

## Comment

### On a framework for sustainable food labelling

Bad Brückenau, 03.12.2020

The EU Commission is planning to establish a legislative proposal in 2024 for a framework for sustainable food labelling to empower consumers to make sustainable food choices.

In the past decade we recognised a strong focusing of DG Envi towards environmental labelling via its concepts called Product Environmental Footprint (PEF) or Organisation Environmental Footprint (OEF). In general, we agree and see it in line with the aims of the "Green deal", to put the challenges we are facing in the environment, into the centre of the activities.

At the moment environmental labelling and industry action on the environment and climate are strongly driven by efficiency criteria. However, these efforts have shown that they have not led to resounding success. The so-called "rebound effect" has put much of this into perspective.

We therefore strongly support the Green Deal's call for an orientation towards a "circular economy". In the sense of the "cradle to cradle" concept, a circular economy means that products are returned to the cycle in all their parts. To this end, products must be produced and manufactured in such a way, that their individual parts can be incorporated into either a biological or a technological cycle. The food sector is based on natural cycles but has massive problems with unclosed cycles today. There is much room for improvement.

With this objective, the policy strives for a way of doing business that is in harmony with nature, because this means that "waste" in the current sense is no longer produced. Efficiency does not play the decisive role, but the feasibility of returning it to the cycle. In addition, a sustainable economy must also address sufficiency, therefore behavioural changes in food consumption are essential. The goal must be to achieve a sufficiency-oriented and efficient circular economy. On the way to this circular economy, we support the work on additional information on environmental services as an element to motivate people to sustainable consumption. This information must be strongly based and enforced on established and functioning cycles.

Both the flood of labels on products in Europe and their different bases for calculation lead to inconsistency and confusion for consumers. We therefore welcome the EU's initi-

ative to introduce a common method for measuring and disclosing environmental performance. Establishing uniform standards will help to introduce consumers to environmentally friendly products.

Environmental performance is a complex matter that can only be presented in labels inadequately and with a focus on a few core statements. This is unsatisfactory and can lead to unintended developments in the market. Therefore, other options than labels on the product must be considered. Digitalisation offers opportunities to convey up-to-date information about the product and the company simply and conveniently. We propose to reflect carefully on the way to communicate these standards and products based on them. It is necessary to create a uniform framework for the communication of environmental performance statements and to establish suitable methods for measuring them. In the food sector, this can only be done consistently by building on the already established rules for organic farming and food.

According to the "Green Deal" and the "Farm to Fork" strategy, organic farming and food should be expanded to 25 percent by 2030. This is because the EU-wide legally secured and system-oriented concept of organic farming, with its multiple environmental benefits, is unique in agricultural production. Environmental labelling must therefore be based on this concept and further environmental claims based on it must be made in the post-agricultural value chain.

It is not expedient and contradicts the "Farm to Fork" strategy to establish an independent, legally secured eco-label such as the PEF for foodstuffs in the EU in addition to the organic label.

In order to avoid greenwashing, it must be ensured that companies that make such claims on individual products fulfil extended environmental standards as a whole. The achievement of extended environmental standards (e.g. EMAS) in the company as a whole should thus be a prerequisite for any product-related additional environmental claim. After all, companies must always operate in an environmentally friendly manner in order to be perceived by customers as credible, transparent and with integrity.

We therefore welcome this initiative to advance the green internal market in Europe. We propose to restructure the concept of an efficient economy in favour of a sustainable economy - driven by sufficiency, circular economy and efficiency. Companies should be encouraged to adopt an overall and consistent environmentally friendly economic approach in the sense of a circular economy and thus also contribute to a sufficiency-oriented consumption style. On the way to a circular economy, already existing and mostly well-established standards such as organic labelling or concepts for demonstrating environmental performance like EMAS should be the basis for credible and transparent information.

The Product Environmental Footprint (PEF) or Organisation Environmental Footprint (OEF) are intended to establish a comprehensible, comparable and reliable instrument for the assessment of environmental performance. Today we would like to go into detail

on a few points that are particularly relevant for small and medium-sized enterprises (SMEs):

- 1) calculating the PEF with one's own data is very time-consuming and financially expensive. This effort must be reduced considerably, especially for SMEs.
- 2) organic agricultural origin should be a prerequisite for food products.
- 3) The entire enterprise must meet extended environmental standards.
- 4) The exclusive focus on efficiency brings with it conflicting goals that have not yet been sufficiently taken into account in the PEF.
- 5) biodiversity services have to be included separately in the PEF/OEF in order to respect conflicting goals in the assessment, if necessary.
- 6) Pure efficiency criteria inhibit the ability to innovate for the circular economy.

Reasons:

To 1.

The PEF/OEF offers many databases with generic data. This is very helpful for the companies. These generic data do not lead to the achievement of the benchmark set in the respective product categories, which is all right. With their own company-specific data, companies have the opportunity to achieve the benchmark for their product. The collection and evaluation of a company's own data is very time-consuming and needs a lot of personnel. For companies with several product groups, this leads to carrying out this effort several times. This is not or only partially possible, especially for SMEs. The Economy of Scale, which supports efficiency parameters such as the PEF, has a negative impact on SMEs.

Based, for example, on the organic-control or EMAS audit, the use of the PEF label must not cost more overall in order to be financially viable and attractive for companies.

Re 2.

For foodstuffs, a well-functioning system has been established for almost 30 years in the form of the Organic Farming Regulation (EC) No. 834/2007. The entire organic value chain is subject to the regulation and already implements extensive environmental measures, especially for the production of raw materials. These are audited and certified annually by the organic control body. This type of agricultural production demonstrably achieves multiple environmental benefits. Compliance with organic regulations should therefore be a prerequisite for any further environmental claims for food products.

To 3.

For the post-agricultural sector, the requirements of the organic regulation are not yet sufficient. Therefore, enterprises that are in the post-agricultural sector should provide further environmental services based on organic production in order to enable an overall corporate environmental statement. EMAS, an EU-wide system, already exists for this purpose and is ideally suited to serve as a basis for environmentally friendly management. Food production in Germany is strongly characterised by small and medium-sized

enterprises. It is advantageous for them if existing and well-established systems can be used for environmental statements and new and unknown systems are not established.

To 4.

We fear that many small and medium-sized enterprises that have introduced little or less standardisation in their production processes due to high quality and/or sustainability requirements may be disadvantaged.

For example, operators such as dairy producers, which record the quality of their milk separately in order to be able to advertise different quality standards in their products, are disadvantaged by their differentiated recording. But also, for producers who use unusual or rare raw materials such as old varieties (for example, grains like emmer, einkorn, etc.) or old breeds (regional cattle, pig or poultry breeds) for their production, the efficiency calculations of the PEF can also have a disadvantageous effect.

Another example is animal welfare. Consumers understand an environmentally friendly animal product to always be produced in an animal-friendly manner. All animal welfare labels allow the animals more space than required by law, in some cases also specify a large proportion of regional feed and, where applicable, also prescribe a longer animal life. These requirements all have a negative impact on the PEF. The calculation parameters of the PEF thus go against the efforts of policy-makers to make the keeping of farm animals more animal-friendly.

To 5.

Next to climate change, the loss of biodiversity is the greatest challenge humanity is facing. Biodiversity services are in conflict with efficiency. This is because biodiversity services require more land and result in lower yields. These measures also have a negative impact on the calculation of the PEF/OEF. Farmers who plant green strips, hedges or other biotopes on their farmland cannot include them in the PEF calculation parameters.

To 6.

The innovative capacity of small and medium-sized enterprises is of enormous importance for European economic performance. The focus of innovation in recent decades has been primarily in the area of efficiency. However, due to the rebound effect, these efforts are not having the desired effect that would be necessary for an environmentally and climate-friendly economy. Therefore, the innovation capacity of SMEs should be directed towards a circular economy - as advocated in the Green Deal. This calls for other innovations that are not exclusively driven by efficiency, but by the intention to produce repairable products according to the eco-design guideline and to keep the cycle as closed as possible.

We therefore propose to restructure the concept of an efficient economy in favour of a sustainable economy - driven by sufficiency, circular economy and efficiency. Pure product labelling, such as the PEF, does not lead to the required result. Companies should be encouraged to adopt an overall and consistent environmentally friendly economic ap-

proach in the sense of a circular economy and thus also contribute to a sufficiency-oriented consumption style. On the way to a circular economy, already existing and mostly well-established standards such as eco/organic labelling or environmental standards such as EMAS show that statements on environmental performance can be generated credibly and transparently with them. This statement can be promising for a green domestic market in connection with overall corporate environmental statements and could be comprehensively communicated to consumers via digital communication.

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### **AöL Kommentar**

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