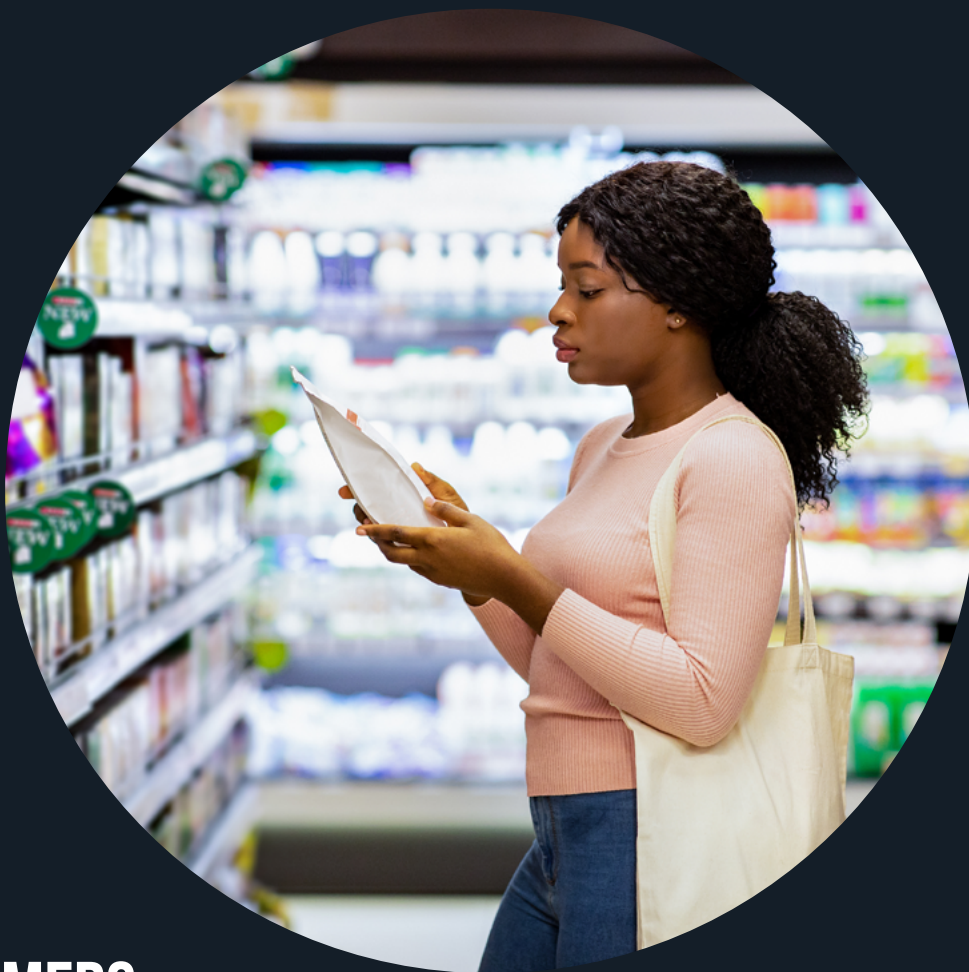# THE STATE OF SUSTAINABILITY INFORMATION

CRITICAL TRENDS, TRADE-OFFS, AND SOLUTIONS

CONSUMERS INTERNATIONAL

COMING TOGETHER FOR CHANGE

ACKNOWLEDGEMENT

ABOUT CONSUMERS INTERNATIONAL

Consumers International is the membership organisation for consumer groups around the world. We believe in a world where everyone has access to safe and sustainable goods and services. We bring together over 200 member organisations in more than 100 countries to empower and champion the rights of consumers everywhere. We are their voice in international policy-making forums and the global marketplace to ensure they are treated safely, fairly, and honestly. We are resolutely independent, unconstrained by businesses or political parties. We work in partnership and exercise our influence with integrity, tenacity, and passion to deliver tangible results.

INTRODUCTION

Consumers want to be more sustainable – and they will need to be if we are to avoid the worst effects of climate change, pollution, and biodiversity loss. Providing sustainability information to consumers has a practical and strategic purpose. It enables consumers to make more informed choices, sending demand signals that incentivise more sustainable production. It can even lead to tipping points in the green transition. Multi-stakeholder action is needed urgently to empower consumers to play this role – before trust is lost for good.

The current fog of overlapping or competing information schemes, business innovations, and policy initiatives makes it hard for stakeholders to coalesce around impactful joint action. The landscape of sustainability information is changing, with an increasing profusion of labelling schemes, the emergence of new types of quantitative disclosure, and the serious and growing phenomenon of misleading self-declared claims. Decision-makers need to be able to respond to these changes in a strategic way that does not conflict with or duplicate other efforts.

This report is intended to clear the fog. It presents:
- a **novel method to categorise** sustainability information schemes
- an assessment of **two critical trade-offs** for providers of sustainability information
- a mapping of **three global trends** in sustainability information provision and emerging policy solutions

The report is an invitation to connect, learn, and build together with leaders from all stakeholder types who recognise the power of information to drive change for a safe, fair, and sustainable consumer marketplace.

THE CHALLENGE OF SUSTAINABLE CONSUMPTION

To tackle pollution, reverse biodiversity loss, and halve global greenhouse gas emissions by 2030, ambitious and transformative action is needed from all stakeholders and across all sectors of the global economy. Supply-side changes are essential – and not sufficient. There is increased recognition of the need for just and effective demand-side interventions, which have, as the Intergovernmental Panel on Climate Change note, the potential to reduce greenhouse gas emissions by 40-70% by 2050 (IPCC, 2022).

In practice, this means people everywhere and in different economic circumstances changing how they consume goods and services. All UN Member States have committed to making sustainable consumption patterns a reality by 2030, as part of the twelfth Sustainable Development Goal (SDG12). All Member States have also recognised the ability to consume sustainably as a fundamental right of all people, through the UN Guidelines for Consumer Protection.

Sustainable consumption means meeting the needs of present and future generations for goods and services in ways that are economically, socially, and environmentally sustainable (UNCTAD, 2016). But it remains more theory than reality. By 2020, only 82 countries worldwide developed, adopted, or implemented policy instruments to support the shift to sustainable consumption and production (UNEP, 2022). Only a wholesale shift in established approaches can break engrained behaviours and practices among consumers, retailers, and manufacturers alike.

INSIGHT: Changing zero-sum thinking about sustainable consumption and production

To effectively understand and act on sustainable consumption, it is necessary to abandon false dichotomies between consumer and producer, and between state and market. Information is often the crucial mediator in these debates, unlocking new ways of thinking about systems change.

Reliable and effective communication to consumers can get us to a tipping point

Debates about sustainable consumption and production often revolve around a first mover dilemma. On the one hand, producers may claim they can only profitably change what and how they produce once the mass consumer demand for alternatives has been demonstrated, especially since sustainability often comes with a price. On the other hand, consumers may claim that it is not possible to act on their intentions to purchase sustainably in today's marketplace where genuinely sustainable choices are scarce.

Reliable and effective information provision can contribute to resolving this dilemma. If consumers are helped to identify choices that are more sustainable, and are encouraged to act on their purchase intentions, an alternative demand can be demonstrated. This in turn creates an economic incentive for producers to shift their practices at scale. The size of this effect has potentially been underestimated, given that consumers are the largest stakeholder group in the global economy. We are all consumers, and as such, we all wield power as economic actors. Harnessing this power to drive tipping points in the marketplace could engender a step change in the green transition.

Consumer information must be shaped with collaboration between state and business

Regulatory interventions have found considerable success in removing the most environmentally damaging goods and production practices from the marketplace. The outlawing of products containing chlorofluorocarbons (CFCs) in the Montreal Protocol is a strong example of how this can be achieved multilaterally. But what is the role of government beyond editing the worst options out of the marketplace?

Here the debate is often polarised between those who imagine no further role for government and those who imagine that policy can mandate sustainable production *tout court* - as if the myriad inputs, processes, and design considerations involved could each be specified and regulated. Achieving sustainable consumption and production, however, requires an abandonment of a too-rigid opposition between static state and dynamic, self-regulating market. The state has a role to play as market creator and shaper (Mazzucato, 2016). Beyond fixing market failures, policy interventions will need to aim at tilting the playing field in a green direction.

Information is a revealing example, given that it is at once essential to market processes and variously embedded in and governed by state action. In addition to fixing market failures such as misinformation (for example by enforcing rules and guidance against misleading claims) and information asymmetries (such as by requiring sellers to make specific disclosures), governments are actively shaping the information landscape: public agencies run certification schemes, create approved lists for public procurement, and establish standardised methodologies for measuring and calculating environmental impact (OECD, 2017).

MAKING INFORMED CHOICE THE NORM

Both SDG12 and the UN Guidelines for Consumer Protection highlight informed choice as a key condition for enabling sustainable consumption patterns at scale.[1] But why information? Are governments and businesses abdicating their own responsibility for ensuring sustainable production patterns by placing the burden on informed consumers? Should efforts be directed instead at editing choice – making sustainable products and services the marketplace norm – rather than informing consumer choice in a marketplace dominated by unsustainable goods and services?

Assuming a strict alternative between achieving sustainable consumption and sustainable production – between informing and editing choice – is a mistake. Informing and editing choice each have their part to play and can be mutually reinforcing. To imagine otherwise is to underestimate the scale of the sustainable consumption challenge, which requires a shift in the practices and systems governing the exchange of trillions of items, produced in millions of locations, to billions of consumers globally.

Three global consumer trends underscore the importance of informing sustainable consumption choices:

1. Consumers increasingly care about environmental problems and want to be part of the solution. A recent UNDP survey of 1.2 million people in 50 countries found that 64% of people said that climate change was an emergency (UNDP, 2021). This is coupled with a growing willingness to change consumption habits to be more sustainable (GlobeScan, 2021; IBM and NRF, 2022; PwC, 2021; Pew Research Center, 2021). Younger consumers and women in particular are more likely to want to make greener choices (OECD, 2021).

2. Consumers say insufficient information is preventing them from taking the action they want to, and they are demanding more comprehensive sustainability information on products. Around half of consumers surveyed in 2021 said they would lead a more sustainable lifestyle if companies provided more information on products (Deloitte, 2021). 57% of European consumers want sustainability information to be compulsory on food labels and two-thirds of consumers globally want carbon footprint labelling on products (Carbon Trust, 2020).

3. Consumers are already making different purchase decisions guided by sustainability information. Field data in the US shows that sales of products marketed as sustainable grew 2.7 times faster than products not marketed as sustainable and achieved a six year compound annual growth rate of 7.3%, as opposed to 2.8% for its conventional counterparts (Kronthal-Sacco and Whelan, 2021). Research in 2022 shows 38% of consumers feeling budget pressures are buying reusable or refillable products more now, and 30% are buying second-hand items more (Accenture, 2022).

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[1] The UN Guidelines for Consumer Protection state that 'Informed consumers have an essential role in promoting consumption that is environmentally, economically and socially sustainable, including through the effects of their choices on producers' (UNCTAD, 2016). SDG 12.8 commits Member States to 'ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature'.

CRITICAL TRADE-OFF: Should you tell consumers what they want to know or what they need to know?

How to decide what to communicate to consumers about sustainability? This is a question often asked by companies. Given the many-sidedness and complexity of sustainability, providing a holistic account within a limited frame is a significant challenge. It is not possible to provide information about everything. This would likely be counterproductive, given the risk of information overload which causes consumers to disengage altogether (OECD, 2018; Benartzi and Lehrer, 2017). It would also be prohibitively costly, given the expense of data collection and of certification, especially for smaller producers and those in developing countries.

The issue is therefore one of prioritisation. There are two main approaches:

- **Start with the consumer.** Which environmental issues does she care about most? Which seem most relevant to her and which does she believe she can make a difference to? Are her concerns for sustainability linked to health, safety, financial, or quality considerations? Where does she sit on a sustainability adoption curve? Is she a frontrunner, follower, passive, or inactive (Kerry, 2021)? Where does she fall in a values segmentation on sustainability? Is she an advocate, a practical, an aspirational, or an indifferent (GlobeScan and BBMG, 2016)?

- **Start with the product.** Where are the "hotspots" for environmental impact along the product's whole lifecycle? Which sustainability impacts are most relevant to the product category (for example biodiversity impact for food products)? Was the product made using superior production practices? Is its durability or repairability likely to significantly affect the recurrence of consumer purchases? Does the product have significant impacts or emissions during its use and disposal phase?

Communicating about the issues consumers care about most and feel they can make a difference to is more likely to motivate them into action. This type of information may help to mitigate behavioural biases related to salience, whereby consumers fail to engage because they cannot see the relevance of actions to them personally (UNEP, 2017; OECD, 2019). However, consumers are often wrong about which changes have the biggest positive impact, consistently underestimating the most impactful actions and overestimating the least impactful ones (IpsosMori, 2021). Basing communication on a science-based assessment of the most significant sustainability aspects of a product can help guide consumer action in the most effective directions. This type of information may help to correct for the behavioural bias of overconfidence (Stango and Zinman, 2020).

Ultimately, an approach to sustainability information provision that does not start from both the consumer and the product is unlikely to be successful. In practice, the different approaches are often complementary, for two main reasons:

1. Beyond the moment of purchase, information plays a crucial awareness-raising and educational role. Informing consumers about the product impacts that are objectively most important can influence consumers' evolving attitudes and priorities, helping to align them with scientific understanding.

2. Any scientific assessment of the most important environmental impact "hotspots" is likely to be dependent on value-laden choices. For example, the rival methodologies trialled for food environmental labelling in France have been shown to implicitly favour different and conflicting political visions of agricultural transition (IDDRI, 2021). Consumers, who are also citizens, could provide the vitally needed mediation between science and politics, methodology and values.

TYPES OF SUSTAINABILITY INFORMATION

The diversity of methods and tools used to communicate to consumers about product sustainability is a cause of significant confusion. Consumers consistently report difficulty in distinguishing between third-party certifications and self-declared claims, for example (OECD, 2011). Practitioners and policymakers also face challenges when attempting to identify and evaluate the unique characteristics, requirements, benefits, and pitfalls of different types of sustainability information provision.

Figure 1 presents a new typology, based on distinctions from the ISO 14020 series of standards (ISO, 2019) and criteria developed by the Organisation for Economic Cooperation and Development (OECD, 2017). It can be used to differentiate between different types of sustainability information provision.

Figure 1. Distinguishing between different types of sustainability information provision.

CRITICAL TRADE-OFF: Should you inform choice about products or about brands, systems, and lifestyles?

This report focuses on on sustainability information about products, rather than companies or brands, as the primary scope of sustainability communications to consumers. This is for three reasons:

1. **Since consumers buy specific products in the market, the scope of the information they receive should reflect this.** Consumer law worldwide has been developed to remedy the fundamental information asymmetry between sellers and consumers by establishing consumers' right to information. Many jurisdictions have a basic requirement to provide consumers with information on the essential characteristics and features of a product being sold. In a time of climate emergency, it is logical to expand consumers' right to information to sustainability characteristics. These considerations are arguably more important still in e-commerce settings, where consumers pick the product before they pick the supplier (UBA, 2019), and where the traditional information asymmetry is exacerbated by the fact that consumers cannot see or touch the product in question.

2. **Consumers say they want sustainability information about products rather than about companies or brands.** A global survey in 2018 shows that consumers want more transparency about the social, health, environmental, and safety credentials of the products they buy (70%), more than the companies that made them (30%) (Futerra, 2018). This is despite a significant minority of consumers, typically of above middle income and concentrated most highly in India, parts of the Middle East, and Latin America, for whom brand is a major factor in their purchasing decisions (IBM and NRF, 2020).

3. **Transferring brand-related sustainability claims to a product may be misleading.** It is important to enable consumers to distinguish between brand and product sustainability (UNEP and ITC, 2017). Brand-related claims may mislead consumers when made in the context of a specific product purchase, especially if the link is unsubstantiated.

However, decision-makers should bear in mind the goal of information provision, which is to promote sustainable consumption patterns. This requires many consumers to undergo a wholesale shift in their lifestyles, including what they eat, what they wear, how they get around, how they connect, how they heat, cool and power their homes, and how they save their money (Consumers International, 2021). Types of information provision that 'join the dots' between discrete purchases are key to empowering consumers to live more sustainable lifestyles. For example, Consumentenbond's integrated online advice portal helps consumers make their home more sustainable and affordable to run (Consumentenbond, 2022). Individuals can assess their homes, compare different technologies and retrofit options, view potential long-term savings, and engage vetted professionals.

There is a related need to factor in the complex realities of systems transition when providing product-level sustainability information. Even sophisticated, semi-quantitative labelling that scores individual food products can lead to confusing signals at the level of agricultural systems. Because dairy and meat sectors are assessed separately in a Life Cycle Assessment (LCA), [2] and because dairy products fare much better than meat products, consumers may be given the misleading impression that they can continue to consume dairy products in a production system where meat production (and therefore the livestock population) would have been drastically reduced (IDDRI, 2021).

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[2] Life Cycle Assessment is an internationally standardised methodology for calculating the environmental footprint of a particular product (good or service), established by the ISO 14040 series of standards.

EMERGING TRENDS AND POLICY RESPONSES

Decision-makers should be aware of three key global trends in sustainability information provision, their implications for different stakeholders, and emerging policy responses.

1. Multiplication of sustainability certifications

There has been a sustained, long-term increase in the number of seemingly competing sustainability seals or labels globally (OECD, 2017; UNCTAD, 2021, 2022; Meier et al., 2020). As of January 2023, the global Ecolabel Index lists 456 voluntary sustainability standards across 199 countries and 25 industry sectors, while the International Trade Centre's Standards Map includes 322 standards, and the Global Ecolabelling Network has grown to 37 Type-I labelling schemes across 60 countries.[3] OECD (2017) suggests that benefits of an intensified market could include: greater consideration of the local conditions and needs of producers; encouragement of stepwise improvements from producers due to standards with different stringency; allowing manufacturers and retailers flexibility; and facilitating greater choice for consumers who can buy products with labels targeting issues that they care about.

At least in theory, competition between different certification schemes could also lead to harmonisation and market-driven convergence over time. It is hard to assess this assumption definitively, given the deficit of empirical data about the market penetration of various schemes and trends in the stringency of standards. However, Consumers International's global stakeholder roundtables and expert survey in 2022 suggest that convergence has been limited. The reality is more likely one of market failure and a race-to-the-bottom in terms of standards, with competition for short-term market share leading to a downward pressure on stringency.

An intensified certification market can have negative outcomes for businesses and consumers alike:

- **Producers** face higher compliance costs from auditing and certification procedures to meet multiple requirements. A lack of infrastructure required for certification and traceability requirements means producers in developing countries face proportionately higher costs.

- **Exporters** face greater barriers to market access, particularly if adoption of a particular standard or label is a de facto requirement to sell into a national market because of its market dominance. This is a larger challenge for exporters from developing countries, given that higher-income countries count more voluntary sustainability standards. ITC (2016) states that around 74% of the standards in the Standards Map database are active in OECD countries, and that countries in the Middle East and North Africa, Sub-Saharan Africa, and Central Asia have access to a lower number of standards than the global average of 33% per country.

- **Manufacturers and retailers** face increased complexity for managing supply chains, and increased cost from multiple compliance and customer communication channels. It is larger buyers and retailers that have underpinned the intensification trend through strong demand for products that are certified according to sustainability standards (UNFSS, 2020; Marx and Wouters, 2015).

- **Consumers** face difficulties differentiating the criteria behind the schemes, are confused by or misunderstand the meaning of different labels, and lose trust in labels' credibility (CMA, 2021a).

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[3] ITC Standards Map and Ecolabel Index follow different methodologies in constructing their databases. The ITC Standards Map is more restrictive in recognizing and reviewing voluntary sustainability standards (VSS). Also, the Ecolabel Index includes a significant number of corporate codes of conducts which are (by definition) not VSS. See https://www.sustainabilitymap.org/standards, and http://www.ecolabelindex.com/.

Given the challenges of a crowded certification landscape, and the seeming failure of market-driven convergence and harmonisation over time, policymakers are increasingly willing to intervene (Consumers International and IISD, 2023). Beyond supporting further harmonisation, policy responses can encourage good and discourage bad standards, utilising either market-based or rules-based mechanisms.

Figure 2. Policy responses to the multiplication of sustainability labels.

RULING OUT	CROWDING OUT	CROWDING IN	RULING IN
Ban the display of sustainability labels that are not based on an independent third-party verification system or established by public authorities, as proposed by the European Commission (2022a).	Introduce public, Type-1 ecolabelling schemes, such as the programme of the China Environmental United Certification Centre. Introduce mandatory sustainability labelling for certain sectors, as proposed by France's Climate Law (2021).	Benchmark standards and promote use of the strongest in public procurement, as established in the US by the Environmental Protection Agency (2022a; 2022b). Develop guidelines for effective development and use of sustainability labels.	Establish minimum mandatory requirements for the governance of sustainability labels, enforced by a public accreditation scheme for labelling bodies, such as Colombia's Organismo Nacional de Acreditación.

2. Emergence of new types of sustainability labelling

New varieties of information provision have emerged in parallel, based on quantitative, lifecycle-based measurement and assessment methods (OECD, 2017). Two important types of assessment are product carbon footprint (PCF) and product environmental footprint (PEF). They use outcome-based standards that quantify lifecycle impacts for products across one or more environmental dimensions. The most common application of these methods remains corporate sustainability reporting. This is likely to continue, given the recent trend towards setting scope 3 reporting requirements, for example by the US Securities and Exchange Commission (SEC, 2022), European Financial Reporting Advisory Group (EFRAG, 2022) and International Sustainability Standards Board (ISSB, 2022).

However, there have also been attempts in recent years to integrate lifecycle data directly into consumer communications. Typically, these adopt a colour or lettered ranking system to communicate a product's performance in a semi-quantified and easily understandable way. Examples include the food labelling schemes recently trialled in France (ADEME, 2021), and the scaled digital environmental labelling scheme created by L'Oréal (2022). The key advantage of this type of information provision is its ability to give consumers an understanding of the relative environmental performance of all products, not only those that perform best. These schemes could therefore appeal more to the less deep green consumers, who want to shop better but may not be able or willing to pay for best.

The rollout of such schemes has been met with a mixed reception, including challenges from consumer protection authorities (NCA, 2022). To meet concerns, information providers must seek a fair balance between accuracy, accessibility, and even-handedness. They face four main challenges:

- **Cost-related challenges,** such as the costs of data collection and management for quantitative labels. These high adoption costs could be a barrier to its broader use, given that they are disproportionately higher for smaller producers (Chaterjee et al., 2021; Stiebert et al., 2019).

- **Data-related challenges,** including insufficient availability of accurate, granular, primary data on products, and a corresponding overreliance on global averages data. The latter may introduce an unacceptable level of subjectivity, given that lifecycle impacts depend on local context and conditions. A situation could arise whereby producers choose between locally specific data and averages data for different parts of the calculation, depending on which is more beneficial for their score. For methodologies like PEF with more than one environmental dimension, the greater number of LCA calculations required may exacerbate this effect.

- **Methodological challenges,** including: the unsuitability of LCA to address certain sustainability impacts, such as soil erosion, biodiversity loss, toxicity, and site-specific impacts that cannot be aggregated; its limited precision; and the numerous subjective choices involves in establishing scenarios and weighting indicators (ANEC, 2012).

- **Communication challenges,** including: ensuring that consumers can make robust comparisons across different product categories; the potentially misleading effect of a definite, quantitative scale where the margin of error is large; and the challenge of communicating data in an adequately contextualised way (NCA, 2022).

Governments are increasingly taking action to address these problems, for example by: introducing a single, mandatory LCA-based labelling scheme for products sector-by-sector (France, 2021; ADEME, 2021); providing supplementary guidance on how LCA-based disclosures can comply with consumer protection law against misleading claims (ACM and NCA, 2022); establishing initiatives to improve coherence across quantitative footprint schemes such as the European PEF programme; creating public lifecycle inventories, such as the French environment agency's Agribalyse database for food products; making LCAs a requirement in public procurement; and offering support services, training, and tools to help small and medium enterprises to participate (Consumers International and IISD, 2023).

3. Growth of self-declared and potentially misleading sustainability claims

In recent years there has been a dramatic increase in the number of sustainability claims about products that are not based on a certification but are self-declared by brands, manufacturers, or sellers (IISD, 2023). These types of claims are often called sustainability marketing or advertising (CMA, 2021a). There is a need for further empirical study on the size and scope of this increase, since it is likely that some sectors are more affected than others. In the fashion industry, for instance, the number of clothes and accessories described as 'sustainable' quadrupled among online retailers in the US and UK over a four-year period (Financial Times, 2020).

A sweep of online marketplaces conducted by the International Consumer Protection and Enforcement Network suggests that around 40% of sustainability claims could be misleading (ICPEN, 2021). Results from Europe found that around 37% of firms used vague claims such as 'conscious', 'eco-friendly' or 'sustainable' suggesting that products had no negative impact on the environment (European Commission, 2021). Two considerations point towards the need for urgent action to crack down on this phenomenon, sometimes called 'greenwashing':

1. **An essential consumer right is at risk.** Access to 'adequate information to enable them to make informed choices' is enshrined as a legitimate consumer need in the UN Guidelines for Consumer Protection (UNCTAD, 2016), and rules against misleading claims (a form of unfair commercial practice) are a part of consumer law in most countries.

2. **Greenwashing breeds consumer scepticism.** 60% of consumers have lost trust in the sustainability information provided by companies, due to perception of greenwashing (Ernst & Young, 2021). This undermines companies who do the right thing by providing reliable and substantiated product sustainability information.

In response, different stakeholders have produced rules and guidance on how to make claims in a reliable way. These overlapping initiatives can be distinguished in the following ways:

- **Issued by public vs private bodies.** Many governments have issued guidance to businesses on how to make sustainability claims in a way that complies with consumer law (Consumers International and IISD, 2023). In parallel, business and self-regulation groups have developed their own practical guidance to help marketers (for example: WFA, 2022; AANA, 2022).

- **National vs international.** Most guidelines and documents describing criteria for making valid sustainability claims are produced for specific markets. However, they show few contradictions or areas of divergence, likely because most draw from existing international guidelines, especially the UN Guidelines for Providing Product Sustainability Information and the ISO 14020 series of international standards (Klintman, 2016).

- **What to do vs what not to do.** Most government-issued guidelines are formulated in terms of what not to do; however, certain countries such as the United Kingdom and Netherlands also state that the purpose is also to encourage valid and substantiated sustainability claims (ACM, 2021; CMA, 2021b). Most guidelines issued by non-public bodies combine advice on which practices to avoid with advice on which practices to adopt.

- **Principles-based vs term-based.** Guidelines that take a principles-based approach can be more wide-ranging and will likely be most successful in adapting to market, scientific, and technological changes. The United Kingdom's Green Claims Code includes the principles that 'claims are truthful and accurate' and 'clear and unambiguous', for example (CMA, 2021b). Terms-based guidelines, such as the International Chamber of Commerce's Framework for Responsible Environmental Marketing Communications (ICC, 2021), include specific definitions for commonly used terms, when they can and cannot be used, and the level and type of substantiating evidence required for each of them. This can help bridge the gap between a typical marketer's understanding of product sustainability and the level of technical knowledge required to make accurate claims.

A challenge has arisen for consumer protection authorities to effectively enforce guidelines, given the number of claims made, the complexity of assessing their reliability, and the resource limitations placed on most authorities. To ensure that actions by different stakeholders are effectively coordinated, decision-makers should consider a segmentation of sustainability claims (Figure 3).

Figure 3. Identifying and mitigating enforcement gaps regarding misleading sustainability claims.

SEGMENT OF SUSTAINABILITY CLAIMS	EXAMPLES OF MEASURES TO ADDRESS
Claims using terms which are by definition vague and impossible to substantiate, such as 'eco-friendly'.	Government bans on the use of claims using certain terms (for example: European Commission, 2022a; France, 2020) Online retailers carry out site surveillance and block market access for sellers using those terms.
Claims using terms which have a strong likelihood of being misleading, such as 'carbon neutral' or 'biodegradable'.	Detailed term-based guidance issued by consumer protection authorities and industry bodies, setting strict definitions and requirements for their use. Steps to harmonise term-based guidance internationally. Knowledge-sharing between marketers and sustainability experts within companies.
Claims that could or could not be misleading, depending on how they are made and the type and level of substantiation.	Principles-based guidelines issued by consumer protection authorities and industry bodies, harmonised at the international level. Capacity building and education for marketers. Increased compliance checks and enforcement actions by authorities to build up new case law which can provide more detailed guidance. Collaborative efforts between authorities and businesses to provide supplementary guidance on specific issues that arise, such as the use of LCA data in claims (NCA and ACM, 2022). Public registry of all decisions regarding the authorisation or non-authorisations of claims.
Claims that are linked to reliable third-party certifications, such as Type-I ecolabels.	Educating marketers on the value of third-party certifications, and how to integrate them into product claims.

It is likely that the middle two segments will pose the biggest enforcement challenges, given the contestable nature of these claims and the number of different stakeholders involved in making and verifying them. Policy changes can help to plug these enforcement gaps in two ways:

1. Reducing the size of the segments with the largest enforcement burden and increasing the size of the segments with the smallest.

    a. **Ban a wider range of terms (turning the orange segment red).** Research on the technical issues raised by the use of specific terms, and the negative impact of these usages on consumer behaviour and trust, can provide justification for policymakers to introduce new, term-specific bans.

    b. **Increasing prevalence of claims linked to third party certifications (enlarging the green segment),** for example by promoting the use of reliable, third-party certifications and removing barriers to access.

    c. **Increase the deterrent for making careless sustainability claims (narrow the yellow and orange segments).** Bigger fines and other penalties would disincentivise businesses from putting claims on the market before they are certain the claims are reliable.

2. Changing the way in which sustainability claims are regulated.

    a. **Exempting reliable third-party certifications.** Reliable, third-party verified sustainability labels and those run by public authorities can be excluded from certain regulatory requirements.

    b. Introducing a **pre-approval scheme** for sustainability claims. Currently, sustainability claims are only assessed by authorities if they are challenged. An advance control mechanism, as is already in place in the EU for health and nutrition claims on food, could prevent misleading claims from entering the market in the first place (BEUC, 2020).

    c. Set **substantiation requirements** for sustainability claims according to a standard methodology like PEF, as proposed by the European Commission (2022b).

CONCLUSION

Information is the bedrock of action on sustainable consumption. It allows all marketplace stakeholders to assess, prioritise, and learn together. It can unlock new pathways and dismantle old oppositions that stand in the way of change.

The sustainability information landscape is evolving rapidly, as stakeholders adapt to competition, new technologies, and changing consumer demands. In one sense, a range of information solutions is precisely what is required, given the diversity of different sectors, consumer types, and sustainability aspects. However, the current information fog serves nobody – least of all consumers.

Concerted, collaborative action is needed from all marketplace stakeholders to fix the issues highlighted in this report. Waiting for regulatory interventions or for action by competitors to clear the way is no solution. Consumers will continue to evolve, as will technologies. To implement lasting solutions that can adapt to rapidly changing markets, cross-cutting collaboration is required at both national and international levels. If we act now, we can take the first, foundational step towards achieving sustainable consumption and production patterns. If we delay, trust will corrode and the opportunity to harness the power of consumers for change will be lost.

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