-market mechanisms which allow for the product and service prices to reflect the environmental costs of their inputs, production, use, recycling and final disposal in a growing degree and in compliance with the specific conditions in individual countries.

<sup>40</sup> FSC štandard. - [on-line] Available on - URL: ><http://www.fscslovakia.sk/content/view/34/51/><

<sup>41</sup> SUCHÁNEK, Z., Normy ISO pro environmentální značení – účinný podpůrný nástroj environmentálního managementu nebo konfliktní téma? In RUSKO, M. [Ed.] Manažerstvo životného prostredia (EMS, EMAS), Banská Bystrica.1998



### **Acknowledgements**

*This paper was written in frame of the work on the project VEGA 1/0990/15 The readiness of industrial enterprises to implement the requirements of standards for quality management systems ISO 9001: 2015 and environmental management systems ISO 14001: 2014.*

### **REFERENCES**

- BRUNNDTLANDOVÁ, G.H., 1991. Naše společná budoucnost. Praha, 297 s., ISBN 80-85368-07-02, p.8
- CHARTER, M., 2001. Řízení ekodesignu. Environmentální značení, 2,3-2001, Praha, s.9-11, ISSN 1212-476
- Council Directive 75/442/EEC of 15 July 1975 on waste, amended by Commission Decision 96/350/EC
- Council Resolution of 24 February 1997 on a Community strategy for waste management
- Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 laying down the Sixth Community Environment Action Programme
- Decision No. 1386/2013/EU o General Union Environment Action Programme to 2020 „Living well, within the limits of our planet“
- Environment Action Programme to 2020. - [on-line] Available on - URL:
- FSC štandard. - [on-line] Available on - URL: ><http://www.fscslovakia.sk/content/view/34/51/><
- HŘEBÍČEK, J., SUCHÁNEK, Z., 1998. Zkušenosti se zaváděním systémů environmentálního managementu v ČR. Planeta, 2-EMAS, Praha,
- Implementačný plán Svetového summitu o trvalo udržateľnom rozvoji v Johannesburgu. Banská Bystrica, Enviromagazín 7/2002, ISSN 1335-1877, s.8-33
- International Green Purchasing Network. - Global Ecolabelling Network Newsletter - GENews, No. 26 August 2011, p. 5
- KLINDA, J. [Ed.], 1996. Agenda 21 a ukazovatele trvalo udržateľného rozvoja. Bratislava: MŽP SR, 517 s., ISBN 80-88833-03-5
- KOLLÁR, V. 1997. Environmentálne vyhovujúce produkty – hospodárska a environmentálna politika trhu produktov. In RUSKO, M. [Ed.] Manažérstvo životného prostredia (EMS, EMAS), Banská Bystrica, s. 43-56. ISBN 80-96793-0-9
- KOLLÁR, V. et al., 2003: Produktová politika. - Bratislava: Sprint vŕa, ISBN 80-88848-96-2, 560 s.
- KOLLAROVÁ, H. [Ed.]: Environmental Technologies and Eco-innovation in the Czech Republic. - Praha: CENIA, ISBN 978-80-85087-6-7, 115 p.
- KOZOVÁ, M. - PAVLIČKOVÁ, K., 2002. Aarhuský dohovor a jeho uplatnenie v rozhodovacích procesoch a projektoch, plánoch, programoch, politikách a právnych predpisoch. Pezinok: Jaspis, 32 s., ISBN 80-85576-35-X
- MOLITOR, B., Etika hospodárství. Praha: Česká křesťanská akademie, 1998, ISBN 80-85795-29-9, 182s.
- Národný program environmentálneho hodnotenia a označovania výrobkov. - [on-line] Available on - URL: ><http://www.seps.sk/zp/mzp/info/vyrobyky.htm>
- Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000 concerning the Financial Instrument for the Environment (LIFE)
- RUBIK, F. - PETSCHOW, U. - SCHOLL, G., 1995. Basic outline the environmental oriented product policy. Workshop: Instruments of the Product Oriented Environmental Policy of the Middle and Eastern European Countries 20.-22.11.1995, Warsaw. Heidelberg/Berlin: IÖW
- RUSKO, M., 2000. Národný program environmentálneho hodnotenia a označovania výrobkov v SR. – In KONTRIŠOVÁ, O. - BUBLINEC, E. [Eds.], 2000. Monitorovanie a hodnotenie stavu životného prostredia III., FEE TU vo Zvolene a ÚEL SAV vo Zvolene, s.211-216, ISBN 80-228-0906-3
- SEN, A., 2002. Etika a ekonomie. Praha: Vyšehrad. 2002, 119 s., ISBN 80-7021-549-6
- SUCHÁNEK, Z., Normy ISO pro environmentální značení – účinný podpůrný nástroj environmentálního managementu nebo konfliktní téma? In RUSKO, M. [Ed.] Manažérstvo životného prostredia (EMS, EMAS), Banská Bystrica. 1998
- TŘEŠŇÁK, P., 2001. 6. akční program EU pro životní prostředí. Environmentální aspekty podnikání, 2, Praha, s. 4-5
- UNDP. Human Development Report. 1998
- VELEK, O., Ekologická stopa. In konferencia Udržiteľná spotreba – výzva pro 21. století. Available online at: <http://www.ekospotreba.unep.cz/spotreba.php>
- VLČEK, R., 2002: Hodnota pro zákazníka. - Praha: Management Press, ISBN 80-7261-068-6, 443 s.
- Výrobová politika podniku, výrobová analýza, výrobové preferencie. Ekonomika podniku, okruh 7. - [on-line] Available on - URL: > <http://www.euroekonom.sk/download/0066-statnice-ekonomika-podniku-05-07.pdf> <

### **CONTACT ADDRESS**

Author: Assoc. prof. RNDr. Miroslav RUSKO, PhD.  
Workplace: Slovak University of Technology in Bratislava, Faculty of Materials Science and Technology in Trnava, Institute of Safety, Environment and Quality, Department of Safety Engineering  
Address: 49 Botanická Str., SK-917 24 Trnava, Slovak Republic  
E-mail: [mirorusko@centrum.sk](mailto:mirorusko@centrum.sk)