



# Separating the Wheat from the Chaff: Advancing TRACEABILITY in the GREEN CLAIMS DIRECTIVE

## LoginEKO Position Paper on the Proposal for Green Claims Directive<sup>1</sup>

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#### A. Why it matters?

LoginEKO acknowledges the positive impact of eco- and sustainability- labeling but asserts that contemporary technology enables us to transcend simplistic labels. Our fundamental belief is that consumers deserve not just knowledge of a product's origin but a comprehensive understanding of its environmental impact. This encompasses every stage, from cultivation to the final consumer product. To truly “separate the wheat from the chaff” in the realm of environmental assertions, **transparency is the key**, empowering consumers to make informed choices that benefit both personal and planetary health.

LoginEKO welcomes the Proposal and wholeheartedly supports its overarching goals. However, despite its commendable intentions, the Proposal lacks necessary clarity on numerous crucial topics. Without proper guidance, there is a risk that it may become an administrative burden for companies without delivering tangible value to consumers. In response, LoginEKO proposes several solutions to prevent this outcome.<sup>2</sup>

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<sup>1</sup> Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on substantiation and communication of explicit environmental claims (Green Claims Directive), (COM(2023)0166 – C9-0116/2023 – 2023/0085(COD)), hereinafter referred to as the “**Proposal**”.

<sup>2</sup> Note that this Position Paper is primarily designed to address the specific considerations within the food sector, which is the primary focus of LoginEKO and Login5 Foundation. Nevertheless, we assert that the main principles and ideas presented in this Position Paper are equally applicable to other sectors. In the realm of environmental claims and labeling schemes, the degree of consumer protection

## B. LoginEKO recommendations – short summary

- To “separate the wheat from the chaff” in the realm of environmental assertions, LoginEKO fully supports the Proposal's intent to regulate environmental claims, but urges a **broader perspective on traceability and transparency** covering each and every step to the final product.
- Definition of **environmental labels and life cycle** should be improved.
- Directive should be universally **applicable to all traders**, irrespective of size and to all environmental claims, including **carbon offsetting claims**.
- Information about products or traders involved in environmental claims, along with their substantiation should be **publicly available via web link or QR code**.
- The significance of involving **relevant stakeholders in decision-making for adoption of delegated acts** under the Proposal, utilizing advisory panels and consultation bodies, should not be underestimated.
- The possibility of introducing a **sustainability rating for agrifood products**, similar to the EU energy efficiency rating should be explored.
- LoginEKO's traceability model could set a **standard for the EU**. LoginEKO plans to provide a simple **traceability solution at no cost to interested parties**, emphasizing commitment to transparency and consumer empowerment.
- LoginEKO advocates for a **fair enforcement system** that penalizes environmentally harmful practices while offering **financial support** for positive contributions to the environment. In this regard, **LoginEKO's traceability model could serve as an objective means to determine sustainability ratings**, thus facilitating distinctions, and determining appropriate rewards or penalties based on companies' environmental practices.

## C. Explanation

### *Let's expand the definitions*

When defining an **environmental label**, the Proposal adopted a restrictive approach:

*Environmental label means a sustainability label covering only or predominantly environmental aspects of a product, a process or a trader.*

Such a narrow definition increases the risk of traders adding non-environmental parameters to their labeling schemes to fall outside the scope of the Proposal. Therefore, the definition of environmental labels should be improved to ensure the Proposal applies consistently to any and all labels covering one or more environmental aspects, even if they include other dimensions like social or quality aspects.

**Such solutions have been proposed in Amendments No. 12, 238, 254-256.**

Furthermore, the Proposal's definition of a **life cycle** should be expanded to encompass crop production and transportation, thereby encompassing all stages of a product from raw ingredients (production) to the final product.

**Such solutions have been proposed in Amendment No. 259 and in our suggestion for a new Amendment No. 822 (see below).**

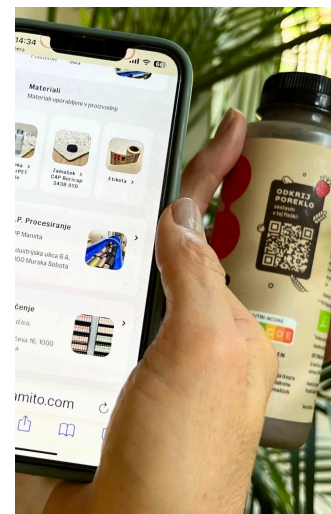
### *Publicly available information*

The Proposal suggests making information about products or traders involved in environmental claims, along with their substantiation, accessible to the public. This process can be simplified and modernized through use of mandatory QR codes or weblinks. For instance, scanning the [QR code](#) on our product, [Njamito](#), lets consumers trace its entire journey - from raw ingredients and production to high-pressure processing (HPP), packaging, storage, and distribution - and even check its expiration date in real time.

**Such solutions have been proposed in Amendment No. 470 and in our suggestion for a new Amendment No. 823 (see below).**

### *Advisory Panel*

In the process of adopting delegated acts that specify the requirements for substantiating and communicating environmental claims under the Proposal, it is vital for the



Commission to ensure the regular participation of all relevant profiles of various stakeholders through advisory panels and consultation bodies. The Commission's adoption of these acts to apply on the EU level should be mandatory, and LoginEKO is ready to offer a high level of involvement by contributing existing traceability solutions and those we will continue to develop, with the traceability method serving as a crucial element for substantiation.

Such solutions have been proposed in Amendments No. 50, 130, 393, 506-507, 615, 778 and 784.

### ***Requirements to apply to all traders and to all environmental claims***

Environmental claim requirements must apply universally to **all traders**, including microenterprises<sup>3</sup> currently exempt, to align with the Proposal's objective. Addressing potential burdens for microenterprises can be managed with simplified procedures and (advisory, financial, etc.) support. However, excluding them from the scope contradicts the Proposal's goal of preventing greenwashing, as even the smallest companies can have an impact and mislead consumers in this context.

Such solutions have been proposed in Amendments No. 45, 111, 136-137, 160, 168, 377-379, 408, 434, 500-501, 533, 618, 624, 626-627, 645, and 698-700.

On a similar note, requirements shall be applicable generally to all environmental claims as defined in the Proposal,<sup>4</sup> including claims based on **carbon offsetting**. The substantiation of those claims must adhere to the methodology to be further defined in the Commission's delegated acts, relying on complete transparency and [traceability](#), thus eliminating the possibility of hidden trade-offs.

Such solutions have been proposed in Amendments No. 89, 341-343, 387, and 401.

### ***Enforcement***

Regarding enforcement, LoginEKO supports the fines introduced by the Proposal for companies engaging in misleading practices and enhanced regulatory control. However, relying solely on a punitive regime is not sufficient for effective enforcement. Ideally,

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<sup>3</sup> According to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium- sized enterprises (OJ L 124, 20.5.2003, p. 36), microenterprises have fewer than 10 employees and their annual turnover does not exceed EUR 2 million.

<sup>4</sup> The Proposal in connection with the Proposal for a Directive on empowering consumers for the green transition includes the following definition: **Environmental claim** means any message or representation, which is not mandatory under Union law or national law, including text, pictorial, graphic or symbolic representation, in any form, including labels, brand names, company names or product names, in the context of a commercial communication, which states or implies that a product or trader has a positive or no impact on the environment or is less damaging to the environment than other products or traders, respectively, or has improved their impact over time.



companies should be incentivized to adopt production methods with a lower environmental footprint. In line with this, LoginEKO advocates for a fair approach that penalizes environmentally harmful practices while offering funding and other financial support (including by reduced national taxes) to those making positive contributions to the environment. This capability allows for appropriate rewards or penalties for companies based on their environmental practices.

**Such solutions have been proposed in Amendments No. 717 and in our suggestion for a new Amendment No. 824 (see below).**

#### D. Traceability is the real solution

LoginEKO is concerned that the Proposal's requirements may lead to confusion affecting companies facing a methodology burden without clear guidance, and consumers, who may find it challenging to navigate. In response, LoginEKO suggests a simple solution: [traceability](#).

Going beyond, our commitment involves achieving complete traceability from seed to storage and raw ingredients to consumer products. This year, we seek to enhance transparency by highlighting environmental impacts, exploring a sustainability rating for agrifood products for EU adoption, akin to the EU energy efficiency rating. More information about our traceability model can be found on our website [here](#).

## E. Amendments

Amendments referenced in this document are explained in the official documents available [here](#).<sup>5</sup>

Additionally, LoginEKO proposes the following new Amendments No. 822-824:

<p><b>Amendment 822</b></p> <p><b>Proposal for a directive</b></p> <p><b>Article 2 – paragraph 1 – point 13</b></p>	
<p><i>Text proposed by the Commission</i></p> <p>(13) ‘life cycle’ means the consecutive and interlinked stages of a product’s life, consisting of raw material acquisition or generation from natural resources, pre-processing, manufacturing, storage, distribution, installation, use, maintenance, repair, upgrading, refurbishment as well as re-use, and end-of-life;</p>	<p><i>Amendment</i></p> <p>(13) ‘life cycle’ means the consecutive and interlinked stages of a product’s life, consisting of raw material acquisition or generation from natural resources, <b>including crop production</b>, pre-processing, manufacturing, storage, <b>transport</b>, distribution, installation, use, maintenance, repair, upgrading, refurbishment as well as re-use, and end-of-life;</p>

<sup>5</sup> [https://www.europarl.europa.eu/doceo/document/CJ45-PR-753670\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/CJ45-PR-753670_EN.pdf) (Amendments 1-56)  
[https://www.europarl.europa.eu/doceo/document/CJ45-AM-756117\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/CJ45-AM-756117_EN.pdf) (Amendments 57-357)  
[https://www.europarl.europa.eu/doceo/document/CJ45-AM-756118\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/CJ45-AM-756118_EN.pdf) (Amendments 358-727)  
[https://www.europarl.europa.eu/doceo/document/CJ45-AM-756119\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/CJ45-AM-756119_EN.pdf) (Amendments 728-821)

<p><b>Amendment 823</b></p> <p><b>Proposal for a directive</b>  <b>Article 5 – paragraph 6 – subparagraph 1</b></p>	
<p><i>Text proposed by the Commission</i></p> <p>Information on the product or the trader that is the subject of the explicit environmental claim and on the substantiation shall be made available together with the claim <b><i>in a physical form or in the form of a weblink, QR code or equivalent.</i></b></p>	<p><i>Amendment</i></p> <p>Information on the product or the trader that is the subject of the explicit environmental claim and on the substantiation shall be made <b><i>publicly</i></b> available together with the claim <b><i>in the form of a weblink, QR code or equivalent; physical form is optional.</i></b></p>

**Amendment 824****Proposal for a directive  
Article 12**

*Text proposed by the Commission*  
Small and medium sized enterprises

Member States shall take appropriate measures to help small and medium sized enterprises apply the requirements set out in this Directive. Those measures shall at least include guidelines or similar mechanisms to raise awareness of ways to comply with the requirements on explicit environmental claims. In addition, without prejudice to applicable state aid rules, such measures may include:

- (a) financial support;
- (b) access to finance;**
- (c) specialised management and staff training;
- (d) organisational and technical assistance.

*Amendment*

**Micro**, small and medium sized enterprises

Member States shall take appropriate measures to help **micro**, small and medium sized enterprises apply the requirements set out in this Directive. Those measures shall at least include guidelines or similar mechanisms to raise awareness of ways to comply with the requirements on explicit environmental claims. In addition, without prejudice to applicable state aid rules, such measures may include:

- (a) **EU and national grants, subsidies, loans, guarantees and equity, and other EU and national funding and** financial support;
- (b) **lower national tax rates;**
- (c) **improved** access to finance;
- (d) specialised management and staff training;
- (e) organisational and technical assistance.





Considering all amendments proposed, we recommend to:

- Vote + for Amendments No.: 12, 45, 50, 89, 111, 130, 136-137, 160, 168, 238, 254-256, 259, 341-343, 377-379, 387, 393, 401, 408, 434, 470, 500-501, 506-507, 533, 615, 618, 624, 626-627, 645, 698-700, 717, 778, 784.
- Table suggested new Amendments No. 822-824.
- Vote - for Amendments No.: 56, 113, 138, 162, 253, 380-385, 429-433, 457, 461-462, 487-490, 502-504, 619-623.



## F. About LoginEKO and Login5 Foundation

We are tackling the challenges in our food system from our 3,500 ha organically certified farm to the table. We want to ensure healthy food for everyone for generations to come.

We are creating sustainable solutions to facilitate the transition to a sustainable food system in the areas of sustainable farming, farming software, food development, wholesale, traceability, and legislation.

We will share every part of our developed knowledge, software, and tools for free when they have proven useful in our tests.

[Subscribe](#) to our newsletter for our latest insights.

The [LoginEKO](#) project is supported by the [Login5 Foundation](#).