ECA: Product transparency and verified claims in advancing sustainable trade



<u>Eco Choice Aotearoa (ECA)</u> is the country's official ecolabel and is a part of the Global Ecolabelling Network. Since 1992, ECA has been encouraging sustainable leadership and competition among industry, acting as a crucial tool in transitioning Aotearoa New Zealand to a low-emissions, circular economy – and a lot has changed over the last three decades.

In today's interconnected global economy, sustainability has evolved from a corporate responsibility to a pivotal determinant of market access and consumer trust. For New Zealand exporters aiming to penetrate and thrive in international markets, the ability to substantiate environmental claims through transparent and verified means is not just advantageous, it's essential.

The global shift towards sustainable procurement

The global marketplace is witnessing a paradigm shift towards sustainable procurement. For instance, the United States federal government is the world's largest consumer, with annual expenditure exceeding USD\$600 billion on products and services. In alignment with Executive Order 14057, federal agencies are mandated to prioritise the procurement of sustainable products and services, including those certified by third-party ecolabels recognised by the Environmental Protection Agency (EPA).

Similarly, South Korea has established itself as a global leader in sustainable procurement by mandating all public offices procure certified goods under its Act on Promotion of the Purchase of Green Products.

"This legislation is notable because it ties public procurement to South Korea's Nationally Determined Contributions (NDCs) under the Paris agreement, due to its ability to enable measurable reductions in greenhouse gas emissions," explains ECA Head of Strategic Partnerships, Stella Jeon.

"This approach exemplifies how sustainable procurement can contribute to achieving national climate goals while fostering the growth of a green economy."

The European Union's Green Deal aims to make Europe climate-neutral by 2050, emphasising sustainable product policies and circular economy principles. The EU's forthcoming Carbon Border Adjustment Mechanism (CBAM) will impose carbon tariffs on imports, compelling exporters to demonstrate the environmental credentials of their products.

In addition to this, the EU is currently developing its Green Claims Directive, which seeks to regulate environmental claims made by companies to prevent greenwashing and ensure transparency. Under this directive, companies must substantiate their sustainability claims using information verified by independent, third party that is backed by regulated public authorities based on recognised methodologies.



As the EU moves to protect consumers and drive genuine sustainability practices, New Zealand businesses that export to the EU could end up facing strict penalties if they fail to comply with these requirements. The directive will require exporters to provide clear, science-backed evidence of their environmental impact, creating both a challenge and an opportunity for businesses with credible certifications. Meanwhile, the Agreement on Climate Change, Trade and Sustainability (ACCTS) has seen six nations (New Zealand, Costa Rica, Iceland and Switzerland) join forces and negotiate a trade agreement with sustainability at its core – and it's not *just* another trade deal, explains Stella.

"ACCTS has redefined the rules by eliminating tariffs on environmental goods, making services like renewable energy and pollution control easier to trade, and setting clear guidelines for eco-labelling and fossil fuel subsidy reform. It's a blueprint for how trade policy can tackle climate and environmental challenges and those behind it are actively working to get other countries onboard."

Why ACCTS matters for NZ businesses

ACCTS is a game-changer for New Zealand exporters. The agreement clears the way for over 300 environmental goods, cutting tariffs on items like solar panels, wind turbines, and recycled building materials. According to MFAT, New Zealand exports of these goods are worth NZ\$2.4 billion annually, with nearly NZ\$1 billion heading to markets that previously lacked trade agreements.

Some of the standout opportunities include:

- Renewable energy technologies: Think solar panels and wind turbines, essential for global decarbonisation efforts.
- **Sustainable building materials**: Products like recycled wood and insulation are in high demand for low-carbon construction.
- **Low-carbon transport**: Electric vehicles and bicycles, aligning perfectly with the push for greener mobility.

The agreement opens doors to markets like Switzerland, Costa Rica, and Iceland, where demand for sustainable solutions is strong.

These examples underscore the growing expectation that exporters meet stringent sustainability requirements, and credible certifications are essential for businesses wanting to remain competitive and access high-value markets.



Making credible claims through certifications

Amidst this evolving landscape, one of the best ways exporters can authenticate their sustainability claims is via a robust certification framework – one that's grounded in rigorous, science-based criteria.

ECA's certifications assess the full environmental impact of products and services, ensuring they meet or exceed international standards, and the ecolabel welcomes feedback on expanding its range of product and service standards.

ECA has strategic mutual recognition agreements (MRAs) by virtue of its involvement in the Global Ecolabelling Network (GEN), explains Stella.

"GEN is a membership of similarly rigorous, often Government affiliated, ecolabels from 60 countries around the world. These agreements facilitate the acceptance of ECA-certified products in multiple jurisdictions, which streamlines compliance and amplifies our value proposition for exporters."

Notably, in 2024, ECA also signed a mutual recognition agreement with fellow GEN member <u>TCO Certified</u>, the world's leading sustainability certification for ICT products. This partnership sets a new benchmark for ICT companies operating in New Zealand and abroad.

How ECA certification helped NZ exporters

<u>saveBOARD</u>, a New Zealand manufacturer of sustainable building materials, leveraged dual certification to penetrate the Australian market effectively. The mutual recognition with GECA facilitated compliance with local standards in a cost-effective way, resulting in significant contracts for major infrastructure projects such as a world first Centre for Circularity in New South Wales.

"We're proud to be the first company to achieve this dual certification, showcasing our commitment to sustainable practices and providing specifiers with greater confidence in our products. Independent certification is essential to our business and demonstrates to our clients that they have a genuine choice in sustainable building materials," said Paul Charteris, Founder & CEO of saveBOARD.



ECA remains dedicated to evolving and expanding its standards and number of MRAs to support New Zealand exporters. The organisation's proactive engagement in international forums, such as the <u>ISO TC 207</u> Steering Committee, <u>One Planet Network</u> and GEN, ensures its certification aligns with global best practice and emerging sustainability trends.

Looking to the future, Eco Choice Aotearoa's mission remains clear: to support New Zealand businesses in realising the strength they already hold to shape a more sustainable and transparent global marketplace. By providing the tools and credibility they need, ECA is helping exporters navigate rising consumer and regulatory expectations while contributing to a low-emissions, circular economy.

"There are committed and innovative Kiwi businesses that have the opportunity to redefine what sustainable trade looks like for Aotearoa. We are keen to see them rise above our usual Kiwi way of quietly championing amazing mahi.

The time is ripe for such businesses to lead and demonstrate how collective action can drive meaningful change on the world stage."



About Eco Choice Aotearoa

Eco Choice Aotearoa (formerly Environmental Choice New Zealand) is the country's most rigorous ecolabel. It was established in 1992 and looks at the full environmental impact of products and services. Eco Choice is endorsed by the Government and governed an independent board known as The New Zealand Ecolabelling Trust. It is a member of the Global Ecolabelling Network and recognised by the Australian and New Zealand Green Building Councils. Those with Eco Choice certification are committed sustainability leaders in their industry. Applicants are subject to third-party, biannual onsite audits and required to prove their products and services to be fit for purpose.

About SBC

SBC is a membership organisation that connects businesses, partners, and sectors to create impact that no single business could achieve alone. We work with executives and sustainability professionals to maximise their positive impact for shareholders, communities and the environment. We hold our members to account by asking them to fulfil member commitments. We deliver impact by championing our members to be at the leading-edge of sustainability and inspire other businesses to take action.



