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ECO-LABELING AND ETHICS

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<p>This thesis is examining the role of eco-labels on the consumers and companies' requirements to carry the eco-labels. Increasing concerns in sustainability helped change consumers' buying preferences towards ecologically and ethically friendlier products. This change is apparent in demand for certified products and consequently the rise of number of eco-labels and relating certifying bodies. The research shows companies are using eco certifications for marketing and sale benefits, but do not always meet label criteria. As the eco-labels have become more numerous but not more clearly, the consumers became more confused and were starting to lose their trust in labels. To explore the role of eco-labeling and their procedures, research was made using two case study companies, Matthew Algie and Nestlé Nespresso. Qualitative approach was used as the research methodology to assess the two coffee companies with the help of secondary data. The two coffee companies were obtaining their coffee from sustainable resources on a large scale of over 70 % of the their annual purchases. Nespresso was demonstrating its co-operation with Rainforest Alliance in order to provide sustainable high quality coffee, as well aluminum recycling program to reduce waste. It was not possible to establish all of certification requirements or if the companies' were fully complying with them. The certification guidelines for eco-labeling were not always transparent or easily available, this was adding to the general confusion of eco-labels' effectiveness.</p>		

<p>Key words biodiversity, business ethics, coffee, eco-labeling, ecosystem, certification, Fairtrade, Matthew Algie, Nespresso, organic, Rainforest Alliance, sustainability</p>

ABSTRACT
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1 INTRODUCTION

Eco-labels play a big role when it comes to shopping and choosing out the products we purchase. Eco-labeling has been described as a voluntary initiative that is aimed at improving the certification of organizations and their products towards environmental preservation. The products included in the initiative are preferred and thought to be safer and friendly to both the consumers and the environment (Nøstvold et al., 2014). They are popular among consumers as well as businesses, but not always for the same reasons. Eco-labeled products distinguish themselves for being ecologically or ethically friendlier, giving consumers the choice to use products that are considered a better alternative. While consumers focus on making their choices towards environmental preservation, the companies who make use of eco-labels for their products might use these customers' preferences to encourage us into buying their products. There has been a rise of concerns for environmentally friendly products (Azizan & Suki, 2014). Do we, as customers, know what we are buying? Do we know what stands behind the eco-labels and whether the products carrying them meet those requirements?

This thesis is about eco-labeling, its requirements and business ethics. The topic has been chosen because it is close to the author. The author has always been an advocate for sustainable consumption and certified products fit right in that model. The standard way of thinking was that eco-labeled products were always either helping environmental conservation or people, or even better, both.

Eco-labeling is also a current issue; gaining interest and recognition, yet at the same time gains more skepticism as to the true intention of its use. It concerns consumers in the daily life, plays a role for some companies and even bigger role for environment, farmers and people in general.

We do not always know what we buy when paying attention to eco-labels. Once we choose a certified product, in most cases, we do not necessary have an idea what stands behind that label. We never stop to think how much eco-friendlier our certified chocolate or coffee is. They might be created with 99 % sustainably sourced ingredients, but there is a possibility that the percentage can be 9 %. We do not think about that, or we assume that someone else does the job for us; a company creates an eco-friendly product, labels it as one and we can be sure we are purchasing the better alternative to the standard product. We trust the companies carrying eco-labels to provide us with superior products.

The aim of the thesis is to provide detailed information on eco-labeling and its current situation, how they are obtained and companies' involvement, but most importantly, research whether the companies actually have the right to carry the eco-labels that they carry. Various approaches of eco-labels were evaluated, such as green business and fair-trade, to show if eco-labels fool consumers or indeed perpetuate environmental concerns.

Using two coffee companies, Nestlé Nespresso S.A. (Nespresso) and Matthew Algie, as case studies a research will be done to see which labels these companies carry, whether the products are eco-friendly, and whether the companies meet the requirements to carry those eco-labels. Companies with eco-labels, such as Nespresso and Matthew Algie, are assumed to have adhered to the constructs of eco-labeling initiatives and their products thought safe(r) for the environment and the consumers (Esteves et al., 2017). The case studies were incorporated to show case aspects of eco-labeling and their impacts on consumers and business ethics. The research methodology used for the case study was a qualitative approach that assessed the two mentioned coffee companies. Secondary data obtained was interpreted to demonstrate the application of eco-labels. Analysis of the secondary data collected was done in a qualitative methodology and the categories of eco-labeling in Nespresso and Matthew Algie were interpreted.

2 ECO-LABELING

Eco-labeling is a voluntary initiative that is aimed at improving the certification of organizations and their products towards environmental preservation. In other words, companies can obtain eco-labels to show they or their products are ethically or environmentally friendlier than their unlabeled alternatives. Due to increasing concerns about the environmental degradation and global warming, organizations have taken it as an initiative to develop the production processes and the formulation of products to favor the environment (Azizan & Suki, 2014). Climate change has now been taken seriously and companies that cater for the environment are preferred to companies that have products that degrade it (Ng & Wong, 2014). Important contributions of the eco-labeling strategies include the control of the issue of global warming and climate changes (Bernard & Elgaaied-Gambier, 2015). These reasons justify the importance of the initiative as well as the reasons that make companies comply or want to comply with the eco-labeling regulations.

Eco-labels exist for food and consumer products. Currently, Ecolabel Index, the largest global directory of eco-labels has 465 registered eco-labels (www.ecolabelindex.com) across the globe and the number grows yearly, a few years back the same site had around 380 labels registered. Out of all of them only a handful are considered well-established and credible, eco-labels like FSC, Rainforest Alliance, Energy Star, Marine Stewardship Council and Green Seal (www.factorinfinity.com).

In the business, eco-labels are categorized into voluntary and mandatory facets. The voluntary labels can be acquired by companies if wished, to show and promote the eco elements of their products. They are the adherence to environmental conservation that may not pose a direct harm if not adhered to. The classification of voluntary labels has diverse ISO Types labels, product endorsement, purchasing database and ethical labeling. Examples of voluntary labels include green business, and fair-trade eco-labels such as Fairtrade (ec.europa.eu).

The mandatory labels, or green stickers, are a requirement for products and are supposed to act informative and as warnings to the consumers of products (Azizan & Suki, 2014). Mandatory labeling is increasingly used to bring forward a product's important information on nutritional matters, country of origin, ingredients list, and energy usage like energy star label or other rating schemes. Danger symbols and conformity with standards are also considered as green stickers.

Eco-labeling has been using the green symbol accompanied by statements of certification or additions to the companies' mission and vision statements. As a result, the symbols have evolved with different businesses adopting different eco-labels to show their compliance with the environmental leadership prospects (Azizan & Suki, 2014). Some of the important elements in eco-labeling are the constructs of life cycle deliberations and the need to process aspects of global environmental initiatives through creation of awareness. Some of the elements of certification in eco-labeling include reduced emission and effluence, recycling and upcycling of waste materials, low energy consumption rates and ecologically friendly products.

Research shows a positive correlation between adherence to eco-labeling aspects and increased organizational growth (Berghoef & Dodds, 2013). This is motivated by the large number of consumers that are looking for companies with e.g. better strategies on waste management, landfill programs and recycling practices (Azizan & Suki, 2014). This way, the growth of the need and use of eco-labeling initiatives has been the milestone in answering the research question of whether eco-labels are applicable and applied.

The eco-labeling initiative has over time made companies gain popularity and prompted many to use it as a competitive strategy. As a result, the initiative goes a long way in the evaluation criteria in business ethics. Organizations that cater for the environment are depicted and ranked higher compared to those that do not (Berghoef & Dodds, 2013). Some companies have resulted to want to attain the eco certification even though they have not complied with the regulations of sustainable conservation (Ng & Wong, 2014). The rise of a large amount of companies making a move at the eco certification has made it difficult to improve the values of business ethics in environmental conservation (Azizan & Suki, 2014), not to mention the tremendous amount of eco-labels available on the market and their number increasing annually.

A lot of organizations have been identified as using the voluntary eco-labeling schemes to obtain a market mileage as well as inclusions of the social and economic milestone. The question in this research was encompassed by the elements of whether companies really adhere to the environmental conservation codes and standards before using the labels, or not. Important prospects brought up by the question include the roles that the eco-labeling play in product sales, consumer preference and the importance it has in business ethics (Azizan & Suki, 2014). If a correlation analysis between these variables shows a negative relationship or unit relationship, it would prove that the companies do not meet the requirements to carry eco-labels (Bernard & Elgaaied-Gambier, 2015). In the event that the contri-

bution they have on the exogenous variables shows a positive correlation, then the eco-labels would prove applicable and applied.

Research has shown that the world population is shifting from inorganic consumption to organic ways of life (Jørgensen & Moen, 2015). Most of the correspondents to research show their willingness to increase their daily expenses with the guarantee of obtaining more environmentally friendly goods and services (Chkanikova & Lehner, 2015). In the same understanding, organizations have noted that consumers are willing to pay more for more eco-friendly products and services (Azizan & Suki, 2014). Some of them tend to exaggerate their efforts towards the conservation measures. As a result of the increasing demand for organic and the green-labeled products, almost all companies have noted the demand shift in the consumer preference to organic and green products. Because of that, companies have labeled the majority of their products into either organic or green to try and depict their adherence to environmental conservation (Azizan & Suki, 2014). By doing so, the companies look forward to gaining sales boost that would lead to the financial milestone. The rush to gain the consumer preference has therefore compromised the quality and real adherence to environmental prospects (Chkanikova & Lehner, 2015). This has made the companies use eco-labeling even if they do not have any elements of energy savings, environmental conservation or health benefits.

2.1 Requirements for eco-labeling

Eco-labels are usually developed through a multi-stakeholder process, but retailers and producers also create their own labeling programs. There are different labeling schemes and they differ when it comes to the level of ambition, the process of creating and certifying the criteria for the label, and the coverage of diverse phases of the life-cycle. (ec.europa.eu) Meaning, different eco-labels have different requirements to them. Some of them are easier to obtain than others if, for example, one label has higher demands than another label, then the company might not meet one label's requirements but does meet other label's.

Organizations seeking to obtain eco-labels have to be in the business of producing goods and/or services that cater for the environment or ethical treatment of people. The organizations formulate an eco-label logo and upon payment of the use rights expenditure, they follow a set of practices and requirements to get eco-label. The companies are supposed to provide a certificate of application through the certifying body - AFNOR that does the assessment and gives a recommendation. The organization is

assessed by the AFNOR certification body that commands the production process and the products as either compatible or otherwise safer to the environment. Once the application is passed, AFNOR awards a company and allows it to use the element of eco-labeling in its packaging and advertisement prospects. Later, the certification body makes regular follow-up as well as the formulation of promotion initiatives for the products that adhere to eco-labeling aspects. (www.afnor.org/en/)

In case of Nespresso and Matthew Algie, their eco-labels also have different schemes and requirements. Matthew Algie carries Fairtrade Mark, Organic and Rainforest Alliance labels. Organic is a certification whereby farmers use limited chemicals and pesticides. It is mentioned these are strictly limited, however, food is not fully free of them. Nespresso has own sustainability program called Nespresso AAA Sustainable Quality Program, which has been operating since 2003 in partnership with Rainforest Alliance following its sustainability principals in red line as well as Nespresso's quality coffee credentials.

Fairtrade is an ethical label and one of its requirements is that farmers (in this case coffee farmers) are paid a sum higher than the cost of production. There should also be a guarantee of additional social premium for the growers, which has to be spent democratically, either for growers' development or their local community projects. Fairtrade certified coffee farmers receive a premium of 20 cents per pound for standardly grown coffee, and additional 30 cents per pound for organically produced coffee. Of that, a minimum of 5 cents per pound of premium should be spent to improve production or the quality of the coffee. Fairtrade also has an independent certifier, FLOCERT, who conducts a transparent and globally consistent certification system following the rules of ISO 17065, which in its turn is an internationally recognized quality norm for bodies operating a product certification system. The ISO certification guarantees that there is transparency at all times, a quality managing system is operating and the independence in the certification decisions making process (www.fairtrade.net). With this, an independent third party always checks FLOCERT to confirm the compliance with ISO rules. On 31st of August 2017 an agreement was signed transferring the ownership of FLOCERT's shares certification system completely to Rainforest Alliance, valid from 1st of October, 2017 (san.ag).

Rainforest Alliance is primarily an environmental label and businesses carrying the label need to show that their resources were obtained through sustainable means, but also meet social and economic standards. To get the certification, farms should meet the criteria set by Sustainable Agriculture Network (SAN), a coalition that promotes sustainable agriculture. SAN's principles are: conservation of biodiversity, improvement of human wellbeing, conservation of natural resources and effective man-

agement of the farm. Once the farm gets certified, it will get audited annually to ensure its constant complying with SAN's guidelines (www.rainforest-alliance.org).

Among the rules when using eco-labeling include the rules of application. The rule stipulates that organizations should apply for the certification in the producing country. The rule on confidentiality discusses that all the eco-labeling prospects should be a subject of confidentiality. AFNOR certification body should certify the eco-labeling license. Other rules include the aspect that the validity of eco-labeling license is restricted by the confinement of the kind of production and the elements of the application. Rules on registration are described as a mandatory requirement by AFNOR. Changes and inspection rules stipulated in eco-labeling are supposed to be reviewed on an annual basis (www.afnor.org/en/).

A critical assessment of the evaluation of whether the eco-labeling strategies are a true reflection of the production plan has shown divergent views and results. Environmental boards check the regulations that companies claim to adhere to on an annual base. The increasing trends and innovative technology in additives, refrigeration, and use of hormones to treat food products has reduced the probability that a product is purely organic as the most claim it to be (Azizan & Suki, 2014). In the same understanding, the organic shift has made some businesses compromise on the producer and business ethics and make certification seals that do not conform to the components or procedures used in the production process (Berghoef & Dodds, 2013). Eco-labeling strategies have over time deceived consumers through green labels accompanied by a certification of environmental conservation despite the fact that they have not adhered to any of the practices (Xu, Karray & Archimè, 2016).

On the other hand, some organizations have indeed adhered to environmental and corporate social responsibilities meaning that their green labels have a value attachment (Azizan & Suki, 2014). The challenge is construed in differentiating between the companies that have adhered to social and environmental responsibilities to those that just want to increase their revenues through consumers preferring organic or environmentally friendly products (Chkanikova & Lehner, 2015). Clearly, the dilemma between the choices presented creates the controversy of the truthfulness of eco-labeling and their efficiency in influencing consumer choices in the market.

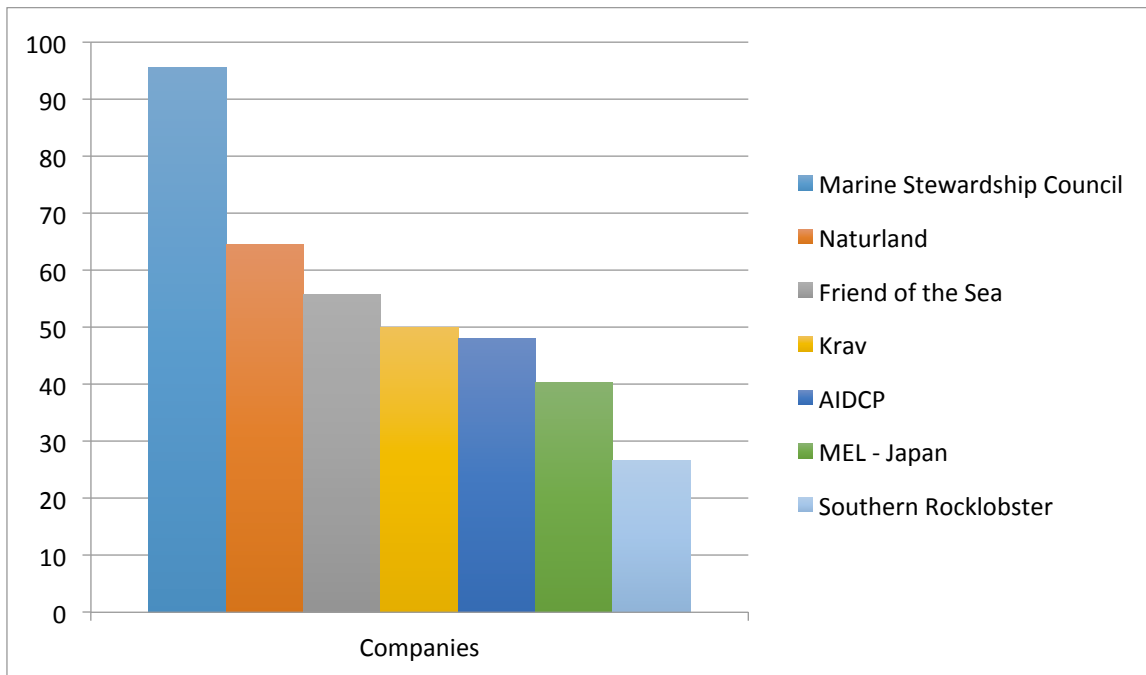
2.2 General problems and issues

Well understood and trusted by the consumers eco-labels have a high influence on their purchase behavior. As consumers are already reaching towards sustainable products, it becomes easier to guide them towards those products through eco-labeling, but can also work negatively if the consumers lose their trust in eco-labels due to obscure information or companies using the labels without having the right to do so. The fact that there is no clear distinction between marketing and environmental labels also plays a large role in general confusion.

The greatest concern regarding eco-labels is the question of whether they are a true representation of the company's adherence to sustainability or just a tendency to pass the requirements and used as a competitive advantage. To an extent, some researchers believe that eco-labeling initiatives are unrealistic and do not necessarily mean that an organization has complied with the conservation codes of operation and meets the requirements needed to obtain and carry an eco-label. In addition, eco-labeling has been used to market companies or their products and expand their market share (Chkanikova & Lehner, 2015), which have negative consequences on consumers. More and more consumers start to see eco-labels as nothing more than a marketing tool for green consumerism (Golubevaite, 2008) resulting in negative effects on eco-labels and green products as a whole.

Another big concern is that the requirements differ for every eco-label and it is unclear how much sustainable is a product just by looking at its eco-label. If the labels or certification schemes are tested against diverse criteria set by organizations that focus on the sustainability and label's effectiveness, they may not always show that they comply with those criteria, rendering them less sustainable and less trustworthy in the eyes of the consumers.

GRAPH 1 is an example of one of such testing. The graph 1 shows Accenture Development Partnerships (ADP) comparison and ranking of fishery certification schemes that use eco-labels against the World Wide Fund for Nature (WWF) criteria, which focuses on the schemes' effectiveness in addressing the health of fisheries and oceans. As can be observed, the certification schemes' effectiveness varies greatly. Highest ranked scheme is Marine Stewardship Council (MSC) that with over 95 % closest meets the requirements of WWF criteria, while Southern Rocklobster labeling scheme meets only 26.7 % of the criteria. This can play negatively on Rocklobster's sales if the consumers' trust in the scheme will drop.



GRAPH 1. Seafood eco-labels ranked (adapted from wwf.panda.org, 2010)

Trough the eco-labels the companies are able to expand and maintain their market space. The responsibility to improve the quality of products through adherence to social and environmental approaches has been the most evident aspect of eco-labeling. The choice of the type of eco-label is one of the general problems among different companies. The financial constraints in investing in eco-labels pose the greatest social and business challenge. The eco-label investment poses a great challenge to new and rising companies in establishing and maintaining of their market space. Other major issues include greenwashing and negative eco-label effects.

2.2.1 Greenwashing

As organizations realize the importance of environmental conservation and the value consumers attach to products that conserve the environment, the usage of it as a competitive strategy became a lucrative idea. In such cases, some companies try to label their products as eco-friendly to make use of that strategy; making an impression they and their products have adhered to certain ethical and environmental standards. The companies assume that by faking the adherence to the consumers, they would gain their confidence and increase consumer loyalty to their products (Azizan & Suki, 2014). Or their product would adhere to some amount of environmental conservation, but not as big or sustainable as

the customer is made believe. The organizational determination to offer false clarification on environmental conservation through the products amounts to greenwashing (Bratt, 2014).

Greenwashing, also called green sheen, is when a group creates deceptive marketing claiming their products, views or aims are environmentally friendly while they are not, and could actually be the opposite of what they are claiming. Such a group can be a firm with a product, but also a government or any other group that's trying to lobby its cause. Greenwashing also includes misleading consumers about the eco-friendly benefits of a product via misleading advertising and unsubstantiated claims the company makes (Investopedia).

The elements of green washing have risen in recent years where plenty of companies have marketing strategies pointing out the eco-friendly elements of their products, often, if nearly ever at all, without providing exact information or numbers as to why their product has an eco-label, and how much of that eco-friendly goodness the product contains. Organic ingredients containing products, herbal products, certified chocolate, ecological health and beauty products are seen as the healthier and environmentally friendly option. But the questions remain – how much more eco-friendly and better, or are they environmental at all? All of those products are purchased daily, often by people who consciously make the choice to purchase the eco-friendlier alternatives. However, consumers are often not aware of what is in the product, they see the eco-label and assume automatically they make the better choice. Thus, the companies that participate in greenwashing cater to consumers' feeling they made a better choice by choosing environmentally friendly product or service, while in the actual sense, the firms are just using it to gain a competitive edge (Berghoef & Dodds, 2013).

Greenwashing has caused the greatest doubt on whether eco-labeling is genuine or just a misleading strategy aimed at winning consumers through a web of deceptive green marketing. As observed, consumers are willing to spend more money for products and services that conserve the environment and cater for the welfare of the consumers (Bernard & Elgaaied-Gambier, 2015). As a competitive strategy, unethical behavior such as non-compliance with the eco-labeling certification and false information in the advertisements have increased the number of greenwashed consumers.

In the commemoration of the first Earth Day in 1970, environmentalists showed that many companies advertise themselves as eco-friendly while most of them degrade the environment. Studies show that more than 77 % of consumers use the elements of environmental conservation as criteria of purchasing the organizations' products (Berghoef & Dodds, 2013). In the event that the information on the advert

was wrong and the company manages to sell the product, the consumer is deceived into buying the product.

Surprisingly, corporations and other public companies spend more than 280 million US dollars yearly on advertising the eco-labeling and ensuring consumers that their products are eco-friendly. The case of false information misleads millions of consumers to paying more for environmentally harmful products without knowing (Bratt, 2014). Such cases of greenwashing of consumers have raised the question whether companies ever bother in implementing the things they mention in their adverts regarding environmental and ecosystem conservation aspects. The world summit regarding the sustainability of development in 2002 discussed in an in-depth the aspects of greenwashing of consumers (Berghoef & Dodds, 2013). In the summit, results showed that almost 4.5 % of the organizational presentations were compliant with green business, which marked a slight improvement from the 2 % noted in earlier summits.

In the United States, the guidelines that help mitigate and prevent occurrences of greenwashing include qualifications and disclosures. The country's commissions on environmental conservation focus on ensuring that all organization provides information pertaining to the full certification of their products in adherence to environmental conservation (Bratt, 2014). Additionally, the commission requires that organizations use clear language in the disclosure of the contracts of fair-trade, green business and eco-labeling prospects (Bernard & Elgaaied-Gambier, 2015).

The government requires proof of differentiation between the lines of benefit in competitive strategies. This is important as it prevents firms that are not participating in environmental conservation from benefiting from the consumers that are willing to pay more for more eco-friendly products (Berghoef & Dodds, 2013). Through greenwashing, many consumers have been deceived to consuming products that do not meet the environmental conservation.

2.2.2 Eco-label effect

The impacts of eco-labeling have been felt both in the market and amongst consumers. Basically, eco-labeling has effects on the introduction of the green phenomenon in all products. Consumers have shifted to the desire to consume green products. The green phenomenon is described by the shift of consumers from inorganic products to organic ones (Berghoef & Dodds, 2013). The organic substanc-

es are described as hormone-free, chemical-free and are said to conserve the environment. This way, organizations focus on the eco-labeling as a competitive advantage in the production process (Bratt, 2014).

The second effect of eco-labeling is the power it has installed on consumers to make a competitive edge in the organizational marketing strategies (Kirby et al., 2014). Through this, consumers are able to choose between producers and the products they make (Bernard & Elgaaied-Gambier, 2015). The eco-label effect has given consumers more freedom to choose from a pool of producers. This way, consumers shift demand from the organizations that do not adhere to environmental conservation to the products that advertise as environmentally friendly (Berghoef & Dodds, 2013). The problem is noticed when companies advertise their products through eco-labeling even though they are not fully certified. The elements of business ethics of fairness and transparency to the consumers are violated.

Just as the way eco-labels take the time to grow and develop within a competitive environment, once they develop their impact is massive on consumer behavior. It is difficult to control the demand shifts that are experienced as products are advertised through the green slogan. Due to the rise in lifestyle diseases and conditions, consumers prefer products that have not been overly processed and the products that pose no threat to the environment (Azizan & Suki, 2014). As a result, environmental prospects have devised new competitive aspects of using rather than the traditional approach of formation of different green labels (Kirby et al., 2014). As a matter of fact, disclosures would be the best solution to the challenge of unrealistic and unapplied strategy eco-labels and the improvement of the certification process by advocating for the industrial labels (Bratt, 2014).

The other effect of eco-labels is the prediction the increased consumer adoption with a drop in the accompanying cost (Bernard & Elgaaied-Gambier, 2015). The increased move by companies to associate with green businesses has improved the adoption prospects in the perception of buyers (Azizan & Suki, 2014). This has raised the difficulties in differentiating between the shifts motivated by prices and the shifts attributed to the green business advocacy.

The other eco-label effect is the increased sensitization of environmental conservation. Despite the fact that environmental conservation is a great strategy in the ecosystem, it has been misused by organizations to make profits as well as by consumers by believing the false labeling information (Berghoef & Dodds, 2013). Eco-labels are an important point in business ethics. In the same understanding, the destruction of the value attached to it is a blow to the constructs of business ethics. The research varia-

bles focus on the determination of the validity of eco-labels. As a cost-benefit analysis, eco-labels are evaluated through the benefits and destructions they pose on consumer information (Azizan & Suki, 2014). The organization of information offered is supposed to be in line with consumer and environmental protection (Morrison & Beer, 2017). Clear indications show that the elements of eco-labels go a long way in the determination of business ethics. Their violation reverses the positive impact to a state of confusion on consumers.

2.2.3 Control systems

The control systems in eco-labeling are constituted in the facets of environmental governance. The increasing demand by consumers for a sustainable consumption prospects has prompted the production processes to go green. By going green, production processes are construed in the adherence to certain standards of environmental conservation (Morrison & Beer, 2017). The conservation aspects involve different stakeholders such as the government that acts as the governing guide and the organizational aspects of management, production and trade (Azizan & Suki, 2014). On the other hand, the consumers make the largest portion of the stakeholders, as they are the main objective in the production process (Berghoef & Dodds, 2013).

Eco-labels could take the shape of infrastructural and legal approach where it is included in the determination of pretexts as well as the influence of other environments. In this aspect, the control systems also include the market forces described as distinctive and inclusive in eco-labeling. The market forces include the use of the aspect as a competitive advantage by producers (Bratt, 2014). The control systems in the marketing strategies such as the competitive edge and maintenance of market share have dominated the market.

Control systems are also described by the categories of eco-labeling. The certification program directs the move from organizational prospects to determination aspects. The system describes the eco-labeling standardization where the approaches available are categorized as either voluntary or compulsory. Voluntary eco-labeling system control constitutes of the measures regarding environmental conservation, consumer well being, and societal fair-trade is not compelled by external factors. In most cases, companies engage in it as a competitive measure and a desire to outdo their competitors (Azizan & Suki, 2014). The constructs of compulsory eco-labeling strategies are induced by systems such as the government and other environmentally related authorities. Controls from the environmental com-

missions and certification prospects are determined by the ability to improve business ethics. The impact of the control systems on the consumer population describes a positive correlation. The interpretation of the positive correlation is the consumer protection and the environmental preservation facets advocate for (Bernard & Elgaaied-Gambier, 2015). The control systems have improved elements of entrepreneur democracy as well as the freedom of choice of consumers (Azizan & Suki, 2014). The integration of the categories of the eco-labeling forms the control systems in business ethics and is able to help consumers achieve their objectives of purchasing environmentally friendly products in the competitive market.

Control systems describe the scope of eco-labeling. The organizational aspects in eco-labeling describe the determination of the advocacy for environmental conservation and consumer protection (Nielsen, 2017). The challenges arising from the system include the technicalities and overhead costs in eco-labeling. Though the process is aimed at good intentions, it has been marred by increasing costs in production efficiency (Berghoef & Dodds, 2013). The most challenging facet in the rising costs of operating and using the strategic systems is the transfer of the additional costs to the prices (Azizan & Suki, 2014).

At the end of the process, the consumers end up absorbing the shock of the additional costs. The increased costs raise the research question again if the eco-labels really benefit the consumers and environment, or they add to the common advertisement and marketing deceptive strategy (Nielsen, 2017). As observed, there are challenges in the implementation of eco-labels described by the false information claiming that some products have met the environmental conservation prospects (Azizan & Suki, 2014). However, with the inclusion of commissions and certification of products improve the consumer trust in eco-labels.

3 BUSINESS ETHICS

The two aspects, namely business ethics and eco-labels intertwine in meaning and application. Business ethics include the responsibility of a business to ensure the safety and wellness of the consumers (Bernard & Elgaaied-Gambier, 2015). Eco-labels focus on informing the consumers of a product that it conforms to environmental conservational elements (Azizan & Suki, 2014). In both, the responsibility of improving the consumer knowledge about the products makes the two aspects similar (Esteves et al., 2017). Both the corporate social responsibility and eco-labels apply the elements of corporate social responsibility where they involve initiatives that ensure better quality production processes and consumer knowledge.

3.1 Benefits with eco-labeling

Eco-labeling enhances the choice of consumers in the aspects of tastes and preferences. Organizations whose products have been eco-labeled tend to attract more consumers compared to the products that have not been certified on environmental standards and principles (Nøstvold et al., 2014). Data has shown that there is a shift of consumers towards eco-labeled products. Eco-labeling benefits companies by improving a shift of customers from the competing rivals to the company in questions (Bernard & Elgaaied-Gambier, 2015). The strategies in the certification process improve the confidence of consumers of the product as well as the improvements in the sales volume (Azizan & Suki, 2014).

Importantly, the strategies in the certification process improve the confidence of consumers about the product, as well as the improvements in the sales volume (Azizan & Suki, 2014). Additionally, eco-labeling increases economic efficiency in the organizational production and consumer welfare strategies (Esteves et al., 2017). In most organizations, eco-labeling strategies help improve the operational prospects and the determination of meeting consumer preferences (Chkanikova & Lehner, 2015). Efficiency is boosted in the sense that its regulations are simplistic and in line with the organizational corporate social responsibilities (Azizan & Suki, 2014). The determination of the organizational behavior and the outlining of development strategies to favor the economic prospects, eco-labeling has gone a long way in the organization of product specialization (Berghoef & Dodds, 2013). Enhancement of consumer choices and increments in operational efficiencies improve coordination of adherence to environmental facets.

Eco-labeling raises market growth and development. The influence is measured by the increased customer choice for a product that is motivated by the fact that some consumers think that compliance with environmental conservation has a positive correlation to consumer welfare. Additionally, eco-labeling improves the knowledge on environmental conservation among operating firms, making it an enabling ground for growth and development (Azizan & Suki, 2014). Again, firms that comply with the environmental prospects seem to attract more customers compared to the firms with less involvement of eco-labeling, depicting the justifications for the market growth and development. Eco-labeling fuels consistent development of business ethics in both regional and international prospects (Chkanikova & Lehner, 2015). Businesses that adhere to ethical standards are better known in issues of corporate social responsibility (Azizan & Suki, 2014). These strategies are also used as organizational non-financial parameters and measurements of performance. In business ethics, environmental conservation demonstrates the commitment and enthusiasm that a business has on their customers (Berghoef & Dodds, 2013). It shows that they care for the environmental conservation, energy savings as well as the improved consumer welfare.

Eco-labeling facilitates the creation of environmental certification in the business environment. The recent trends demonstrate that firms have adopted initiatives that make the environmental certification a point of ranking as an initiative to make the companies go for the choice. Organizations use the strategy as a competitive strategy initiative where the consumers are concerned with the impacts of the products they consume have on the environment (Bernard & Elgaaied-Gambier, 2015). Surveys in open stores show that many customers check the pricing and eco-labels before making a decision of purchasing goods. This demonstrates the increased need for certification of eco-labels to ensure that all eco-labels adhere to all the environmental regulations and practices (Azizan & Suki, 2014). Eco-labeling helps monitor environmental conservation and development of initiatives that ensure all products are eco-friendly.

Additionally, organizational prospects demonstrate the increasing need for environmental conservation in the manufacturing sector to prevent and monitor situations of global warming, environmental pollution and negative climate changes (Azizan & Suki, 2014). In the motivation of environmental conservation, companies compete of which one goes an extra mile in the conservation process (Chkanikova & Lehner, 2015). The competition is focused and aimed at winning more customer loyalty and increasing the sales volume, especially to the consumers that care about the environmental impact of the products they consume.

3.2 Literature of use of eco-labels and associated challenges

Usually, eco-labels are seals or logos that demonstrate that a product has adhered to a set of social and environmental standards. The use of eco-labels is important in informing consumers the measures of environmental attributes that it has adhered to (Berghoef & Dodds, 2013). In the same way, they include life cycle impacts and the certification of the involved elements of market competition (Chkani-kova & Lehner, 2015). The challenges facing eco-labels are attributed to their types.

The first type of eco-labels is Type 1 (ISO 14024), which is a voluntary move to an authorization and licensing of environmental focus. The next type is Type 2 (ISO 14021), these labels are described as informative declarations to inform consumers of the adherence to environmental and social concerns (Azizan & Suki, 2014). In addition, Type 3 (ISO TR) are programs that develop- adherence to a positive trend in environmental conservation. Among the associated challenges is the validity of the clearance certification of eco-labels.

4 SOCIAL MOVEMENTS AND ENTERPRISES

Through the comprehensive labels, consumer confusion would be curbed (Berghoef & Dodds, 2013). Through a comparison of products with or without eco-labels helps consumers lower their levels of confusion (Esteves et al., 2017). As a social movement, the use of eco-labels has been interpreted as an informative approach to improve companies' responsibility to the quality of their products, environmental adherence, and the improvement of green business operations (Robert et al., 2015). Social movements make the concerns of who benefits when consumers are willing to pay more for eco-produced goods and services (Chkanikova & Lehner, 2015). Enterprises focus on the development of green business and elements of fair-trade as elements of eco-labeling. This section links the elements of eco-labels to form an integrated environmental and social benefit. (Hainmueller et al., 2015). Clearly, the presence of eco-labels regardless of their type gives confidence to the consumer of the product and prefers them to the ones without any eco-label affiliation.

4.1 Corporate social responsibility

As an element of corporate social responsibility, eco-labeling has gone a long way in assuring the consumers that the products they consumer are safe and secure (Hainmueller et al., 2015). Corporate social responsibility describes the activities that an organization involves in that are not profit oriented but focused on the wellness of the society and specifically the consumers of the products (Azizan & Suki, 2014). The corporate social responsibility in this aspect describes the initiatives of eco-labeling where organizations assure consumers that the products used have adhered to the environmental conservation, energy regulations or other consumer protection certifications (Bernard & Elgaaiid-Gambier, 2015).

Clear indications of the research question the validity of eco-labeling in promoting corporate social responsibilities (Berghoef & Dodds, 2013). As a matter of fact, given that some organizations use the green symbols and other categories of eco-labeling despite the knowledge that they have not fulfilled the requirements of the said certification lower the reliability of the approach (Azizan & Suki, 2014). The intended explanation of the relationship between corporate social responsibility and activities of eco-labeling include a positive correlation (Esteves et al., 2017). Eco-labeling is supposed to their provide information assuring consumers of the safety of the product and the fact that it has adhered to eco-friendly initiatives, or warn the client on the prescribed approaches in the use of the product (Bernard

& Elgaaied-Gambier, 2015). By so doing, the initiatives of the eco-labeling would be achieved through improving the consumer information and the safety of their products with different weighted average scoring performance.

Among the prospects that include eco-labeling as a measure of corporate social responsibility include the environmental conservation, consumer protection aspects, operational fairness and consumer participation in the certification process (Robert et al., 2015). In the creation of corporate social responsibilities by companies, aspects such as pressurized competition are modeled. The competition aspects include the provision of the best services and safety of consumption goods (Azizan & Suki, 2014). The main challenge in the provision of corporate social responsibility includes the fact that organizations make provisions for CSR but do not implement their practices (Robert et al., 2015). By doing so, they end up advertising their products and companies using the key points of the catering for the welfare of consumers (Azizan & Suki, 2014). The efforts that organizations put in a competitive environment such as consumer protection from harmful goods and non-inclusion of inorganic substances are overwhelmed by the need to make profits (Ng & Wong, 2015). In the absence of expected profitability, producers refrain from the efforts of consumer welfare promotions (Berghoef & Dodds, 2013). Among the benefits obtained from the integration of corporate social responsibility and eco-labeling include the improvement of sustainability in development, improves expectations on quality assurance and facilitates compliance with environmental laws.

The results of the challenge in relating eco-labels to corporate social responsibility is the overemphasis on the gains the companies have. The companies expect an improvement in the quantity of sales as well as the improvements in the market space (Azizan & Suki, 2014). The contribution of this concern to the research question on whether eco-labeling is applicable and applied includes the genuineness of organizations in labeling their products (Ng & Wong, 2015).

It is seemingly difficult for a company that does not adhere to the business ethics of corporate social responsibility to admit on the issues. Admitting would mean that the organization loses a significant portion of the market size as well as potential trust of the consumers. Many of the organizations disclose inaccurate and false information on the eco-labeling, claiming that their products are eco-friendly while they're not (Hainmueller et al., 2015). This raises the issues of business ethics and compromises the reliability of the eco-labeling (Azizan & Suki, 2014).

Clearly, an integration of these approaches shows that eco-labeling is aimed at creating an efficient facet of corporate social responsibility. This way, their efficiency describes the extent to which an organization fulfills the accuracy of environmental conservation and consumer welfare.

4.2 Fair-trade benefits to businesses with eco-labels

Fair-trade revolves around the elements of business ethics and ensures that the priority of people is considered first. In the constructs of fair-trade, people such as farmers and laborers are offered better arrangements and improved mentorship that they could apply for future growth, development or investment (Hainmueller et al., 2015). Through the prospects of fair-trade, consumers' benefits from the laid out initiatives in investments that help them improve their standards of living (Azizan & Suki, 2014).

This is achieved through different approaches such as the improved and friendlier pricing and investment structures (Jørgensen & Moen, 2015). In this understanding, the products sold bearing the fair-trade depiction broadcasts to the consumers that the traders and producers of specific commodities have agreed on fair trading terms and offered growth and development prospects (Berghoef & Dodds, 2013). As a form of eco-labeling, fair-trade improves the well-being of the consumers and producers and ensures that they have benefited from their pioneering and hard work in availing the product in the market (Azizan & Suki, 2014). In this strategy, consumers benefit from the strategies in the sense that their priority is put first in both the production and trading processes. As a matter of fact, fair-trade improves both the economic and environmental prospects and has therefore been integrated as a requirement of trade.

In other aspects, fair-trade is considered a trading partner with the intention of improving the situation of consumers and producers. Fair-trade improves the trade virtues such as transparency, integrity, and respect among all the shareholders. The main contribution of the prospects of fair-trade is the contributions it makes in sustainable business development (Azizan & Suki, 2014). Organizations that market their products through the elements of fair-trade describe themselves as dynamic, and more importantly, claim to focus on the improvements of the welfare of consumers. Just as the other elements of eco-labeling, fair-trade promotes competitive strategies. Organizations that claim to participate in fair-trade attract a huge number of new market entrants as they outsource for better terms of trade (Berghoef & Dodds, 2013). As a result, organizations have found out that the use of fair-trade is driving to increased

sales. This resulted into most organizations rushing to brand their products as eco-friendly and as products that participate in fair-trade (Azizan & Suki, 2014). The increasing number of companies claiming to adhere to the strict rules and agreements of fair-trade could not be registered or be practicing any of the said practices.

As an answer to the research question, fair-trade demonstrates that most companies do not practice fair-trade though they claim to. In this finding, the eco-label in form of fair-trade is depicted as unrealistic and unapplied strategy. The constructs of fair-trade not only improve the well being of a consumer but is attributed to the efficiency and sustainable development of the entire community (Bernard & Elgaaied-Gambier, 2015). Fair-trade is intertwined in the organic certification in the agricultural products. The certification looks towards the improvement of the soil fertility and the welfare of the farmers (Azizan & Suki, 2014). In the same aspect, fair-trade is a certification of the refraining from the use of chemicals in the production process; from the use of hormones and adherence to the natural ways of developing food crops (Singh & Khan, 2014). Among the benefits of the fair-trade, certification is the assurance that the crop in question was purchased and processed through a controlled environment and allowed to have a natural growth and development (Bratt, 2014). The absence of chemicals in the production process and the inclusion of producers and traders improve the prospects of trade (Azizan & Suki, 2014). Fair-trade helps reduce the injustices caused by the aspects of unfair competition and market prejudice.

4.3 Eco

The word eco stands for not harmful for the environment, and is derived from the term ecological. In a general sense, it also stands for ecology itself, in other words environment or ecosystem. The eco elements in eco-labeling involve a special focus on consumers through a specific prospect that offers to improve their welfare and general standards of living (Berghoef & Dodds, 2013). The eco-label on products provides some level of assurance to the consumer that the product they are about to consume, be it food, floor cleanser or a piece of furniture, has been verified and adheres to environmental conservation pretexts (Singh & Khan, 2014). Importantly, the organizational objectives in the creation of eco-friendly approaches include the reduced use of chemicals in the production units and the dedication of production processes in the conservation of the environment (Berghoef & Dodds, 2013).

Elements of eco-labeling improve the low energy inclusion and usage aspects. In the recent years, research has shown that the labels have been a threat that confuses consumers about the products that are genuine in the environmental conservation. Organizational prospects improve the dedication of the products to corporate social responsibilities. Eco requirements have been used as a competitive advantage by organizations across the world (Bernhard & Elgaaied-Gambier, 2015). The absence of standards and organizational assessments that motivate and ensure that the labels used are genuine. In the absence of these standards, a consumer may not know how genuine a product is (Azizan & Suki, 2014). This makes the knowledge gap in the assessment of the research question asking whether the companies meet the requirements to genuinely carry eco-labels.

Many third-party organizations have been developed that are involved in the eco-labeling prospects. The prospects of hybrid labeling have been used by companies to boost their sales and make their products popular (Kwok et al., 2014). In this process, the consumers end up using the products without being sure of the certification of the production process in line with environmental conservation and the welfare of the society (Azizan & Suki, 2014).

Eco focuses heavily on the environmental conservation and its protection forms the core objective. Governmental and non-governmental organizations focus on the facilitation and advocacy of organizations to produce products that are environmentally friendly. The services offered are also supposed to be in line with the pretexts that adhere to environmental conservation (Azizan & Suki, 2014). In the same understanding, the eco elements focus on specific key elements such as the following: it aims at improving the efficiency in the management of renewable resources and facilitate their usage across generations (Bratt, 2014). This management improves the confidence of the consumers that the eco-labels are applicable and applied, as some of the producers make them look when they use eco-labeling as a marketing competitive advantage.

The eco-labeling objectives include the efficiency needed in the management of the non-renewable resources such as fossil fuel. This way, the eco approach ensures that the use is proof of wastage and that the resources are only used where there are no other resources that are renewable and could be used in the same situation (Kwok et al., 2014). In the same understanding, the eco-labeling constructs create the efficiency in the use of resources to prevent waste and prevent the emission of gasses that degrade the environment (Berghoef & Dodds, 2013).

Important concepts in eco-labeling include the understanding of environmental conservation in the production process, and the process of informing the consumers that the product they are purchasing has adhered to the principles of corporate social responsibilities through conservation of the environment and fair-trade. Eco processes promote and ensure that the industrial products are well utilized, recycled or disposed of in an environmental friendly approach (Bratt, 2014). Eco aspects promote the protection of ecosystems and the eco-diversity. This is often achieved through proper management of the use of chemicals in the production process.

4.4 Green business

Green business has often been described as an organization that has the least negative impact on the environment, the economy or social constructs. Such as organization focuses on achieving the triple bottom line through the advocacy they give to the improvement and recognition of human rights as well as the fair-trade prospects. In green business, certain issues that improve environmental conservation and fair-trade are adhered to (Azizan & Suki, 2014).

Green business goes a long way in the promotion of sustainability in the business initiatives. Sustainability ensures that the business products are safe and secure for the consumption purpose as well as the fact that the products do not degrade the environment. The prospects of green business depict that the organization producing to a society has a sole role of ensuring the safety of the consumers and the accuracy of information presented as eco-label (Berghoef & Dodds, 2013). The competitive levels presented in the traditional set up have been overwhelmed by malpractices leaving green business as the best competitive strategy in a business environment. As a matter of fact, the green business makes organizations compete on the best approaches to treating customers (Azizan & Suki, 2014). In this aspect, the said competitors improve the quality of delivery and ensure that the products have minimum negative impact on the environment.

Furthermore, green business is celebrated as it has ensured improvement in the level of competitiveness in an organization. Organizational prospects improve the corporate social responsibilities that focus more on the welfare of the organizational customers. Green business has also focused on corporate sustainability practices through the strengthening of the opportunities presented (Azizan & Suki, 2014). Grabbing opportunities have been established as important as they facilitated the protection of

businesses from disincentives such as rising energy expenses, costs involved in infrastructural development to cater for environmental protection, and the customer perception of organizational brands.

Among the most effective eco-prospects and strategies used include innovation and technology embracement (Bernard & Elgaaied-Gambier, 2015). The inclusion of technology in the production practices has been focused on reducing the waste, improve recycling and reuse of the products (Berghoef & Dodds, 2013). Apart from that, the strategy has invested in the use of collaborations and joint ventures that help benchmark on better approaches to eco-labeling.

The collaborative efforts have been crucial in the distribution of knowledge and innovative know-how among producing firms (Azizan & Suki, 2014). Through process improvement, the involved organizations are able to demonstrate elements of green business operations. The improvement allows other firms survey each other and check on competitive fields in the provision of eco-friendly products (Bratt, 2014). Through such improvements, organizations are able to present on the market products that have minimum negative impact on the environment.

Sustainability reporting has also been identified as crucial in the documentation of organizational fair-trade participation. Reporting elements have been identified as crucial in the determination of the sustainability pretexts and help solve the question of whether eco-labeling is applicable and applied (Berghoef & Dodds, 2013). In cases where companies audit each other on the elements of sustainability and participation in green business, the non-compliance companies are flagged and barred from confusing consumers with products that are not eco-friendly. In this collaborative venture, the elements of unrealistic and unapplied strategy eco-labels get smoked out and only real competitors share the market. However, the strategy of collaborative efforts has not attained full success, as some of the organizations are able to label their products without full certification making it difficult to monitor (Azizan & Suki, 2014). Moreover, greening the supply chain has been identified as the best strategy in which the entire business ethics aspect could be improved. The supply chain consists of different levels in which different prospects of production take place (Bratt, 2014). As a matter of fact, the organizational participation in collaborative green business promotes other related elements such as fair-trade and corporate social responsibility (Berghoef & Dodds, 2013). Clearly, green business is a compliment of the elements of eco-labeling and focus on the determination of environmental and social welfare in both the production and trading practices.

5 ANALYSIS OF CASE COMPANIES

Adherence to eco-labeling has become an important element in corporate management and business ethics. Partially due to that, Nespresso and Matthew Algie companies have focused on different elements of eco-labeling, such as green business and fair-trade facets. The key motivation is to improve their corporate social responsibilities and establish a wider market space. The two companies are ideal for this research.

Both Nespresso and Matthew Algie carry Rainforest Alliance eco-label, meaning that the coffee products are sourced from sustainable resources. Additionally, the two companies adhere to provisions and guidelines that require at least 65 % of its coffee to come from sustainable sources. The 35 % allowance is permitted as an aspect of scarcity and fair distribution.

5.1 Research methods and background

Nespresso: the company also referred to as Nestle Group has specialized in the production of coffee and coffee capsules. Nespresso uses special packaging with a certification of the green business initiative where the company declares to have adhered to special environmental prospects and consumer welfare. In addition, the company has adhered to environmental commissioning to offer the best in terms of quality and environmental conservation. The differentiation of the coffee products to coffee powder and coffee capsules reduce the inclusion of chemicals and inorganic substances. This way, the coffee product is environmental friendly affirming the information on the eco-labeling. In the assessment of the fair-trade and green business prospects, the organization has improved the assessment prospects of the welfare of coffee consumers and their economic wellness.

Regarding the eco-friendliness of the capsules, each capsule and thus each cup of coffee made produces approximately 1 gram of aluminum waste total, which can be recycled to save energy and prevent environmental degradation. Recycling aluminum uses as little as 5 % of the energy required to produce aluminum from raw material. Nespresso claims all 100 % of aluminum can be recycled over and over again (www.nespresso.com). Nespresso even has a program and recycling facilities that allows customers to return used capsules, and to make it even easier to do they made a deal with Collect+ where customers print out return label and bring the empty capsules to one of the Collect+ stores. The fact

that the organization caters for the waste products makes it environmentally friendly. The organization has set up goals that aim at improving sustainability and environmental conservation, one of which is to provide 100% of their club members with easy recycling solution by the year 2020.

In addition, it has engaged farmers in the production process as well as improved their standards of living (Berghoef & Dodds, 2013). This is done with the help of AAA Sustainable Quality Program, as already been mentioned in collaboration with Rainforest Alliance, and it focuses on farmers who supply Nespresso, supposedly teaching them best business and farming practices (Nespresso AAA Sustainable Quality Program). The criteria for AAA Program used to be not available to public view, but it is available now and that gesture promotes transparency.

For its 14 years of AAA Program partnership celebration, Nespresso updated its coffee packaging to include not only AAA logo but also Rainforest Alliance Certified seal. This was done focused on consumers and their understanding, to highlight the importance of sustainable high quality coffee (3blmedia.com). Basically, Rainforest Alliance seal was included on the packaging for marketing to show that Nespresso is Rainforest Alliance certified, as consumers might not have been aware of Rainforest Alliance's involvement just by seeing the AAA logo. In other words, consumers might not have been aware what the AAA logo stands for and it could have had impact on their purchase behavior whereby they might have chosen coffee that clearly displays Rainforest Alliance's seal or other well-known eco-label.

These activities reflect the organization's commitment to the green business. In the constructs of fair-trade, the organization has set favorable pricing strategies to the coffee farmers, offering them up to 40 % premium on the price of coffee beans, and engaged them in the marketing and trading of the final products. Clearly, the company has demonstrated an example that eco-labels are applicable and applied and important to the brand.

A setback for Nespresso is that not all of its coffee is certified, and often no information is provided as to where the uncertified coffee was resourced. For example, in Nestlé's 2015 Creating Shared Value report it's stated 85 % of Nespresso's coffee was sourced through its own AAA Program (www.nestle.com). It is, however, unclear under which conditions the remaining 15 % of coffee was sourced. Nestlé's one of the objectives is to source 100 % of the coffee for Nespresso's permanent range through the AAA Program by the year 2020, but it's not done yet and it does not explain where the coffee for non-permanent ranges will be sourced.

It also might not bring confidence to the customers who see Nespresso as a façade for Nestlé's sustainable behavior. Yes, Nespresso is all for sustainability, but there is also a large picture that comes to play. Nestlé, Nespresso's parent company, purchases around 850,000 tons of green coffee yearly, of which only around 0.2% is eco certified. Since Nespresso sources coffee through its AAA Program, its niche brand obtains only a fraction of the total purchased coffee (e.g. Nespresso's sourced 84 % through AAA Program in 2013 was only 55,000 tons). So the sustainably resourced numbers are underlined by the company while hundred thousands of uncertified coffee fall into oblivion.

Matthew Algie: the company operates as an independent processor, distributor, and trader of coffee and coffee products. The coffee targets populations in coffee shops, organic fine dining restaurants, and domestic purposes. Its first Fairtrade espresso beans reached United Kingdom in the year 1997, and in 2004 the company launched the world's first triple certified espresso.

Regarding the elements of eco-labeling, the organization's products are certified through the green label and green business. It has invested in advertisements stating that its products are organic. The participation of the British and Irish traders in the coffee trade demonstrates the elements of fair trade. The company processes coffee from green coffee and maintains over 90 % green originality through Fairtrade certification. This falls in line with the adherence to the eco-labeling where the organization invests in it.

The company states that it has adhered to environmental conservation by ensuring that its products are eco-friendly. Additionally, the company participates in corporate social responsibilities through the creation of environmental and social initiatives. The social initiative includes Fairtrade premiums, through which Matthew Algie claims to have contributed large sums of money given to support community projects and farmers (www.matthewalgie.com)

In the aspect where it delivers its products to customers, the service reduces the costs that customers could incur in outsourcing for the product. Matthew Algie demonstrates that it caters for the fair trade and green business. In addition, the company has undergone a series of the rebranding of product to shape production. The main objective of the rebranding aspect is described as a measure to meet the consumer needs through green business. An integration of these measures improves the hypothesis that Matthew Algie meets the requirements to carry eco-labels, specifically the ones that they make the use of.

5.2 Triple certification

Nespresso and Matthew Algie adhere to triple certification of Fairtrade, Rainforest Alliance and organic certification, as a requirement in eco-labeling. In relation to the triple certification, agroforestry coffee in India study focuses on the coffee production using the same triple certification as Nespresso and Matthew Algie. Specifically, the focus of the district of Kodagu has been cited as a contributor to almost 2 % of the coffee consumed worldwide (Marie-Vivien et al., 2014).

The use of trademarks in indications of organizational commitment to biodiversity provides a positive response to the research question. The expansion proposed in the Indian coffee production study aims at advocating for the conservation of the forests to prevent the alarming reduction of forest cover by 30 %. The study follows the prospects of the Millennium environmental analysis of 2005-2006 that advocated for the management of natural resources (Marie-Vivien et al., 2014). In this study area, the strategies to transfer value from wasteland and landfills to production units would require increased initiatives of environmental conservation.

The use of individual trademarks has marked the improvement of the organizational adherence to environmental conservation. In the observed cases such as the Tata Coffee, India's largest coffee producer and exporter, the company uses eco-labels in the production process that goes in line with the efforts of the marketing strategies. The certification of the eco-labels used by the coffee marketing management has been established through the strategies in the ministry of business and commerce (Marie-Vivien et al., 2014). In the same way, the ministry has played an important role in the provision of information and communication strategies to ease the effects of operations (Sundram & Zulkifli, 2015). The organizational use of eco-labels has improved the efficiency of environmental conservation and consumer confidence through the certification of Rainforest Alliance. With this, the provision of organic coffee in the Rainforest Alliance prospects has affirmed the proper usage of the eco-labeling efforts in different classifications such as the voluntary and mandatory.

Similar to Nespresso and Matthew Algie, group certification also supports eco-label element of Rainforest Alliance certified coffee producers in Brazil. The study involves group certification in the efforts of increasing biodiversity in production networking towards organic production in Brazil. The study is a clear depiction of the efforts companies make towards socio-environmental concerns. In it, the cater-

ing for the environment has been depicted as a move to the improvement of the linkage between the needs of the producers and the manufacturers.

The involvement of the network - Rainforest Alliance in Brazil has improved the confidence of consumers in the elements of eco-labeling (Pinto et al., 2014). The biodiversity prospects are improved in the determination of organizational prospects as a matter of environmental advocacy. In plenty of cases, producers are marginalized and exploited by traders. The same exploitation could be translated to the consumers in the event of false eco-labeling and misinformation.

The study found out that the increased certification efforts have increased monitoring of the organizations using eco-labels to ensure that the information they provide align with the practices they do. The shifting of costs to coffee farmers has been described as a negative move against green business. In this aspect, attaining green business would only include the facilitation of the social inclusions. Important constructs include the inclusion of the coffee farmers in the production decision making due to two advantages it carries. It improves the use of environmentally friendly prospects in production. The move improves the standards of living for consumers through fair trade (Pinto et al., 2014).

An integration of fair-trade and green business demonstrated in the study show different eco-label impact in the organizational decision-making prospects. Larger firms have been identified to have more uses of eco-labeling rather than the communication of the product sustainability (Sundram & Zulkifli, 2015). Some of these other uses include the competitive marketing strategies. This is the main aspect of concern in the assessment of eco-labels in the evaluation of whether they are applicable and applied.

Despite the fact that eco-labeling has been used in unethical prospects in the promotion of competitive advantage, as demonstrated with the two companies and studies, eco-labeling is a crucial element in environmental conservation. The other uses through unethical practices introduce the doubts in the efficiency of eco-labeling practices. Eco-labeling prospects depict the use of the environment to improve business popularity and boost sales (Sundram & Zulkifli, 2015). As a lesson, organizations should meet the requirements to the implementation of the eco-labeling certification (Pinto et al., 2014). Organizational improvements help in the associative strategies as well as in the developmental aspects of business ethics.

5.3 Research goals and target companies

Nespresso: in evaluating the constructs of eco-labeling in this company, the research goals are dynamic. The research goals included investigating the importance of eco-labels in improving the environmental conservations. In the same understanding, the research focused on the validity of eco-labels in improving the welfare of consumers. Over time, companies have used eco-labeling as a competitive strategy to market their products. As a result, it has been difficult to ascertain the applicable and applied from unrealistic and unapplied strategy prospects of eco-labeling. The other research goal was to find out the correlation between the strategies used as eco-labeling and the financial and non-financial organizational performance. The research identified target competitors as Alterra Coffee Roasters and A Giant Coffee. Provision of corporate social responsibility has also been focused on as a measure of the research goals. The company participated in the creation of social forums and nutritional education.

The target competitors to the company have also embraced the use of eco-labeling as a competitive advantage. The real chance that the company has is through the inclusion of different strategies such as green business, fair-trade and increased investment in the advertisement strategies. The organization of the market gives room for business ethics through the elements of eco-labeling and green business. As a research goal, the participation of competitors in eco-labeling has helped in the evaluation of the research hypothesis in the justification and distinction of whether it meets the requirements. The target companies and other business associates create the elements of fair-trade and green business.

Matthew Algie: the company has focused on the integration of production processes and environmental conservation prospects. In the analysis of this company, the research goals include: to investigate and understand the connection between the consumer information as well as the enhancement of business ethics. Most of the decisions made by consumers are influenced by the effects of eco-labeling. In the recent trends, most consumers prefer green products. By green products, the research means organic goods that are free from chemicals, hormones or other additives. The research had a goal to establish the contribution of eco-labeling to the consumer information. The company research also had an aim of investigating the efficiency promotion by eco-labels. Through the freshly produced coffee products, the company has invested in eco-labeling and quality assurance to its customers.

The target companies and main competitors to the company include Bewley's, the Coop Kaffe and Death Wish Coffee Company. The competitors have made the company engage in a green business strategy as a competitive edge. The competitive strategies overwhelm the sole purpose of assuring

consumers of eco-friendly products. This poses the concern of whether eco-labeling is applicable and applied, or it is just one of the competitive strategies organizations use to get the attention of consumers. The research goals in the evaluation of this company were the assessment of the global prospects it has invested into preservation of the environmental considerations. Eco-labels are a complement to the elements of business ethics. Eco-labels are an important aspect of business ethics as they improve the welfare of consumers and inform them about environmental care (Esteves et al., 2017). Nespresso and Matthew Algie are also able to do this through the integration of corporate social responsibility. Eco-labels strengthen the elements of business ethics as an effort to corporate social responsibility.

5.4 Fair-trade

Nespresso: the company participates in fair-trade where it includes the coffee farmers in the decision-making processes. Nespresso has focused on the unilateral involvement of the farmers in the production process as well as in the marketing of the products. The educative initiatives foster the inclusion and penetration of the organization's products in the market (Soderholm, 2013). Clear indications demonstrate that through the espresso initiative the organization can interact with the other market stakeholders. Nespresso improves the living standards of the consumers as a measure of green business. These initiatives attribute to the elements of fair-trade in eco-labeling. The company has also made joint collaborations with the production of tea, chocolate, and cookies that make a full package on non-alcoholic drinks.

The other elements that the company makes use of to participate in fair-trade include corporate social responsibilities. The responsibilities are applied in the provision of nutritional education to coffee farmers, provision of coffee as gifts to the society and environmental education. These efforts do not add to the profit making approaches of the organization as well as the financial inclusions. They are social activities used by the company to market its participation in the elements of eco-labeling.

The provision of organic fertilizers to farmers and other farming requirements that are environmentally friendly has gone a long way in the improvements of the company justification of eco-labeling (Soderholm, 2013). In the same understanding, the company's involvement in fair-trade has improved its popularity on the market. The rise in popularity has been witnessed in the improving trend in the organizational growth from 4.5% to 7%, especially due to the improvements in the service delivery and promotion of consumer preference through environmental conservation.

Matthew Algie: the company has also registered its participation in fair-trade in different ways. The company achieves it through the created business model. In the model, the capsule production has engaged printing services and manufacturers to include the assurance to consumers that the company strategies of consumer protection such as fair business in the product differentiation between the powder and capsule coffee products. In this approach, the research question gets a positive response (Soderholm, 2013). Matthew Algie participates in efforts that help it adhere to environmental practices such as the inclusion of organic products. Additionally, the organization has focused on the participation to the social initiatives in production and growth. These efforts describe corporate social responsibilities. In its participation in green business, the company has ensured a consistent access to information by the consumers and coffee farmers prompting to a boost in their standards of living.

Statistics show that the organizational prospects justify the truthfulness of eco-labeling in this particular company. Being a pilot study with the company, there are more reasons to believe that the company has fulfilled the requirements pertaining the eco-labeling (Soderholm, 2013). In other words, the company meets the requirements for the eco-labeling. The organizational business model focuses on the elements of ethics through corporate social responsibility. The organizational improvements in green business through the trading practice in both the coffee powder and the organic fine dining participation has been proof of participating in environmental conservation.

An integration of the efforts by the two companies demonstrates the assurance depicted in eco-friendly products. Moreover, the initiatives further facilitate the organizational models and their impact on the consumer welfare. As an effect of eco-labeling, the two companies have gone a long way in describing the efforts they have put in making their products organic.

6 CONCLUSION

The initial question on whether companies meet the criteria in order to carry eco-labels is very hard to answer. There are not always direct references stating how much per cent of the criteria a company comply with, where all of its coffee comes from and there are no clear requirements guidelines presented. Though the case studies showed Matthew Algie and Nespresso decently have their coffee sourced sustainably, with Matthew Algie 90 % and Nespresso on average 80%, it is unclear how much coffee has to be sourced sustainably in order to qualify for any of their eco-label. Its 2016 report states Nespresso sourced 74 % of its coffee through the sustainable AAA Program (in 2015 it was 84 %) due to droughts in Brazil and Colombia, and was obliged to purchase non-AAA coffee but it had exactly the same specifications. But these specifications, or general specifications are obscure. Nestlé also keeps calling Nespresso's AAA Program their commercial differentiation, emphasizing on favorable green marketing. When wishing to obtain Rainforest Alliance certification it is not possible to check for exact compliance criteria and numbers; to check if your farm or business complies with Rainforest Alliance criteria you have to leave your contact information on their business site and they will contact you themselves.

No company wishes to hang out its dirty laundry outside for everyone to see and that information is often either unavailable or is hidden in a company's hundreds of pages long reports. Though eco-labeling has been going on for a bit now, plenty of references still mention how young and inexperienced the topic is, especially when it comes to transparency of certification. Not to mention, if a company purchases certified coffee then the subject and issues go beyond just that company and one has to look at the farmers, their certifiers and auditors. However, what has been established already is that organizations have learned that consumers are willing to pay more for organic products and eco-labeling trend can be used to profit from regardless whether they meet the requirements to carry labels, or not. Meanwhile, the consumers have learned the companies might not always meet the requirements to carry the eco-labels that they carry, this lower's consumers' trust in process of which well-established labels and organizations can also suffer from.

Eco-labeling has been described to add to business ethics as it improves the advocacy for sustainability on different levels, as well as the improvement of the socialization of the consumer needs. The fair trade aspects of sustainable business ensure that the farmers get higher prices for their products and are involved in the pricing and sustainability strategies, both of which helps develop their business and

community while ensuring environmental preservation. With this, the importance of eco-labels and its certification has been confirmed, what seem to remain is to improve their guidelines.

Strict guidelines, criteria and auditing should weed out the unnecessary labels, what would be left are labels that have good reputation and were proven to be sustainable. The same strictness should apply when certifying businesses in order to prevent eco-label abuse. Also, there should always be science behind the eco-label and its certification, and all of that paperwork should be publicly available to everyone. As there is no specific EU legislation regulating environmental communication and marketing, European Commission implore that the provided eco-labeling information should always comply with the Unfair Commercial Practices Directive that concerns unfair commercial practices (eur-lex.europa.eu).

The labeling systems and criteria should become clearer for the consumers. They should be clearly distinguished as not to bring the consumers into confusions and lead towards misleading purchases. The design should be simple and easily understandable, as so should the message. Consumers do not often look up information; they should get informed just by looking at the eco-label. For example, instead of putting peacock label on a bar of chocolate that is confusing to consumers, there can be a better-known label, or one that depict cocoa bean with clear text like “80% from sustainable resources”.

The same story was showed with Nespresso placing Rainforest Alliance Certified seal on their coffee capsules. Though it's claimed the AAA Program goes beyond just Rainforest Alliance certification (3blmedia.com), adding coffee quality and price premium standards, and thus by comparison should be superior to Rainforest Alliance, the company acknowledged the importance of well established a familiar eco-labels adding it was included also for customers' better understanding of the branding. This emphasizes the suggested improvement of customers getting informed just by looking at the label. With placing the famous and reputable Rainforest Alliance's green frog logo it hopes the customers would get better informed visually and choose for Nespresso coffee faster than just with AAA Program label alone. Since that strategy was implemented only recently there are no revenue numbers available yet to see whether this move worked beneficial for the sales.

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