EVER: Evaluation of EMAS and Eco-label for their Revision

EXECUTIVE SUMMARY

Consortium leader: IEFE – Università Bocconi

Partners: Adelphi Consult

IOEW, Office Heidelberg SPRU, Sussex University

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AIM AND METHODOLOGY

The EVER study has been carried out on behalf DG Environment of the European Commission, by a consortium of consultants led by IEFE – Università Bocconi, (IT). The other partners in the consortium were Adelphi Consult (DE), IOEW, Office Heidelberg (DE), SPRU, Sussex University (UK) and Valør & Tinge A/S (DK).

The fundamental aim of the EVER study has been to provide recommendations for the revision of two voluntary schemes managed by the European Commission: EMAS and the EU Eco-label.

The options and recommendations proposed for the schemes are based on the evidence collected in the different phases of the EVER study. The 'desk research', consisting of a thorough review of existing literature and previous studies and surveys on the schemes, and the 'in-field' research, carried out by way of direct interviews and case studies, provided the background relating to their strengths and weaknesses.

The findings of the research phase were presented, discussed and enriched through a stakeholder-engagement exercise, carried out within two workshops held in September 2005, that involved experts, institutions, companies, practitioners and NGOs. The positions and suggestions collected from the stakeholders (during and after the workshop) were used as empirical evidence for the study, and were further elaborated as the input for the final proposals.

The whole process of research, consultation and elaboration led to the defining of options and recommendations.

The study consists of two reports and three annexes.

- Report 1, 'Options and recommendations for the revision process', presents the options and the recommendations that the EVER consortium of consultants has defined and developed. These options and recommendations are based on a broad process of research and consultation.
- Report 2, 'Research findings', presents the main results of the desk research, carried out by means of a thorough review of existing literature and previous studies and surveys, as well as the in-field research, carried out by way of direct interviews and case studies.
- Annex I, 'Interviews: methodology and summary of the results', includes an explanation of the approach followed in the selection of the interviewees and offers a brief summary of the main results of the interviews.
- Annex II, 'Workshops for the revision of the two schemes', includes detailed reports on the outcomes of the workshops organised and held in Brussels on 26 and 27 September 2005.
- Annex III, 'Case studies based on on-site visits', describes the empirical evidence collected
 with respect to five specific visits to sites where EMAS and the EU Eco-label are being
 applied.
- Annex IV, 'Detailed results of the interviews', includes the results of all the direct interviews.

MAIN FINDINGS

The main findings of the EVER study are summarised in the following paragraphs, according to the thematic areas in which the research has been carried out. For a more detailed presentation, the reader is invited to read Report 2 and Annexes I – IV of the EVER study.

PART A: EMAS

A1. Contribution of EMAS to the improvement of environmental performance

- EMAS has a significant role to play in stimulating environmental improvement, particularly in relation to facility-related aspects of waste, water and air pollution. However, other factors, such as environmental regulation and technical progress, play more important roles.
- EMAS-registered organisations find that it is a useful tool for improving environmental performance both in the short and long term. They perceive their performance as better than that of other organisations, although most quantitative studies have not been able to confirm this
- There is little evidence to suggest differences between EMAS and ISO 14001 in relation to performance improvement. This may be a consequence of methodological difficulties rather than a proof of their equivalence.
- The elements of EMAS considered to be most important for improvement are: requirement for legal compliance, employee involvement, targets, and audit.

A2. Further (indirect) effects linked to the existence of EMAS

- EMAS is not generally seen as a benchmark. Little more than 60% of the interviewed companies and stakeholders think that EMAS is regarded and used as 'best practice'.
- EMAS has some effects within the supply chain even if these are limited. Few EMAS participants adopt a green procurement policy, but 77% of EMAS participants support their suppliers in the adoption of measures and initiatives for environmental improvement and 72% declare that the environmental management system influences product performance in other phases of its life-cycle and/or in the supply chain.
- EMAS has been the model according to which numerous alternative environmental management approaches in the EU have been set up. These alternative systems are spreading very fast and contribute to the diffusion of environmental management in European companies and organisations.
- Most EMAS drop-outs apparently maintain their environmental management system or parts of it (such as: procedures for operational control, surveillance of relevant environmental aspects, the audit system, etc.).

- Though difficult to estimate, it seems that the a sizeable number of companies which participate in one of the numerous EMAS promotion projects do not achieve EMAS, but still start to use environmental management.
- Taken together, the real number of companies which adopt an environmental management system, or part of such a system, due to EMAS is far higher than current figures of EMAS participants suggest.
- EMAS is perceived as a useful support for policy makers, regulators and other institutional and economic actors (such as public purchasers), other than the registered organisations.

A3. Drivers and Barriers for EMAS development

The main barriers to *achieving the first EMAS registration* are: the cost of implementation (including the consultant), the lack of human resources and competence and the difficulties in involving and motivating the internal personnel. Cost of registration seems to be rather unimportant. It should be noted, however, that the cost of EMAS implementation significantly vary in different EU Member States, the industrial sector, the size of the organisation and the level of their 'environmental complexity'.

- The barriers in *maintaining* EMAS, however, are linked to a lack of external feedback or incentives for the company running the scheme.
- Similarly, the perceived lack of feedback and incentives is currently discouraging potential new applicants.
- Currently, competitive advantages (especially those directly related to the market response, such as customer satisfaction, increase of the turnover or the market share, etc.) and stakeholder-relations (particularly with reference to the relation with institutional actors and with the local communities) are the main motivations that drive potential new applicants to participate.
- As to the perceived benefits, EMAS strongly improves an organisation's capacity to meet to legal and regulatory requirements.
- In addition, organisational benefits are strongly associated with EMAS implementation: participants experienced an increase in the motivation and involvement of personnel in management, and a better definition of responsibilities.
- EMAS is also able to produce cost savings for companies, but this benefit is not as important as the other benefits mentioned above.

A4. Contribution to competitiveness

- The most important competitive advantage for EMAS organisations is an 'improved image'.
- EMAS positively affects some aspects of competitiveness, but not those directly related to the 'customer response', such as improved innovation capabilities, cost optimisation and recognition as a leader by competitors and trade associations, etc. The success of EMAS as a competitive tool is not particularly related to general conditions such as the sector, size or

Member State in which the registered organisation operates, but it seems to be closely related to specific conditions (linked to the local context) and to the effort that the organisation makes in communicating and valorising EMAS registration on the market and with stakeholders.

- Market payback is perceived as much less significant: competitive advantages directly linked to any sort of 'market reward' are only perceived by a minority of the EMAS registered organisations.
- The question of whether EMAS is an effective tool for competition or not remains a controversial matter: participants in the scheme are more positive, while very few organisations outside the scheme believe it can produce competitive advantage on the market, especially if compared with other forms of certification, such as ISO 14001.
- All in all, EMAS seems to pay back its costs.

A5. EMAS relationship with Sustainable Development

- Sustainability-targeted initiatives are rather diffuse among organisations (both participants and non-participants). These include employee involvement, stakeholder engagement, occupational health and safety management systems and sustainability reports.
- A significant number of organisations are working to pursue integration between EMAS and occupational health and safety management.
- The relationship between EMAS and other issues relating to Corporate Social Responsibility and/or sustainable development is controversial: some companies are in favour of the possibility of including other CSR-related issues in EMAS, but only as an add-on of the current scheme (a "modular" approach).

A7. Desired incentives and measures for the EMAS revision:

- The majority of organisation want permanent institutional measures; the two external incentives that are most desired are fiscal incentives (e.g. tax abatement) and regulatory flexibility and relief.
- There is also broad agreement on the importance of 'indirect' incentives, aimed at increasing the demand for EMAS, such as the setting up of information and promotion campaigns for EMAS by public institutions and the inclusion of EMAS in Green Public Procurement.
- Upgrading EMAS to an internationally recognised scheme is considered by many companies and stakeholders as another powerful incentive.
- Direct funding and technical support seem to be less desirable according to interviewees than the literature and previous studies would suggest.
- The best incentives for taking up EMAS for SMEs are not so clear: simplifying access to the scheme for SMEs is seen as a useful measure, however there is less consensus on the idea of 'staged approach' that would allow SMEs to gain EMAS in phases.

PART B: ECO-LABEL

B1. Contribution of the EU Eco-label to changing consumption and production patterns: direct effects

- The EU Eco-label is currently used by participants in the scheme as a tool to help improve environmental performance.
- Moreover, the EU Eco-label is frequently able to actually produce such an improvement in environmental performance (both in terms of the product and the process).
- The EU Eco-label is also able to induce an improvement in the performance of other companies in the supply chain of the participants (e.g. providers of intermediate goods and services).

B2. Contribution of the EU Eco-label to changing consumption and production patterns: indirect effects

- Policy-related indirect effects (use of the Eco-label in supporting policy making, as a selection criteria in green procurement, in setting industry objectives for environmental improvement, etc.) are known and appreciated by companies and stakeholders.
- There is a strong market-related indirect effect on competitors, insofar as the EU Ecolabel is used also by non-participants as a benchmark.
- The other potential market-related indirect effects should be empowered.

B3. Eco-label and national labels

- There is no clear preference for either national labels or the EU Eco-label by producers, although when considering the long term the EU Eco-label is more often preferred. National labels are not perceived as more successful than the EU Eco-label.
- The presence of national labels alongside the EU Eco-label is neither considered as being positive or negative there is disagreement about whether they compete with each other.
- In any case, *harmonisation* is seen as being the only effective solution to be pursued. There is very little support for the options of abolishing either the EU Eco-label or the national labels.

B4. Drivers and Barriers for the EU Eco-label development

• Competition and marketing potential are the most powerful drivers for applying for the EU Eco-label.

- The public sector is a key target for many companies, and therefore public purchasing can be an effective driver.
- The improvement of environmental performance is a far less important motivation to adopt the label
- However, even if it is not a strong driver, the improvement of environmental performance turns out to be an important benefit of the scheme: it is one of the two most important benefits perceived by participants.
- Corporate image and other immaterial advantages are also very significant benefits, while
 market-related results are less obvious,in a significant number of cases benefits do refer
 directly to the market reward (an increase in the market share or in the number
 customers/consumers).
- As to the most important barriers: procedural and organisational problems were difficult to overcome for those who applied for, and obtained, the EU Eco-label.
- Cost is the highest barrier for potential applicants.
- Technical considerations, such as the lack of internal human resources and competence and the lack of external technical support and information, are not seen as nearly such significant barriers as has traditionally portrayed by the existing literature.
- Low awareness largely prevails as the most significant barrier in using the EU Eco-label for marketing purposes.
- It is not just a problem of being aware of the EU Eco-label, but also of choosing it on the market: the lack of competitive rewards by all the above-mentioned actors is perceived as a considerable barrier (particularly high for new potential applicants).

B5. Contribution of the EU Eco-label to competitiveness

- The EU Eco-label is actively used by most of the participants in their marketing campaigns.
- The EU Eco-label is often able to produce positive effects on the market: slightly more than 50% of the Eco-label companies experienced an increase in their market share or in the number of new customers thanks to the adoption of the Flower. The market reward in terms of turnover is not easily measurable.
- The reason for the sometimes limited benefits of the Flower is well known: the lack of recognition and knowledge of the EU Eco-label by different actors on the market: consumers, public purchasers, intermediate customers and retailers.

B6. Eco-label relationship with other dimensions of Sustainable Development

• Among the various other product-related issues concerning sustainability, the issue of 'consumer health and safety' is already dealt with by many companies, whilst ethical issues, such as fair trade, are not.

• There is only a moderate consensus on a possible EU label covering a set of different issues relating to sustainability (including environmental ones).

B7. Desired incentives and measures for the EU Eco-label revision:

- Information and promotion campaigns and other actions aimed at increasing the knowledge and the demand of the EU Eco-label are perceived as the most effective measures for supporting the scheme and endorsing its success as a marketing opportunity.
- External incentives are also widely requested. Fiscal incentives, such as tax abatement, are thought to be effective, insofar as they enable producers to lower the costs and prices of Eco-labelled products. Another of the 'most wanted' incentives is the inclusion of the EU Eco-label as a facilitating condition for public procurement.
- Other desirable measures directly relate to various modifications that can be introduced in the Regulation or in its institutional and applicative framework, such as a higher number of product groups or a further extension of the EU Eco-label to services.
- Outsourcing the EU Eco-label to an entirely private body obtains a low degree of support (but also the idea of making it entirely Commission-managed also raises many objections).
- Lowering the number and/or the stringency of the criteria to make the scheme 'easier' is not strongly supported (although on the whole the idea is favoured by the literature).
- Finally, it should be emphasised that the proposal of having a graded label, strongly debated in recent years, has been definitively rejected.

PART C: INTEGRATION

C1. Evidence and desired incentives:

- To some extent, the product dimension is already part of EMAS: the environmental management system influences product performance in other phases of the life-cycle and/or in the supply chain.
- There is a certain awareness of the potential benefits emerging from a stronger link and synergy between EMAS and the EU Eco-label.
- "Synergy" between the two voluntary schemes does not mean merging them, but exploiting all the possible opportunities for mutual reinforcement.
- ISO type III labels can be a synergetic tool for both schemes: many opportunities were identified (both in the desk and in the in-field research) for pursuing integration with ISO type III labels, with reference to operational, marketing and institutional synergies.
- A major issue for the revision of both the schemes is integrating and linking them with existing legislation and environmental policies (to a wider extent).

- In particular, a considerable consensus was found during the desk and in-field research on the strong need for integrating and embedding EMAS and the EU Eco-label in other product-related policy and private-certification instruments (other labels and forms of certifications, other IPP tools, etc.).
- A more general request is also being made by stakeholders and organisations taking part in the two schemes for a truly effective and consistent embedding of EMAS and the EU Ecolabel in existing and forthcoming legislation, in policy implementation and even in the enforcement of environmental legislation (e.g. regulatory relief and flexibility). Some of the most frequently suggested policy areas for promoting synergy are, for EMAS: the IPPC directive, the Emission trading directive, the Seveso Bis Directive; for the EU Eco-label: EuP, RoHS and, to a minor extent, REACH.

OPTIONS AND RECOMMENDATIONS

On the basis of the findings reported above, the EVER study elaborated the following options and recommendations for the revision process. For a more detailed presentation, the reader is invited to read Report 1.

PARTA: EMAS

The following options and recommendations were proposed in the study:

- A1: supporting EMAS by way of financial, fiscal and market-related institutional measures With the increase in the number of participants being a fundamental priority of the scheme, the set up and implementation of these kinds of incentives is recommended as an effective option for achieving this. Among the measures proposed by the EVER study, there are: a higher level of intervention by the European Commission in promoting Green Public Procurement within the Member States and income tax abatement. This option is mostly based on a guiding, stimulating and supporting role of the Commission towards Member States.
- A2: Better promotion and marketing of the scheme We recommend making a greater effort in the *promotion and marketing* of the scheme, by means of information and publicity campaigns, by making it mandatory for Member States to promote EMAS, by allowing for a broader use of the logo as well as by other means (see Report 1). Such actions will produce an increase in the awareness of many actors (including the public at large). Implementing this option is strongly supported by most of the evidence collected in the EVER study, with many observers identifying in the lack of knowledge on EMAS (and, subsequently, the lack of reward for the market, the stakeholders and the public institutions) as one of the most significant barriers for the development of the scheme.
- A3: Embedding EMAS within other legislation (policy making and implementing) Integration with the other legislation and regulations at the European and national level is seen as crucial for the success of EMAS. Our recommendation suggests how to further embed the EMAS regulation in environmental policies, in order to make it a truly integrated tool. The use of EMAS to make the implementation of the environmental regulation easier and more effective was proposed by virtually all stakeholders consulted during the study, therefore this option is strongly recommended.
- A4: Upgrading EMAS to an internationally recognised and applicable scheme This option foresees possible ways to upgrade EMAS to an internationally recognised and applicable scheme. Even though implementation of this option would require careful consideration in order to make it work at the operational level (due to the implications in terms of international competition), it should be stressed that many organisations are motivated to participate in the scheme *only* if registration comes with international recognition, allowing EMAS to be effectively used (as ISO 14001) in non-EU markets.

- **A5: EMAS as a reporting and communication tool** This option focuses on the possibility of making EMAS a more effective and powerful *communication tool*. Much of the evidence gathered in the study strongly supports the introduction of innovations in the way in which the environmental statement is conceived, validated and diffused. Some of the proposed measures rely on a wider use of environmental performance indicators.
- **A6: Making EMAS mandatory** This option foresees the possibility of making *EMAS mandatory* for specific types of organisation or in certain circumstances (such as big events: see Report 1). Although this would be potentially a very effective measure in terms of raising the number of registrations, it should be noted that this option obtained a very low consensus from the evidence collected in the study. The change needed in the nature and in the requirements of the scheme to transform it into a mandatory policy instrument would be too radical, these changes would overlap with existing policies (e.g.: IPPC Directive) and could even decrease EMAS potential for involvement of other sectors and organisations.
- A7: EMAS as a 'code of principles' A radical change in the nature of the EMAS requirements is proposed, focusing on a *code of principles* to be adopted and applied by the registered organisations, as a possible way to provide more flexibility in the implementation of the scheme. This could allow EMAS to be positioned as a scheme providing real 'added value' when compared to other forms of certifiable or non certifiable EMSs, and it could also allow the scheme to concentrate on performance in terms of continuous improvement and to simplify the participation by small companies.
- A8: making EMAS a recognised 'standard of excellence' Making EMAS a true, widely recognised 'standard of excellence' could attract more organisations and increase the uptake of the scheme. This option relies on the fact that many actors (consulted in the study) do not consider EMAS as a benchmark and are asking for its requirements to be more strictly connected to the environmental performance of organisations, in order to raise the credibility and the positive perception of the scheme. In order to achieve this objective, some performance-targeted measures are proposed (see Report 1). It should be note that, by making the requirements more restrictive, this option would only be able to produce an increase in the number of registrations in the long run.
- A9: Targeting SMEs This option aims at improving the specifications for SMEs, in order to make it easier for companies, that are suffering from lack of human, technical and economic resources, to enter the scheme. The proposed measures (see Report 1) build upon those already outlined (although not yet fully implemented) in Commission Recommendation EC/2001/680 and Decision EC/2001/681 of 7 September 2001 that accompany the EMAS Regulation. The measures also build upon some of the recent EMAS pilot projects aimed at tailoring it to the needs of small companies (including the so-called 'staged approaches').
- A10: EMAS with a stronger product dimension The reinforcement of the 'product dimension' in EMAS is a measure well supported by the evidence collected in the EVER study. This option proposes the inclusion of optional requirements for those organisations that are interested in valorising the environmental performance of their products within EMAS implementation. The proposed measures are conceived as 'add-ons' to the Regulation and rely on those requirements already existing in other policies (e.g.: EuP directive, EPD Schemes, etc.).
- A11: enabling and promoting a 'cluster approach' This option aims at strengthening the 'cluster' approach, that is well-established throughout the EU. Past experience has shown

that networking between companies and between them and other public or private 'collective' actors (local institutions, trade associations, large companies in the supply chain etc.) can be effective at promoting and supporting EMAS implementation, especially for smaller companies. This option is based on the evidence of the EVER study that stresses the need for long term support and simplification. The proposed measures foresee a special recognition for those actors that play the role of the 'catalyst' in the network.

- A12: Integration of CSR- and sustainability- related issues This option proposes a way of introducing these issues into the EMAS Regulation, by means of an optional series of requirements ('add-ons' to the existing scheme, by means of a modular approach). The proposed solution is recommended, insofar as it enables the experimentation of the potential success of CSR-related issues, with no specific constraint for organisations that are not interested.
- A13: Involving the banking and insurance sector in EMAS The EVER in-field research suggests that the involvement of this sector could be one of the most effective incentives for EMAS diffusion. This option is based on the possibility that the European Commission can influence the regulations adopted and the strategic behaviour of that sector, in order to promote the adoption of EMAS as a guarantee of good performance in terms of environmental risk management.
- A14: EMAS for local authorities and public institutions This option is based on several measures identified as useful and potentially effective for improving public institutions capacity to implement EMAS requirements and to stimulate participation in the scheme. The first set of measures proposed aim at responding to the need for better, more practical guidance on some requirements, while the second set of measures aim at reinforcing the multiplier effect that, from an initial 'pioneer' experience, can lead public administrations to a wider application of EMAS and of its requirements (see Report 1).

PART B. EU ECO-LABEL

The following options and recommendations were proposed in the study:

- **B.1.:** "Changing institutions" This package of options relates to the current institutional framework of the EU Eco-label. Four options for modifications to the current institutional framework are considered, concerning: the structure of the allocation of rights, duties, structure and power between the Commission, the Member States and their Competent Bodies, applicants and other stakeholders; the possibility of outsourcing parts of the scheme, or even the complete scheme; streamlining the allocation and validation process; and the possibility of increasing the degree of decentralisation of the scheme. Certain changes are recommended for consideration, in particular that the make-up of the decision making board of the Eco-label needs to be more representative of all stakeholders of the scheme.
- **B.2. "Changing framework" -** The proposed options aim at improving the attractiveness of the Flower by setting policy fiscal incentives, stimulating market demand through green public procurement, and making the certification process more efficient through better regulation and mutual reinforcement among eco-labels.

- **B.3.:** Changing content of the Ecolabel The EVER study has investigated the need for changes in the criteria and coverage of the Eco-label to attract more license holders as well as possible ways to implement such changes. This option proposes measures to make more products groups available and to reduce the number of criteria, as a way to ensure that more companies are attracted to the scheme.
- **B.4.: Promotion and marketing** This option is based on the strong message emerging from the EVER study that significant additional effort should be made in the promotion and marketing of the scheme. This effort could be by means of various possible kinds of initiative, aimed at raising the awareness of consumers, professional purchasers, retailers, potential license holders and other stakeholders. There are two different kinds of measure proposed in this option: direct promotion and marketing activities (e.g. information campaigns, co-marketing and dialogue forums, etc) and activities that support promotion and marketing by companies (e.g. tools and information materials, coordination centres and market analysis, etc).
- **B.5.: Harmonisation of eco-labelling schemes** The EVER study points to the fact that more effort is needed in terms of harmonising ecolabelling schemes. We propose three possible ways to proceed: for Eco-label criteria to be adopted by national schemes; for national criteria to be adopted by the Eco-label when possible; or; to transform the EU Eco-label in a sort of "umbrella" scheme (see Report 1).
- **B.6.: Direct support to applicants -** Two different types of direct support measure are proposed for applicants: technical measures, relating to the provision of know-how and tools and financial incentives, relating to the possibility of subsidising or reducing the costs that applicants currently face.
- **B.7.: Gradual extension of the EU Ecolabel, towards sustainability** On the basis of the findings of our study, we do not recommend the setting up a new scheme for a 'sustainability label' with the forthcoming revision of the EU Ecolabel, but instead to gradually introduce some modifications into the scheme that could respond in the long run to the possibility of an EU sustainability label, stimulating the attention of companies and consumers on some related issues.

For both EMAS and the EU Eco-label additional options, of either maintaining the schemes as they are currently or of abolishing them, have also been considered. These options are identified as follows:

- "Business As Usual" This option foresees only very small modifications and adjustments to the existing schemes, in order to take into account the requests that emerge from the EVER study concerning the institutional and organisational framework of the two schemes and some of their most problematic areas. This option is not going to change significantly the pattern of their development.
- "Sudden Death" This option foresees ways in which the European Commission can exit the policy area of voluntary instruments in the short term, analysing the associated benefits and damages / risks.
- "Slow Death" This option relies on the possibility of progressively reducing the commitment and the effort of the Commission in managing and supporting the two schemes,

eventually in with a view to preparing the transfer of the schemes to other responsible bodies.

PART C: INTEGRATION

A final option on the synergy and integration between EMAS and the EU Eco-label is composed of two possible sets of measures. The first is aimed at fostering and implementing the highest level possible of synergy between the two schemes, while keeping them separate. The second foresees an hypothesis of a new "three steps" environmental certification scheme, promoted and managed by the Commission, of which EMAS and Ecolabel are two steps.

- Mutual reinforcement between EMAS and the EU Ecolabel The basic concept underlying this first set of measures is that the revision of the schemes should aim as much as possible at pursuing two objectives:
 - on one hand, EMAS and Ecolabel must include truly favourable conditions for the organisations that are already participating in one scheme and want to join the other one (and, even more, it must become genuinely convenient to implement them together)
 - on the other hand, the two schemes should be more coherent in principle and consistent in practice, also with respect to their requirements, in order to convey to organisations and to stakeholders an univocal message of 'environmental excellence'
- Proposal for a "three level" EU environmental voluntary scheme In order to pursue a more intense and effective integration between the two schemes, and to accept some of the suggestions emerging from the EVER study, we propose a possible deeper merging of both EMAS and the EU Ecolabel, with the formation of a new scheme, relying on different certification opportunities. The new scheme could be based on a 'gradual' approach which foresees three progressive levels of recognition by the European Commission of the organisation's environmental management. The basic concept of this option is to consider environmental management systems as a first step, concerned with the organisation and the way in which it manages its environmental aspects, and then build on this first level to offer more opportunities for recognising the effort and initiatives relating to the product (good or service) environmental management and communication. Finally, the "top" level of the scheme is a recognition of the environmental quality of the product with respect to its competitors. The new scheme is based on some of the options described previously.