"No Data, No Claim" – Consumer empowerment in the green transition through clear and relevant sustainability information for all consumer products

AIM Manifesto
July 2021

General product information

Reliable, relevant, clear, understandable information, harmonised at EU level, will empower consumers to play their part in the Circular Economy.

- Establish a **coordinated, harmonised and holistic approach** bringing together the different EU measures and initiatives that relate to the various aspects of consumer information, and aligning with the UN Guidelines for Providing Product Sustainability Information.

- Focus **on-pack information on essential, mandatory and meaningful information** to avoid the risk of information overload for consumers and of larger-than-necessary packaging.

- **Harmonise information requirements at EU level** for the benefit of the EU Single Market, businesses and consumers.

- Develop and utilise **digital means for providing consumer information** as an opportunity for consumer empowerment in Europe's digital age.

- Establish a dedicated **European Stakeholders Forum for Digital Consumer Information** to facilitate the regular exchange of views, best practices and the development of guiding principles for digital consumer information.

Nudging for Good

Inspire more sustainable consumer behaviour through Nudging for Good.

- Leverage behavioural science to help citizens to change their behaviour and adopt a more sustainable lifestyle.

Green claims

Green claims should be voluntary, relevant, based on clear rules for businesses who decide to make them, and use methods, definitions and calculations that are recognised as robust, credible and science-based.

- **"No Data, No Claim":** In the absence of credible, commonly recognised methodologies, transparent data and the opportunity for appropriate scrutiny, a claim should not be made.

- Base green claims on **robust, commonly recognised and science-based methodologies and definitions and the international ISO standards**.

- Set **overall principles and minimum requirements for communicating green claims**, in line with existing international standards and the compliance criteria on environmental claims.

- Explore the possibility for an **ex-post enforcement mechanism for green claims** to be actionable and enforceable for businesses and authorities.

LCA-based green claims:

- Support a **flexible approach in the application of Product Environmental Footprint (PEF)** for green claims, considering the current state of play of the methodology with its limited amount of robust, fully developed Product Environmental Footprint Category Rules (PEFCRs) and related data sets.

- Establish **partnership between the European Commission and industry** as way forward to improve PEFCRs.

- Give the different industry sectors **enough time to develop robust and full-grown PEFCRs** for all their product categories.

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Inspire more sustainable consumer behaviour through Nudging for Good

AIM®

EUROPEAN
BRANDS
ASSOCIATION

Introduction

Coordinated, harmonised and holistic approach for consumer information

- **Reliable, relevant, clear, transparent and accessible product information for consumers** is critical for branded goods manufacturers. We aim to provide such information on sustainability in accordance with the fundamental principles outlined in the **UN Guidelines for Providing Product Sustainability Information**[1]. It allows for informed consumer choices and is key to consumer empowerment in Europe's green transition. Furthermore, it creates a level playing field for all businesses.

- AIM, the European Brands Association, therefore, **supports the Commission's various initiatives** regarding product sustainability information for consumers, substantiating green claims and tackling greenwashing, to ensure the continuing veracity and relevance of product claims related to environmental attributes. We need a **coordinated, harmonised and holistic approach**, bringing together the different measures that relate to the various aspects of consumer information.

Consumer empowerment is key

- To empower consumers to play their part in the Circular Economy, **reliable, relevant, clear, understandable and EU-harmonised information about the sustainability features of a product, such as environmental aspects, proper waste disposal, anti-littering and recycling**, is key.

Avoid confusion through clear and relevant information

- Any such information needs to be 'actionable' by consumers. Unfortunately, with today's increasing (national) proliferation of more than 200 environmental labels in the EU, a considerable number of consumers feel more confused than empowered to make a green product choice. In fact, studies have confirmed that EU consumers have difficulty understanding which products are truly environmentally friendly[2]. Therefore, as brands we want to support citizens in their efforts, not only **by continuously developing our products and making them more sustainable**, but also by **providing consumers with clear and relevant information** about the sustainability features of products, whilst **not overloading them with information**. In addition, brands are leveraging behavioural science and implementing the Nudging for Good concept through various initiatives and commitments to inspire – or "nudge" – citizens to change their behaviour and choices to more sustainable ones. In sum, given our relationship with consumers and our knowledge and insights of the key drivers of consumer behaviour, brands are eager to work together with EU decision-makers to eliminate existing barriers and facilitate true consumer empowerment in the green transition across the EU Single Market.

In the following chapters, we outline our key priorities in this debate, I.) for consumer product information in general, II.) for green claims and sustainability information more specifically, and III.) for the Brands Nudging for Good approach to inspire more sustainable lifestyles.

Product information for consumers
# – an overarching view

1. Consumer information on-pack must be feasible, meaningful and EU-harmonised

A proportionate, relevant and practical approach

- For information displayed on-pack, it is important that any label/marking is **proportionate to the actual size of the packaging**, and **relevant and feasible in terms of its positioning on the packaging**. Depending on the overall space available on the packaging, only a limited amount of information can be placed on-pack. To avoid the **risk of information overload for consumers and of larger-than-necessary packaging**, the focus of on-pack information should be on essential, mandatory and meaningful information. Additional information can be provided digitally or at point-of-sale depending on the brand manufacturer who needs to consider both the need to make the packaging appealing and its information understandable to the consumer, but also to limit the size of the packaging.

A Single Market approach

- **Harmonising information requirements at EU level benefits both businesses and consumers**. It avoids fragmentation of the Single Market, with manufacturers not having to produce different types of packaging for different Member States. Harmonisation of consumer information will truly empower consumers to be able to access and understand information about the products they buy wherever they stay and travel across the EU. However, this harmonisation approach is currently under threat with several recent and upcoming obligations in different Member States[3].
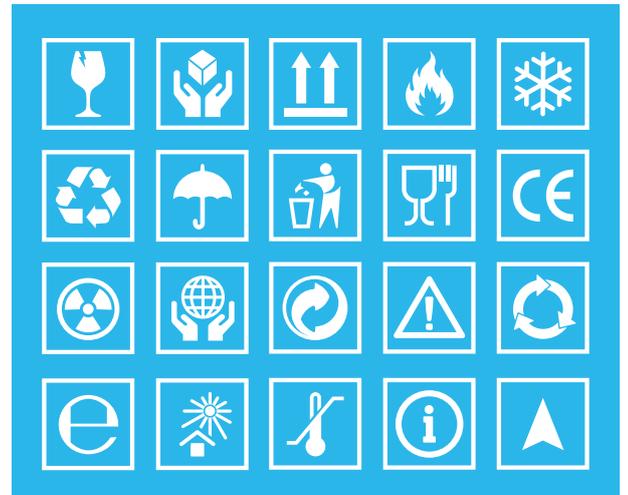
2. Information through digital means is an opportunity for consumer empowerment in Europe's digital age

The opportunity of digital

- As highlighted in the European Green Deal and the new Circular Economy Action Plan, an additional way for providing more detailed consumer information is through **digital means.** Digital means offer a great **opportunity to effectively communicate product information to consumers** as an alternative or complement to labels, packaging, retail shelf information or leaflets. Since this approach requires less space on the packaging / label, it also has the potential to reduce packaging waste whilst providing consumer information in an inspiring and engaging way.
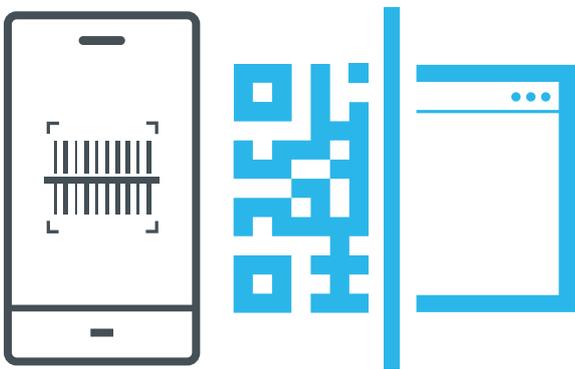
Clear information, without increasing packaging and/or label size

- As the scope of mandatory product information, on e.g. sustainability features of products, is expanding, it is clear that **not all potential future mandatory product information can be put on-pack** where only limited space is available. For certain product categories for example, there is already an extensive list of mandatory information to communicate on pack due to health and safety requirements, leaving very little space for environmental information to be added. **Digital information offers the possibility to communicate information to the consumer clearly, without increasing packaging and/or label size** which would otherwise be necessary to provide space for further on-pack printed information. This is also an important point in the current discussion on **reducing packaging waste** in the context of the Packaging and Packaging Waste Directive review. We need to ensure that information requirements for consumers do not cause a pack to be significantly larger or heavier than it would otherwise be.

Flexibility to update consumer information and go beyond mandatory requirements

- Digital information also carries a significant benefit in that it can **rapidly and easily be updated**. This means that brands cannot only ensure the information they bring to the consumer is the most up to date possible but can also go **beyond mandatory requirements and add more comprehensive voluntary information**, depending on the product and its main consumer audience. Indeed, not

all products are necessarily aimed at the same consumer audience and a consumer's information needs may vary depending on age, nationality and other variable criteria. Digital information allows for this **flexibility** to be met.

However, a digital approach must leave no citizen behind

- For citizens to access digital information, internet connectivity and digital skills are fundamental preconditions, and we acknowledge that today these are not always met. We therefore welcome the Commission's efforts and objectives to **ensure accessibility of digital means to all EU citizens**, taking care of those with specific needs, vulnerabilities and disabilities, and to equip all Europeans with strong digital literacy and competences promoted through lifelong education and training[4]. By promoting and using digital means to provide information to consumers, brands under no circumstances want to prevent any consumer from accessing essential information. Therefore, we believe that we need to find a **good balance** between which product information needs to be directly available to all consumers through on-pack labelling and which information can be communicated to consumers through other means. **Mandatory information requirements and what information is considered to be essential for consumers differ between sectors and product categories**. Therefore, a **sector-specific approach** – not a one-size-fits-all approach – needs to be applied to define essential information for consumers per product category.
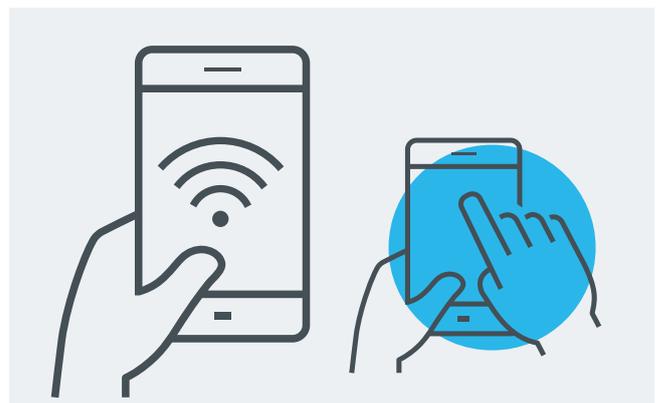
Hybrid solution for consumer information, combining on-pack with digital information

- Based on the above evaluation and increasing future information requirements, brands see the need for a hybrid solution for consumer information, combining on-pack with digital information:

  o **Health and safety information** must be directly accessible to all consumers. However, which exact information needs to be communicated on-pack vs. what can / should be provided digitally (e.g. to avoid information overload for consumers and provide the information that is more pertinent) needs to be evaluated per sector for different product categories[5].
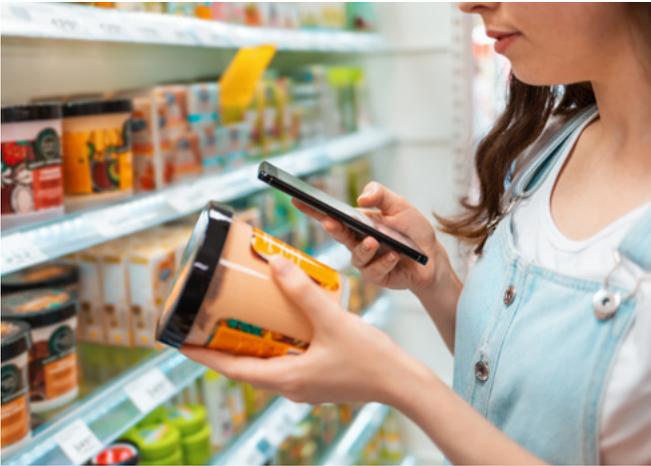
  o **Sustainability information** on consumer products is increasingly provided by brands and requested by consumers who want to take this information into account in their purchasing decisions. However, it is important to communicate this information in a clear and comprehensive way to ensure that consumers understand it and are sufficiently enabled to make sustainable product choices. Just listing the environmental impacts of a product related to e.g. the carbon emissions in kg CO2-equivalent or water use in m3 is not easy to understand, not necessarily relevant for the average consumer and does not properly reflect the overall environmental impact of the product. Hence, such a detailed list could be provided to experts and interested citizens via digital means. However, in order to empower consumers to make a sustainable purchase choice it is important to translate/explain this information and provide it in an easy format on or with the packaging, e.g. a green claim (voluntary and must be substantiated) or green label (eco-label, etc.).

  o **Information on correct separation of (packaging) waste at source** is listed as an action point in the Circular Economy Action Plan. We believe an EU harmonised approach could be feasible when implemented and communicated to the consumer through digital means (e.g. through QR codes or digital watermarks), combined with on-pack pictograms (e.g. Danish pictograms for waste sorting). Through harmonised on-pack pictograms, citizens find and learn to recognise the same icons no matter where they dispose of packaging in the EU. Through additional digital information, they could receive more details on how to correctly dispose of their used packaging at any time, taking into account their current location in the EU, as well as the existing waste management system in place (as long as harmonisation of waste collection systems across Europe is not a reality, which is the current situation). AIM began assessing this topic in 2018, further expanded this through the Digital Watermarks Initiative HolyGrail 2.0, and is now keen to develop the approach further with industry and the EU institutions in a joint initiative.

  o **Information on recyclability, recycled content, reusability and compostability** should be agreed at EU level through clear definitions, complemented by an easy and understandable labelling scheme for consumer products. It is hence essential that binding EU-wide definitions for the above aspects of packaging are being developed. It also needs to be evaluated which (additional) information is essential for consumers and which information can be communicated through digital means.

- Brands therefore call on the European Commission to assess and support the **development of digital as an alternative or a supplement to physical product information and adopt a coordinated approach to allow for digital means to provide product information in EU legislation**. This is also an important evaluation criterion for the development of digital product passports in the context of the Commission's Sustainable Product Initiative, and could be done by establishing a dedicated European Stakeholders Forum for Digital Consumer Information to facilitate the regular exchange of views and best practices and the development of guiding principles. Furthermore, this forum could investigate where opportunities exist for digital means as a legally recognised option to provide mandatory product information and adapt the relevant EU regulatory framework including general product and consumer legislation, as well as sector specific legislation if such opportunities provide benefits to consumers and businesses of all sizes.

Green claims and consumer information on product sustainability features

1. Brands advocate for the green claims paradigm "No Data, No Claim"

Green claims made by brand manufacturers are voluntary, including:

1. **Claims on environmental footprint attributes based on Life-Cycle Analysis** (LCA), e.g. climate change, CO_2 emissions, water use, etc.

2. **Non-LCA related claims** – on e.g. environmental attributes of packaging (e.g. recyclability, recycled content), positive externalities of processes (e.g. biodiversity), attributes of formula (e.g. biodegradability) and consumer messages for lifestyle / behaviour changes (e.g. food waste reduction, more sustainable product usage, etc.).

In order to promote a framework that fosters transparent and truthful communication to consumers, any green claim made by manufacturers regarding their products should be substantiated with scientific data, **following the paradigm "No Data, No Claim"**. In the absence of credible, commonly recognised methodologies, transparent data and the opportunity for appropriate scrutiny, a claim cannot be made.

NO DATA, NO CLAIM

2. Green claims must be based on robust, commonly recognised and science-based methodologies, harmonised at EU level and recognised internationally

Methodologies – ideally harmonised at EU level and recognised internationally

- Ideally, the methodologies and definitions for substantiating green claims and calculating the sustainability features of products by manufacturers would be **harmonised at EU level and recognised internationally**. This would guarantee the free movement of goods in the EU and support manufacturers that choose to make claims, as using different methodologies in different countries or for different customers could be highly complex, costly and administratively burdensome. Harmonisation is currently under threat through the mandated use of different methodologies by national governments in the EU Member States and/or different operators in the supply chain.

Robust, science-backed methodologies

For LCA-based green claims, the **EU Product Environmental Footprint (PEF) methodology** covering 16 environmental impacts was developed, tested during a pilot phase for different product categories and is now being recommended by the European Commission. We appreciate the Commission's intention and believe that **PEF is a valid LCA approach and an opportunity to harmonise the way green claims are made**. However, considering the current state of play of the PEF methodology with its limited amount of robust, fully developed Product Environmental Footprint Category Rules (PEFCRs) and related data sets – hence, not being **fully mature across all product categories at present** – we support a **flexible approach in the application of PEF in the context of green claims**:

For the time being, we would urge the Commission to **recognise credible and robust alternative methods that are used to substantiate LCA-based green claims, whilst robust PEFCRs for all product categories are being developed** in close cooperation between the Commission and the different industry sectors. In practice, companies wishing to make claims about the environmental profile or performance of their products and services should have the **option to substantiate their green claims through commonly recognised LCA approaches**, provided these are based on **robust and science-based methodologies and the international ISO standards**. Any such claims would require the use of a well-documented methodology that is available for critical, objective evaluation and that the underlying data and used method can be made available for scrutiny and review by a competent, independent, third party.

Call for developing robust PEFCRs for all product categories

- At the same time and in order to make effective, relevant, verifiable and representative product comparisons based on PEF as the EU harmonised method - so truly empowering consumers and making the green choice the easy choice - **the development of officially recognised and full-grown Product Environmental Footprint Category Rules (PEFCRs) and related data for all product categories of a sector is key**. Today, there are still a number of limitations that make the development, adoption and use of PEFCRs challenging[6]. In order for the PEF methodology to become the EU approach, we believe that a **partnership between the European Commission and the industry** is the way forward to improve PEFCRs and give the different industry sectors **enough time to develop robust PEFCRs for all their product categories, taking into account the current barriers and problems** (see footnote 6). It is also important to point out that **some categories, such as some food & drink products, are further advanced in applying the PEF methodology**, have participated in the PEF pilot phase and have already developed PEFCRs. These industry sectors are therefore better prepared to implement PEF at an earlier stage compared to some sectors that have not been part of the PEF pilot phase and only recently started or have not yet started with this preparation work.

3. Communicating green claims must be voluntary and based on clear rules for businesses

- We believe that **flexibility** for brands is key to adapt the type of communication to each product as long as the consumer information on products is **clear, meaningful, credible and substantiated**. We therefore suggest that the Commission sets **overall principles and minimum requirements for green claims**, in line with existing international standards and the compliance criteria on environmental claims, which were developed in 2016 by a multi-stakeholder platform in collaboration with the European Commission[7]. In all cases, **green claims should be voluntary, based on clear rules for businesses who decide to make them, and use methods, definitions and calculations that are recognised as robust, credible and science-based**.

- In the case of LCA-related environmental impacts, claims must be based on either PEF or a robust, credible and science-based LCA method. As highlighted in the previous section, it is premature and not always possible to base claims for product comparison exclusively on PEFCRs. Further work needs to be done on the development of databases and PEFCRs for additional product categories. **Once the PEFCRs have been further developed and have reached a level that is accessible to all companies, based on recognised principles and agile and up-to-date databases**, the methodology will be more likely to be ready as a basis for developing an EU harmonised communication for voluntary green claims, including logos, labelling and digital means. Based on our insights and relationship with consumers, **brands are keen to work with and support the European Commission in developing the best appropriate format and design for such consumer information**.

4. An ex-post enforcement mechanism for green claims would be actionable and enforceable for businesses and authorities

- Above all, the enforcement of existing rules for green claims under the Unfair Commercial Practices Directive is key. If the Commission wants to go further, we believe that environmental claims, including green labels, could be made available for enforcement by companies to the competent authorities who would ensure an **ex-post enforcement** (e.g. checking that the claims comply with the requirements, informing the public, treating complaints, monitoring complaints on misleading claims). This would be **actionable and enforceable for businesses and authorities**. At the same time, this approach would **protect consumers from greenwashing but also empower them to choose more sustainable products**.

A pre-approval procedure for green claims, similar to what has been implemented for health claims, would in our view not be the right approach. In a pre-approval process, it takes a long time before a claim is approved to be put on a product. When our goal is to enable consumers to choose more sustainable products, such a pre-approval approach would be counter-productive since brands need to be able to communicate any environmental improvements of a product in good time to consumers. Following the paradigm "No Data, No Claim", all claims must be substantiated, and the supporting data needs to be made accessible to the responsible authorities.

Inspire more sustainable consumer behaviour through Nudging for Good

Leveraging behavioural science has enormous potential to positively change consumer behaviour

- In addition to providing better information about sustainability features of a product, behavioural science should be considered as a critical lever to inspire citizens to change their behaviour towards a more sustainable one. **The concept of "Nudge" is an important tool for policymakers and industry**, not only to inform citizens about sustainable product choices, but to inspire – "nudge" – them to change to more positive behaviour. Introduced by Cass Sunstein and Richard Thaler in 2008, Nudging looks at influencing people's behaviour positively and without constraints, based on Behavioural Insights. Nudging is becoming a key tool for policymakers and is also gaining increased support among the branded goods industry. Based on their strong relationship with consumers, brands are in a unique position to "nudge" them to choose and behave differently. We believe that this concept has **huge potential for the public and private sector to engage citizens in the green transition and Circular Economy and empower more sustainable behaviour**, notably for litter prevention, and waste collection, sorting and recycling.

1. https://www.oneplanetnetwork.org/resource/guidelines-providing-product-sustainability-information, 2017
2. Analysis based on ecolabelindex.com data
3. Examples are the labelling requirements in Italy (Italian Legislative Decree of 3 September 2020, n°116 – in force since 26 September 2020) or the French initiatives resulting from the French Circular Economy Law (passed in February 2020) as well as current discussions ongoing in the context of the draft French Climate Law, which all result in a multiplication of environmental labelling obligations and information display.
4. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL New Consumer Agenda Strengthening consumer resilience for sustainable recovery, November 2020
5. Examples: French Cosmetics association FEBEA has developed an application called CLAIRE to decipher cosmetic ingredient products; the wines & spirits sector develops a voluntary initiative to display product composition digitally
6. AIM Position on legislative proposal on substantiating green claims, December 2020
7. The aim of the document "Compliance criteria on environmental claims" was to support the implementation of the Unfair Commercial Practices Directive (UCPD) 2005/29/EC for helping consumers to make informed green choices and ensuring a level playing field for business. The document outlines concrete criteria that should be followed by businesses to support compliance with the UCPD as regards environmental claims, the improvement of transparency of these environmental claims and ultimately the increase of consumer trust.