

# Annual Trends Report | Webinar

January 2024



# Welcome – your panellists



**Presented by Mariko Kubo**  
Head of Global Regulatory Affairs



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VP Key Accounts - Regulatory



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Commercial Director



# Introducing Membership

- Membership community
- Features
- Benefits



# Science Group fact sheet



## R&D Consultancy

Science-led advisory and product development services

**sagentia  
innovation**



## Regulatory Compliance

Regulatory and scientific services to chemicals, and food & beverage sectors

**tsg** **leatherhead  
food research**



## Frontier Smart Technologies

Technologies for digital and SmartRadio

**FRONTIER**  
SMART TECHNOLOGIES



**400+**

Scale: 400 employees



**12**

Global presence:  
12 offices and  
30 languages spoken



**£80M**

Growing: revenue increasing  
year on year



**2**

Investment:  
2 dedicated,  
state of the art  
R&D facilities



**25%**

Deep expertise:  
25% of staff have PhDs



**1**

Sustainability practice:  
Strategy, Sustainable  
innovation, Product stewardship

**Unique access to Group resource: e.g. additional language skills, toxicologists, food chemists**




# We are proud to operate a membership programme representing a true cross-section of the global food and beverage industry

- ✓ Manufacturers
- ✓ Retailers
- ✓ Ingredient companies
- ✓ Government bodies
- ✓ Industry associations



**150+**  
territories covered

More than  
**4000?**  
helpline queries answered annually 

**1000+**  
member locations globally 

# Membership features – providing you with on-demand access – it is the simplest way to do business with us

## EXPERTISE

On-demand support for scientific and regulatory affairs

Helpline hours for short enquiries

Discounted rates for projects

Tactical and strategic advice

- ✓ Global regulatory advice
- ✓ Unique breadth of knowledge
- ✓ Trusted industry partner since 1919

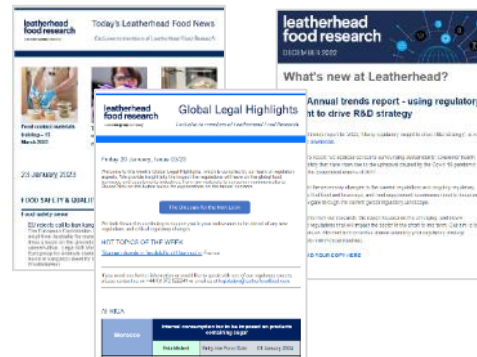
## INFORMATION

Stay abreast of industry news and developments

Food News

Global Legal Highlights

Member Digest



## INSIGHT

Access to exclusive Member-only content and website area

Annual Regulatory Day

White Papers & Webinars

Regulatory Insight Reports

New for 2024



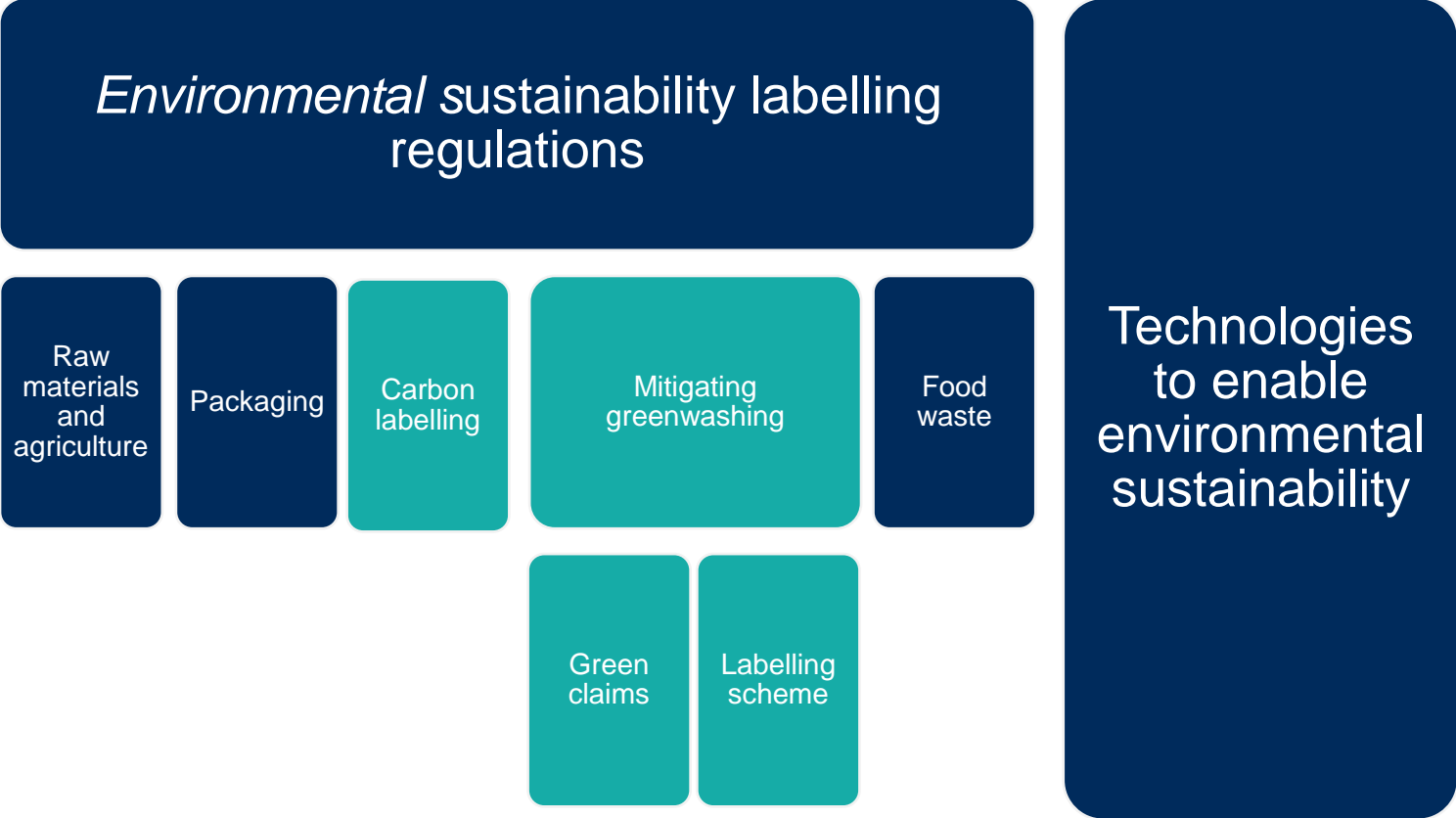
# Developments in labelling regulations for environmental sustainability

1. Green claims
2. Labelling scheme
3. Key takeaways



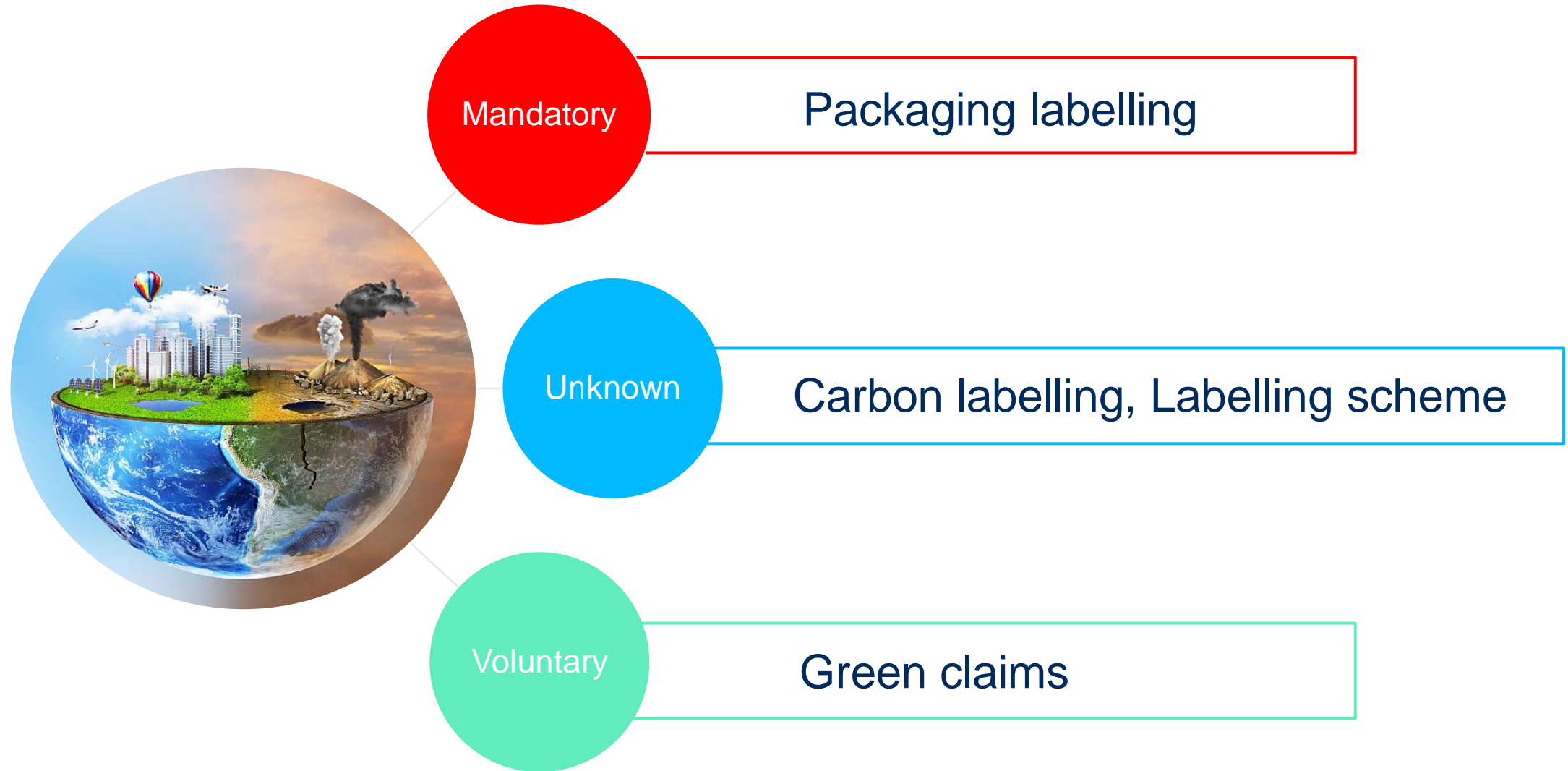
# Annual Regulatory Trends Report 2023

*Developments in environmental sustainability labelling regulations*





# Environmental sustainability labelling



## Environmental claims

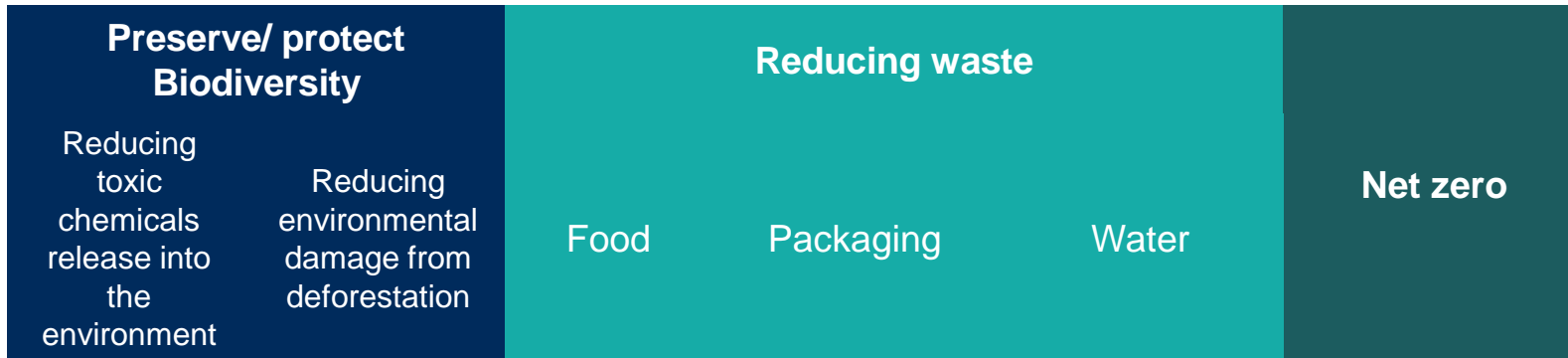
- Green claims
- Labelling schemes



## Environmental claims

Environmental claims suggest that a product, service, process, brand or business is **better for the environment.**

*Green claims (sometimes called 'environmental claims' or 'eco-friendly claims') are claims that show how a product, service, brand or business provides a benefit or is less harmful to the environment. (Green Claims Code, UK)*

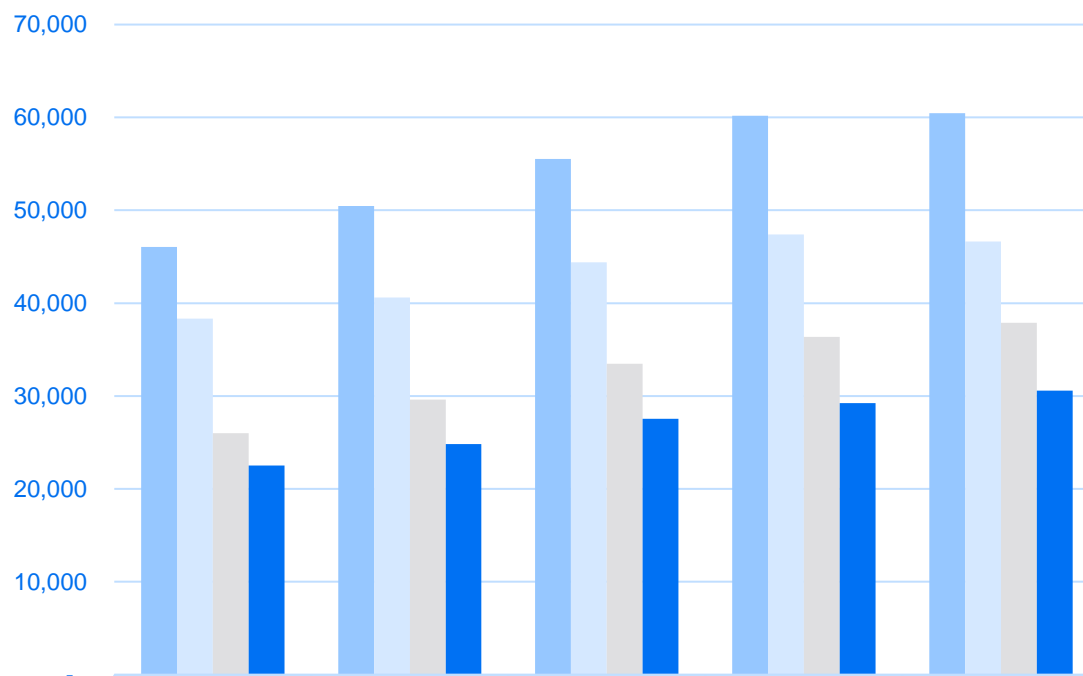


“Environmental claim” means any message or representation which is **not mandatory** under Union or national law, in any form, including text, pictorial, graphic or symbolic representation, such as labels, brand names, company names or product names, in the context of a commercial communication, and which **states or implies that** a product, product category, brand or trader has a **positive or zero impact on the environment or is less damaging to the environment** than other products, product categories, brands or traders, or has improved its impact over time.





## Products with environmental claims (2019 – 2023)



	2019	2020	2021	2022	2023
■ Environment friendly package	46,060	50,463	55,544	60,173	60,465
■ Recycling	38,322	40,622	44,411	47,386	46,626
■ Sustainable	26,006	29,623	33,486	36,389	37,891
■ Environment friendly product	22,506	24,829	27,561	29,240	30,575

- The number of products with green claims gradually increased
- The growth of products with green claims slowed down in 2023
- **Packaging** is the main driver for green claims
  - Environment friendly packaging claims and recycling claims are the most common green claims
- Followed by sustainable (habitat/resources) and environment friendly product claims

# Products with environmental claims in leading countries

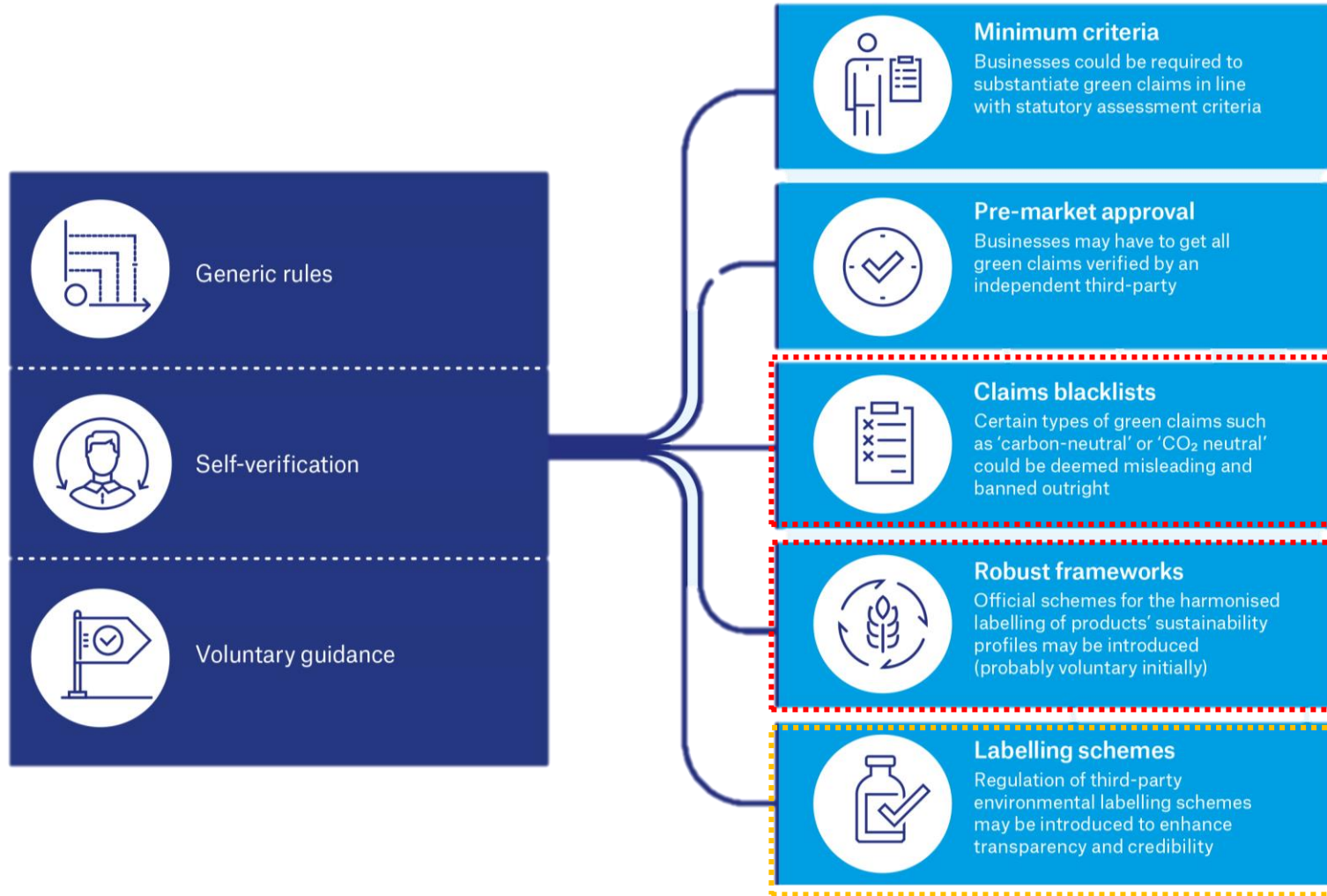


# THE CALM BEFORE THE STORM





# Rules on making environmental claims are set to balloon with traditional, light-touch horizontal models being replaced with dedicated statutory frameworks and bans



# Green claims – Robust framework



# UK updated the advertising guidance - misleading environmental claims and social responsibility

Claims that could mislead if they omit significant information

Claims about initiatives designed to reduce environmental impact

Imagery within advertising contributing to the consumers impression of the green credentials of the product or service

Absolute environmental claims, such as 'sustainable' or 'environmentally friendly'

'Carbon neutral', 'net zero', and similar claims

Requirements for robust documentary evidence to prove all objective claims, whether direct or implied

Full life cycle analysis requirements

Green disposal claims updated  
November 2023





# General claims & absolute claims



	Good for the planet
Good for the land	
	Helping to support a more sustainable future
100% eco-friendly	
	Environmentally friendly
Zero emissions	
	Give back to the environment
Less plastic	

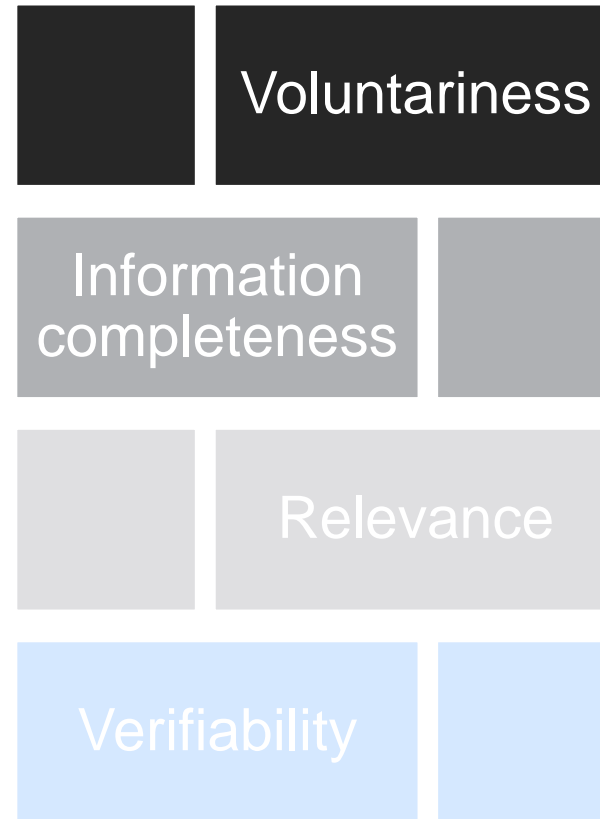
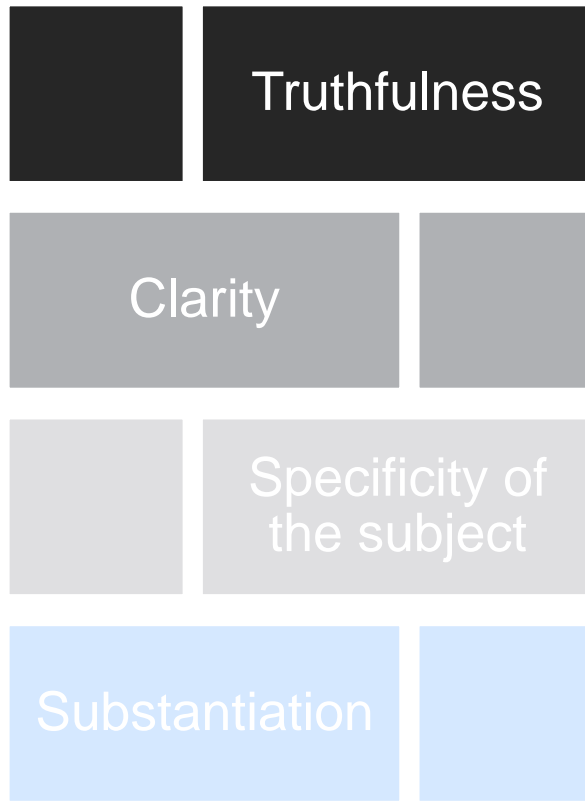
	Environmentally friendly
Carbon neutral & Net zero	

MISLEADING

General claims like these should not be used without qualification unless there is evidence to demonstrate that the claim applies to the entire lifecycle of the product from manufacture to disposal.

# South Korea has published a new guidance in October 2023

The Guidelines helps prevent misleading claims/ greenwashing by providing 8 basic principles and to self-evaluate green claims



# The Guidelines categorise sustainability activities into eight categories

The intent to operate a business in an eco-friendly manner

The acquisition of environment-related certifications, etc.

Reduction of greenhouse gas emissions

Carbon Neutrality Claims

Expansion of the use of new and renewable energy

Reduction in use of raw and subsidiary materials and water

Reduction of waste generation

Support for subcontractors' environmental management



MISLEADING



# Good and bad examples

## Reduction of waste generation

**[Bad example]** “Plan to reduce waste generation by 80% by introducing new facilities to realize eco-friendly plants”

**[Good example]** “For the environment, we strive to maintain a recycling waste rate of 30% or higher every year”

※ Ratio of waste recycling to production (2022) target 30% / performance 34%  
Ratio of waste recycling to production (2023) target 35% / performance 40%



# New EU Directive restricting many green claims nearly approved

MEPs approved new (unfair commercial practices directive) -the law banning greenwashing and misleading product information (17<sup>th</sup> January 2024)

- New definitions: "environmental claim" "generic environmental claim" "sustainability label" and "certification scheme"
- New additions to misleading practices
  - Displaying a sustainability label that is not based on a certification scheme or not established by public authorities
  - Making a generic environmental claim for which the trader is not able to demonstrate recognised excellent environmental performance relevant to the claim
  - Making an environmental claim about the entire product or the trader's entire business when it concerns only a certain aspect of the product or a specific activity of the trader's business
  - Claiming, based on the offsetting of greenhouse gas emissions, that a product has a neutral, reduced or positive impact on the environment in terms of greenhouse gas emissions

Proposal for a Directive on green claims published March 2023 is still being discussed the European Parliament

- The proposal sets specific rules on the **substantiation, verification and communication** of voluntary environmental claims and environmental labelling schemes
- It introduces verification requirements before green claims can be made



# The new misleading practices



An uncertified industry or company created sustainability scheme

Generic claims such as “Environmentally friendly”, “biodegradable” or “eco” without evidence

Claims that rely on carbon offsetting

Making an environmental claim about the entire product when it concerns only a certain aspect of the product

MISLEADING



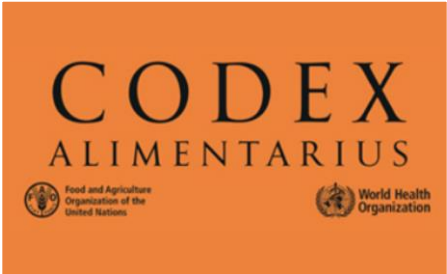
# Other markets to watch out



Singapore



USA



CODEX



Turkey

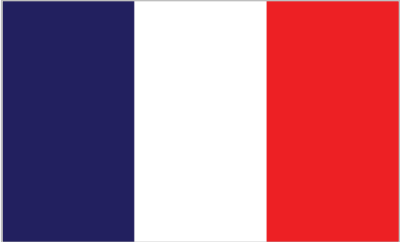


India

## Green claims – blacklist



A list of prohibited claims are starting to appear



Biodegradable

Environmentally friendly

Compostable



Environmentally friendly  
(or any claim with a similar meaning)



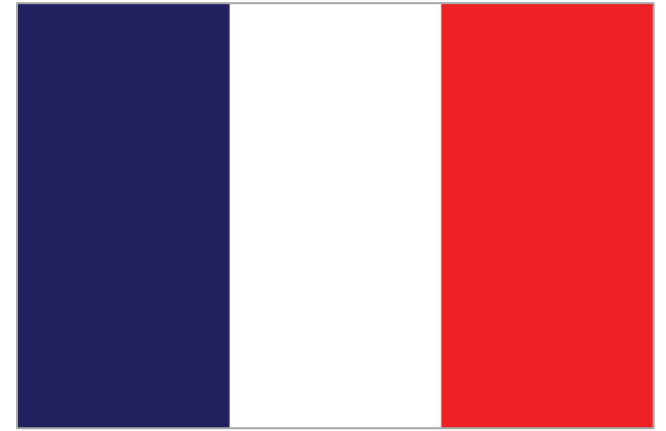
# Carbon neutral claims



# Carbon neutral claims

Only possible if company can provide

- A greenhouse gas emissions balance sheet
- The process by which the greenhouse gas emissions of the product or service are first avoided, then reduced and finally offset
- The methods used to offset residual greenhouse gas emissions must comply with minimum standards



# Carbon Neutrality Claims

- A company shall provide accurate information as to whether carbon neutrality claims are based on **carbon emissions reduction (direct and indirect) or offsets**
- A company shall provide information on a reliable scientific offset framework for claims based on offsets

- For carbon offset claims where **the offset does not occur within the next two years**, advertisers should clearly and prominently disclose the same
- Advertisements should not claim directly or by implication that a carbon offset represents emission reduction, if the reduction, or the activity that caused the reduction, was required by law





# Carbon neutral claims: court cases

## NET-ZERO CLIMATE FOOTPRINT

(Dairy products)

**Considered misleading**

- “Net” was written in a small print while “zero climate footprint” was written in large print making it appear as if the product has no climate footprint rather than being compensated for
- An explanation of the green claim was obscurely placed on the side of the packaging making it easy to miss in its entirety
- A time horizon of 100 years makes the claim unverifiable and difficult to understand for the average consumer



## Climate-neutral

Fruit gummy – **compliant** with

Jam manufacturer – **violation** of

**German Unfair Competition Law**

- Climate-neutral claims should provide information about how the climate-neutrality is achieved and what compensation measures are taken, whether by the product’s own savings or only through compensation measures
- **Jam manufacturer:** This information was available on the manufacturer’s website, which was displayed both in the print advertisement and on the product itself, but it was not indicated that the information could be found on the website
- **Fruit gummies** was accompanied by a QR code and reference to the website of its certification partner “ClimatePartner”



# Claims that rely on offsetting will be banned

*Examples of claims that will be **banned** if they rely on offsetting*

- Climate neutral
- CO2 neutral certified
- Carbon positive
- Climate net zero
- Climate compensated
- Reduced climate impact
- Limited CO2 footprint

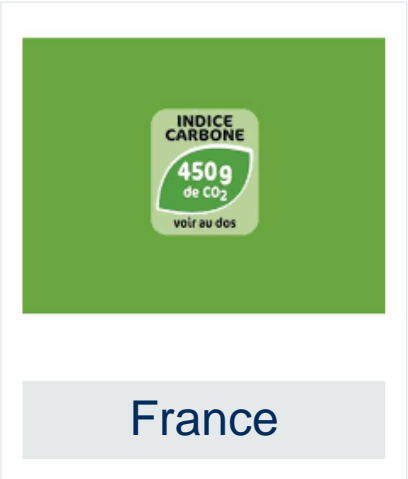


## Labelling schemes

Carbon footprint to eco-score  
labelling



# 3<sup>rd</sup> party certification/ labelling scheme for carbon footprint labelling





## Some markets in Asia and Latin America are considering next steps

### Brazil

- Draft Regulation is currently being discussed
- Aim to mandate a declaration of the amount of CO<sub>2</sub> emitted throughout a product's entire lifecycle, including final disposal

### Taiwan

- Climate Change Response Act published in 2023 enables competent authorities to introduce mandatory carbon footprint labelling

### Japan

- The Ministry exploring a star rating system to indicate reduced CO<sub>2</sub> levels in the cultivation of crops
- An initial 2022 trial focused on specific supermarkets in Tokyo and Osaka, with wider adoption planned for 2025

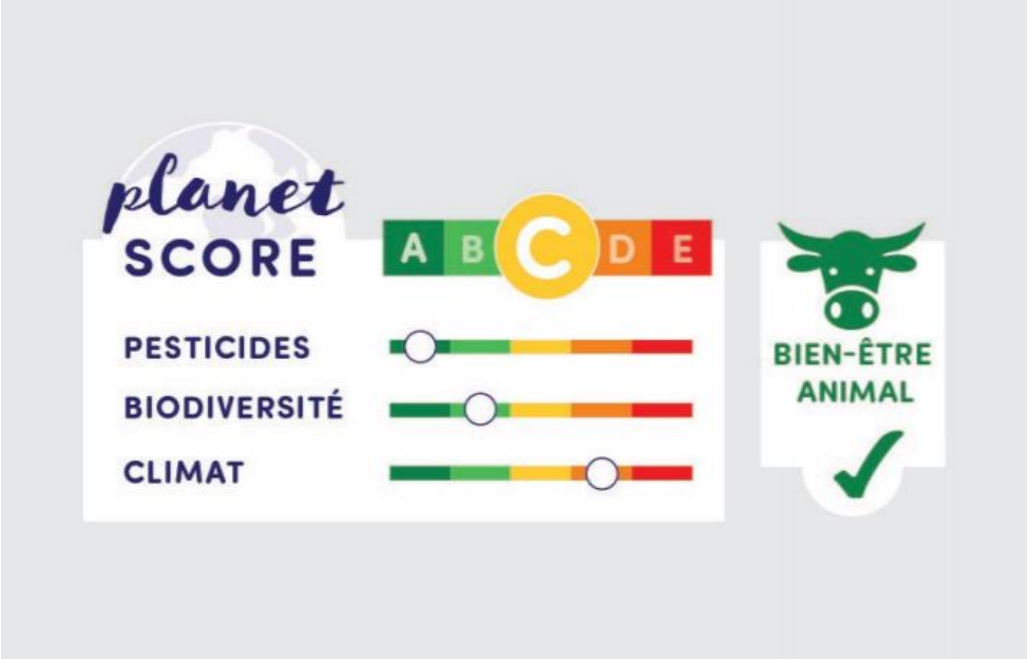
### Argentina

- The Carbon Footprint Project was launched – building a labelling system offering information on the voluntary practices of carbon footprint monitoring, reduction, and compensation
- This project is yet to start, and its timeline is still unknown

### Chile

- A technical analysis on the carbon footprint of products, and how this might be labelled on food packaging was released
- The document provides examples of carbon labelling schemes used by large organisations such as Tesco, considering the associated verification and certification processes

France & Denmark are considering eco-Score label instead



# Danish state-controlled climate label expected to be launched in Q2/Q3 2025

## Calculation of climate impact and implementation of database

- Calculation based on life cycle analysis, likely to be similar to the EC Product Environment Footprint (PEF) method
- Database to be developed for general footprints of all foods to aid businesses in using the logo

## Logo design and survey

- Four types of logo models discussed
- Two logos developed
  - Best in class (blue)
  - Scale model for food (Green to Red)
- Scale model performed best in survey



## Recommended steps by the working group moving forward

1. Development of calculation method for climate footprint
2. Development of a database for food's generic climate footprint
3. Specification of the labelling model
4. Preparation of regulations and EU notification
5. Development of control system for regulating the use of the logo
6. Completion of graphic identity for the cylindrical scale model
7. Development of advertisement campaign to raise awareness



## Provisional timeline and delivery dates

Climate label working group report	Delivered Q1 2023
Further development of logo-model	Ongoing – Q3 2024
Establishing calculation method and database for climate impact on foodstuffs	Ongoing – Q1 2025
Regulatory development, control measures, and EU notification	2024

# France: the Eco-Score will be scrapped and replaced with a new method

Vincent Colomb

Environmental labelling coordinator

French Environmental Agency (ADEME)

New website will be published next week





Food for thoughts....



(a)



(b)

# Key Take-away Points

## Key takeaway messages

1. Rules on making environmental claims are set to balloon with traditional, light-touch horizontal models being replaced with dedicated statutory frameworks and bans.
  - a) Continually check for updates
  - b) Meanwhile
    - a. Be as specific as possible
    - b. Substantiate the claim
    - c. Understand the risk



# Questions



Thank you

## Disclaimer

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