

The Consumer Voice in Europe

# TOWARDS MEANINGFUL CONSUMER INFORMATION ON FOOD ECOLOGICAL IMPACT

BEUC's take on environmental scoring systems for food

# 

**Contact:** Camille Perrin – food@beuc.eu

BUREAU EUROPÉEN DES UNIONS DE CONSOMMATEURS AISBL | DER EUROPÄISCHE VERBRAUCHERVERBAND Rue d'Arlon 80, B-1040 Brussels • Tel. +32 (0)2 743 15 90 • www.twitter.com/beuc • www.beuc.eu EC register for interest representatives: identification number 9505781573-45



Co-funded by the European Union

Ref: BEUC-X-2021-108 - 19/11/2021



### Why it matters to consumers

Two thirds of European consumers are willing to eat more sustainably yet face hurdles. Price, lack of knowledge, the challenge of identifying sustainable food options in the shops as well as their limited availability are the main perceived barriers to sustainable eating.

With consumers increasingly concerned about the environmental impacts of their food choices, environmental labelling of food has started to develop. Yet today, this information is largely missing or, when available, it is often unclear, incomplete, and consumers are unsure whether they can trust it. Consumers are also not aware of the visions of agriculture which implicitly underpin the different types of environmental scoring systems for food.

### Summary

Ahead of a European Commission proposal on sustainable food labelling due in 2024, some governments and private operators are increasingly developing 'scoring' systems (inspired from those used in the nutrition labelling area) to inform consumers about the impacts of their food choices, especially on the environment.

There are significant methodological challenges in measuring the environmental impacts of food products. The Product Environmental Footprint (PEF) method promoted by the European Commission, in its current form, appears ill-suited to assess the environmental performance of agri-food products. Importantly, some of the methodological choices behind the development of environmental labelling implicitly favour certain visions of the food system. As such, they must be openly debated.

Moreover, BEUC recommends that any environmental labelling system for food should:

- be transparently developed and based on solid, independent scientific evidence;
- include an interpretive element (such as colour-coding) and apply across-the-board to all food products;
- nudge consumers towards more plant-based diets by allowing them to compare products both *within* (e.g. various types of meat) and *across* food categories (e.g. animal vs. plant proteins) – so long as these comparisons are relevant and useful to consumers to guide their choices;
- adequately reflect the positive externalities of organic and extensive farming systems (e.g. on biodiversity, soil health, etc.);
- be accessible and affordable to all types of producers, big and small.

Labelling and information is not a panacea, however. It must not distract policymakers from taking bolder action to transform the food environment in a way that makes the sustainable food choice the easy one for consumers.



#### 1. Background

A BEUC survey of consumers on attitudes towards sustainable food found that a lack of clear labelling is one of the barriers to sustainable eating.<sup>1</sup> In this survey, **most consumers (57%) also said they would like sustainability information to become compulsory on food labels**. Similar findings emerged from a Eurobarometer poll,<sup>2</sup> where 41% of respondents declared that clear information on food labelling regarding a product's environmental, health and social impacts would help them to adopt a more sustainable diet. An overwhelming majority (88%) of EU citizens further said that information on food sustainability should be mandatory on food labels.

Some governments have started looking into ways of informing consumers about the impacts of their food choices. In France, the circular economy law of February 2020,<sup>3</sup> amended by the climate law of 2021,<sup>4</sup> foresees the development of a scoring system to reflect the environmental performance of food products. Ongoing pilot projects will inform the French government regarding the selection of the methodology, format, etc. for the future environmental scoring system.

Initiatives related to the provision of environmental information on food products are also multiplying in the private sector. The "<u>Eco-Score</u>", developed by a group of French startups to inform consumers about the environmental footprint of foodstuffs, is expanding to <u>Belgium</u>, <u>Germany and the Netherlands</u>, where some retailers have started using it online on their private label products. In France, several retailers have recently rallied behind the <u>"Planet-Score"</u> developed by researchers from the French Organic Food and Farming Institute (ITAB)<sup>5</sup>. Other retailers, e.g., in <u>Denmark</u>, <u>Norway</u> and <u>Switzerland</u> have launched labels communicating about the CO<sub>2</sub> footprint of food products.

Against this background, BEUC wishes to bring some **key considerations on environmental scoring systems and other environmental sustainability-related performance scales for food** to the attention of policymakers and other actors involved in the development of such schemes.

While this paper primarily focuses on environmental scoring systems for food considering the above-mentioned developments, it is to be read in the context of the planned initiative by the European Commission to "examine ways to [...] **create a sustainable labelling framework** that covers [...] the nutritional, climate, environmental and social aspects of food products", which has been announced for 2024.

This paper, on the other hand, does not deal with voluntary 'green claims' and sustainability labels/logos. These aspects will be subject to a separate policy initiative by the European Commission to clamp down on misleading environmental claims (i.e. 'greenwashing'). BEUC position paper on green claims is <u>available here</u>. Yet, we note with concern that the methodological choices which will be made in the context of the proposal on substantiating 'green claims' **could pre-empt the political discussions** which must take place in relation to the forthcoming policy initiatives on a Sustainable Food System Framework<sup>6</sup> and on sustainable food labelling.

<sup>&</sup>lt;sup>1</sup> BEUC, <u>One bite at a time: consumers and the transition to sustainable food</u>, An analysis of a survey of European consumers on attitudes towards sustainable food, June 2020.

<sup>&</sup>lt;sup>2</sup> Special Eurobarometer 505. <u>Making our food fit for the future – Citizens' expectations</u>. October 2020.

<sup>&</sup>lt;sup>3</sup> LOI nº 2020-105 du 10 février 2020 relative à la lutte contre le gaspillage et à l'économie circulaire. Article 15.

<sup>&</sup>lt;sup>4</sup> LOI n° 2021-1104 du 22 août 2021 portant lutte contre le dérèglement climatique et renforcement de la résilience face à ses effets. Article 2.

<sup>&</sup>lt;sup>5</sup> ITAB, Sayari and Very Good Future. <u>Affichage environnemental: rapport d'expérimentation</u>. Planet-Score. July 2021.

<sup>&</sup>lt;sup>6</sup> See also <u>BEUC's response</u> to the public consultation on the Inception Impact Assessment on the Sustainable Food System Framework initiative.



#### 2. Challenges in measuring the environmental impacts of food

## 2.1.1. Lack of transparency on individual elements of environmental sustainability on food labels

Unlike front-of-pack nutritional labels which simply 'translate' the back-of-pack nutritional information in a different format, environmental scoring systems for food products reflect **characteristics and properties which are generally otherwise invisible on the packaging**.

For instance, information about the precise amounts and sourcing of ingredients, production methods, transport modes and so forth is often not readily available on the label or any other publicly accessible means. This raises challenges in terms of the verifiability of environmental sustainability scores, but also for the development of such schemes by third parties. Indeed, the use of average values to calculate the environmental footprint of products reduces the ability to discriminate between products in a same category.

#### **2.1.2.** Methodological hurdles

Various methods exist for measuring the environmental performance of food products.

Some focus on a single stage (e.g. processing) and/or environmental impact (e.g. water or carbon footprint), while others, such as **Life Cycle Assessment (LCA)**, **take a `cradleto-grave' and multi-criteria perspective** and include environmental impacts caused during the whole life cycle of the product. An advantage of LCA is that it avoids shifting the burden to other life cycle stages or other environmental impact categories.

The **Product Environmental Footprint (PEF)** method was developed by the European Commission to harmonise the way LCA is being carried out and ensure **comparability and consistency of results**.<sup>7</sup> Product category-specific rules have been further developed for a few product groups across different sectors including food (e.g. beer, dairy product, olive oil)<sup>8</sup> to ensure that environmental performance is quantified in the same way for similar products.

Where PEF category rules (PEFCRs) exist, the environmental performance of an individual product can be compared to a 'benchmark', which corresponds to the average environmental performance of the representative product sold in the EU for that category. The benchmark is defined per environmental impact (climate, water use, etc.) and for the overall environmental performance. Importantly, **PEFCRs do not allow** *direct* **product**-**to-product comparison** (say, comparing olive oil X to olive oil Y). They only allow comparing a product with the benchmark for its category (i.e. comparing olive oils X and Y to the benchmark for the olive oil category – and thus, only indirectly, comparing olive oil X to olive oil Y). In the absence of PEFCRs for a given product group, such comparison is not possible.

Despite some advantages (incl. standardisation and reproducibility of results), PEF, in its current form, also has some **important limitations and appears ill-suited to assess the environmental performance of agri-food products**.<sup>9</sup> Current PEF methodology and studies tend to favour high-input intensive agricultural systems and misrepresent less

<sup>&</sup>lt;sup>7</sup> European Commission. *Building the Single Market for Green Products. Facilitating better information on the environmental performance of products and organisations.* <u>COM (2013) 196 final</u>.

<sup>&</sup>lt;sup>8</sup> The list of PEFCR pilot projects is <u>available here</u>.

<sup>&</sup>lt;sup>9</sup> Hayo van der Werf, Marie Trydemen Knudsen, Christel Cederberg. Towards better representation of organic agriculture in life cycle assessment. Nature Sustainability, Springer Nature, 2020, 3 (6), pp.419-425.



intensive agroecological systems such as organic agriculture.<sup>10</sup> This is due partly to PEF's product-based approach, which focuses on the production of biomass (i.e. quantity of crops or livestock produced per unit of land), without considering other ecosystem services from agricultural systems (e.g. carbon storage). It also stems from the fact that **PEF lacks robust indicators for several key environmental issues**, including land degradation, biodiversity losses, pesticide effects, and imported deforestation.<sup>9</sup>

Another limitation of PEF has to do with the **costs to obtain the data needed for its calculation**. Collecting the primary data (related to processes under a producer's operational control) can be costly and time-consuming. As for the secondary data (linked to processes outside a producer's operational control), the European Commission has made some default datasets available to operators for products for which PEFCRs have been developed. This is even though the use of such generic datasets can reduce the level of granularity of PEFCRs, therefore hampering meaningful comparison between products. But for most products, for which no PEFCRs exist, obtaining this secondary data can be challenging for smaller businesses.

#### 3. Key principles for a meaningful environmental scoring system for food

While the multiplication of scoring systems and other performance scales reflecting the ecological impacts of food products allows evaluating which one works best, it also risks confusing consumers. As such, a proliferation of different systems must be avoided. We **encourage the European Commission to speed up work on its proposal for a broader sustainable food labelling framework**, so far planned for 2024.

From the consumer perspective, any environmental scoring system for food products should be in line with the principles outlined below. Like with nutrition labelling, **strong government leadership is essential to guaranteeing adherence to these principles, safeguarding against conflicts of interests and carefully managing stakeholder input**.

#### 3.1. Transparently developed

To be trusted and seen as credible by consumers wary of 'greenwashing', it is essential that **any environmental scoring system for food is transparently developed**. The detailed methodology of the scheme, as well as information on the organisations behind it, should be publicly accessible, e.g. on a website.

#### **3.2. Interpretive, clear and across-the-board**

Labels with **interpretive elements**, such as colour-codes, have proven to be more effective at helping consumers (particularly lower-income groups) to compare between products easily and accurately. The use of colours is also important in attracting the attention of consumers in the first place.

The **number of performance classes** of any environmental scoring system should be high enough for the scheme to **effectively discriminate between food and drink products according to their degree of environmental sustainability**. A higher level of discrimination has been shown to incentivise businesses to improve their products. At the same time, a system involving too many performance classes may confuse consumers, and therefore the right balance must be found when designing the scoring system.

<sup>&</sup>lt;sup>10</sup>Although organic agriculture generally emits less pollutants per unit of land occupied than conventional agriculture (an area-based approach), it may have higher impacts per unit of product (e.g. land occupation, eutrophication, acidification) due to its lower yields per unit area.



Lessons should be drawn from the Energy Label, which became less and less comprehensible to consumers over time, when 'A+' classes were introduced to recognise further energy efficiency improvements in appliances. This rescaling disincentivised consumers to buy the 'best-in-class' products, as products scoring 'A' could easily be perceived as well performing products, while they were the worst ones on the market. This led the European Commission to revise the Energy Label and revert to the well-known A-G scale – a move which was <u>called for by BEUC</u>.

It is also essential that food businesses (companies, retailers etc.) using an environmental sustainability scoring system apply it **on** *all* **their products to avoid that only products with a favourable evaluation would display it.** 

#### **3.3. Based on solid evidence**

While there is a wealth of scientific studies available for front-of-pack nutritional labels, academic research on environmental sustainability scores for food is scarce. Yet, any such scheme should be developed **based on rigorous, independent scientific evidence, conducted free from commercial interests**.

It is important that any contemplated environmental scoring system be first **tested with consumers** to verify that they can **objectively understand and use it**, i.e. clearly correctly classify products based on the label.

It would also be useful, to the extent feasible, to undertake real-life supermarket trials to examine the effectiveness of a given system on purchasing intentions in a time-pressured and realistic environment.

#### 3.4. Nudging consumers towards more plant-based diets

While food labelling – whether in relation to nutrition or sustainability – is not a substitute for dietary guidelines,<sup>11</sup> it plays a **complementary role and as such should be consistent** with them. As more countries are updating their national dietary guidelines to lessen their environmental footprint (incl. carbon),<sup>12</sup> it is essential that any environmental scoring system **supports the shift to environmentally friendly diets**.

The Farm to Fork Strategy recognises the need to "mov[e] to a more plant-based diet" to reduce the environmental impact of food systems.<sup>13</sup> An environmental scoring system for food should therefore adequately reflect the lower environmental (incl. climate) impact of plant-based foods, as opposed to animal-source foods.

To do so, it should be developed in a way that allows consumers to **compare products both within and across food categories – so long as these comparisons are relevant and useful to consumers to guide their choices**. In particular, consumers should be able to compare across various protein sources, both from plant (e.g. pulses) and animal (e.g. a beef steak) origin. But they should also be able to identify the most environmentally friendly options within the meat or plant-based alternatives categories.

<sup>&</sup>lt;sup>11</sup>Food-based dietary guidelines are science-based dietary guidance informing the general about what they should eat, how often, and in which proportions.

<sup>&</sup>lt;sup>12</sup>According to the <u>Dutch Voedingscentrum</u>, the most significant step consumers can take to eat more sustainably is to eat less meat and more plant-based foods. In Denmark, recommendations for meat consumption have been lowered from less than 500g/week (for red and processed meat) to less than 350g/week (for total meat intake) in the updated dietary guidelines integrating the climate dimension.

<sup>&</sup>lt;sup>13</sup>European Commission, '*Farm to Fork' Strategy for a fair, healthy and environmentally friendly food system*, 20 May 2020.



#### **3.5. Adequately capturing the benefits of organic and extensive farming systems**

LCA/PEF should not be the unique basis for an environmental sustainability scoring system for food. To capture the positive externalities of organic farming, notably regarding biodiversity improvement, LCA/PEF should be **complemented by additional indicators that would compensate for their inadequate consideration of certain environmental impacts** (incl. biodiversity, soil health, pesticide use, etc.).

Likewise, it would be important that the **benefits of extensive livestock rearing systems** (e.g. on the nitrogen cycle and biodiversity) are adequately reflected by any environmental scoring system for food.

#### **3.6.** Accessible to all types of businesses

Attention should be paid to keeping any environmental sustainability scoring system for food **accessible and affordable to all producers, big and small**. A balance needs to be found between the robustness and level of accuracy of the assessment of the environmental impacts and the need to keep any system simple enough to not exclude smaller players.

#### 4. Additional considerations

#### 4.1. Controls

For consumers to trust any scoring system, they must be confident that **compliance with the underpinning criteria is controlled by an independent body** (whether public or private). Unlike controls by public authorities, checks by certification bodies imply extra costs for businesses, which may run counter the objective of keeping any system accessible to all types of businesses. If controls are to be carried out by public authorities, it should be ensured that sufficient resources are allocated to doing so – whereas a 2019 <u>report by</u> <u>BEUC</u> found that governments tend to give low priority to food label checks.

One aspect which could potentially hinder the trustworthiness of environmental sustainability scores for food is the **lack of accessibility of the data underpinning their calculation.** This data (unlike the nutrition declaration) is not part of the mandatory information that must appear on food labels. The publication, in an open and user-friendly format, of the data considered in the calculation of these scores, could boost consumer trust in such systems.

#### 4.2. Labelling is not a panacea

While EU consumers are keen to receive more information on the ecological impacts of the food they eat, scoring systems and other environmental sustainability performance scales **should not distract them from considering more significant dietary changes**, in line with expert recommendations.

Just like front-of-pack nutrition labelling must be seen as complementary to healthy eating guidelines, environmental labelling for food must be seen as complementary to recommendations for environmentally sustainable diets. They include eating less meat and more plant-based foods, wasting less food, cutting down on snacks and sweets, drinking mainly tap water, etc.<sup>14</sup>

<sup>&</sup>lt;sup>14</sup>The Dutch Voedingscentrum has <u>compiled a list</u> of the most significant steps consumers can take to eat more sustainably.



In the same vein, informing consumers on the impacts of their food choices **must not dispense the EU from making the food offer greener by design**.

#### 4.3. The underlying food system visions must be openly debated

It must be recognised that the development of an environmental sustainability scoring system for food implies **some methodological choices**, which implicitly favour certain visions of the food system.<sup>15</sup>

Most environmental scoring systems for food which have appeared on the market are based on LCA calculations. However, they differ in the use (or no use) and selection of additional indicators (e.g. biodiversity) and their weighting to compensate for the shortcomings of LCA. They also differ in the dataset used for the LCA calculations.

The **underlying food system visions** behind what may look like mere methodological issues must be transparently exposed and debated.

For that reason, as stated above, we are concerned that the EU legislative calendar could pre-empt such necessary debate. We urge the Commission to **carefully consider how it deals with food (if at all) in the initiative on substantiating 'green claims'**, as it may have problematic consequences down the road.

#### **4.4. Food `sustainability' goes beyond the environment**

While there is no single harmonised definition, the concept of **food sustainability encompasses multiple dimensions** (economic, social – including health –, ethical, etc.) that go beyond the environmental/ecological impacts.

As previously stated, most existing 'sustainability'-related scoring systems for food tend to focus on the *environmental* dimension of sustainability – when not just the carbon footprint. Yet, there are equally important components of food sustainability which must be considered, such as fair working conditions throughout the whole supply chain, the respect of labour rights (incl. no child labour), fair and decent income for farmers and farm workers in the EU and beyond, etc.

Regarding the *social* dimension of sustainability, there may be instances when **regulation may be warranted to address certain issues, rather than labelling**. Leaving it to consumers to avoid food produced under certain conditions (e.g., poor working conditions) may be unethical in the first place. For instance, with the upcoming initiative on mandatory due diligence, the EU has a unique opportunity to require companies who place food products on the market, whether based in the EU or exporting products to the EU, to consider, prevent and mitigate possible negative impacts on human rights and the environment. By introducing such rules, consumers would be able to assume that **minimum social (and ecological) criteria have been met by all companies** during production.<sup>16</sup>

Where elements of food sustainability other than the environmental impacts would be addressed via labelling, **separate indicators corresponding to the various components of sustainability** (environmental, social, ethical in relation to method of production for animal welfare, etc.) appear preferable to a synthetic score that aggregates different sustainability attributes. A survey of French consumers carried out in the context of the development of a 'Planet-Score' found that 8 in 10 respondents would prefer a

<sup>&</sup>lt;sup>15</sup>Laura Brimont, Mathieu Saujot (Iddri). <u>Affichage environnemental alimentaire : révéler les visions pour</u> <u>construire un compromis politique</u>. October 2021.

<sup>&</sup>lt;sup>16</sup>BEUC. The consumer checklist on the upcoming EU due diligence legislation. March 2021.



system that **combines an overall score and a series of individual indicators** corresponding to a few specific impact categories.<sup>17</sup>

Such format would serve to incentivise the minimisation of **trade-offs** between various sustainability dimensions and/or impact categories. Specifically, it would ensure that a product cannot offset, say a poor environmental performance, with good socio-economic credentials – or the other way around.

#### 5. Conclusion

With Europeans increasingly looking to make greener choices, **improved consumer information on the environmental sustainability of food products is both necessary and welcome.** 

Yet, to empower consumers to make environmentally friendly purchasing decisions, **it is crucial that any environmental scoring system for food meets certain criteria** in terms of its development, design, implementation, and appropriateness to the specificities of the food and agriculture sector. In particular, **the sound scientific basis**, **transparency, and reliability of any such a scheme must be ensured.** 

However, **improved food information/labelling is only one part of the solution** to making healthy and sustainable choices easier for consumers. **A focus on consumer choice and individual responsibility alone will not be sufficient** to bring about the significant changes in food habits which experts say are required. Action is needed at various levels (regulation, food production, retail, etc.) to **change the food environment** (i.e., all factors that shape consumer choices, such as pricing, availability and marketing) in a way that makes it easy for consumers to adopt healthy and sustainable diets.<sup>18</sup>

<sup>&</sup>lt;sup>17</sup>More information on the Planet-Score can be <u>accessed here</u>.

<sup>&</sup>lt;sup>18</sup>See joint CSOs policy brief on <u>Discovering the role of Food Environments for Sustainable Food Systems</u>. October 2021.





*This publication is part of an activity which has received funding under an operating grant from the European Union's Consumer Programme (2014-2020).* 

The content of this publication represents the views of the author only and it is his/her sole responsibility; it cannot be considered to reflect the views of the European Commission and/or the Consumers, Health, Agriculture and Food Executive Agency or any other body of the European Union. The European Commission and the Agency do not accept any responsibility for use that may be made of the information it contains.