# eco@work

December 2024

Sustainable reading from the Oeko-Institut

# The power of consumers

Within the right framework, with suitable methods

Targeted support Interview with Jochen Geilenkirchen

# The transition triangle



Christof Timpe CEO, Oeko-Institut c.timpe@oeko.de

Will I have to do everything myself? Many consumers ask this question when the issue of the transition to sustainability arises. Whether it's buying locally sourced, plant-based organic foods, switching to green power, cycling or taking the bus instead of the car – there is no shortage of tips on how to behave sustainably. To enable consumers to make the right choices, however, the right frameworks often have to be put in place first: this requires companies to offer sustainable products and government regulation to create the right incentives (as well as legal bans in some cases if necessary). The question we must ask ourselves is this: in the stakeholder triangle – businesses, policy-makers and consumers – who is responsible for what? Where do businesses and policy-makers need to take action first, before consumers can make good choices?

It's a question that we have to clarify sector by sector. There are some areas where all the stakeholders can take action. Transport is an example: here, the state – from the federal to the local level – must ensure that good bus and rail services, attractive cycle routes and footpaths are available while dismantling the privileges enjoyed by car transport. Industry must offer comfortable, emissions-free vehicles. And consumers have a role to play as well – by managing without a car whenever possible and taking the bus or cycling instead, or perhaps simply walking from time to time.

To empower us to adopt sustainable behaviour, the right services and frameworks have to be in place. So they are a key focus of attention in this issue of eco@work. But we also identify areas where, as consumers, we are in the driving seat and can make a major contribution to environmental protection and climate action. We show that we can make a difference – if suitable and affordable offers are available. In my neighbourhood, for example, it is not always possible for everyone to make every journey by public transport or bike. And a crate of one's favourite beer isn't easy to pack into a cycle bag. That's one of the reasons why I still own a car, which I rarely have to use these days, I'm happy to say. I've signed up to a carsharing scheme, with the first (electric) car now available nearby – but there's just the one. If the scheme is expanded and a cargo bike is even added at some stage, I hope to be able to get rid of the car for good.

We don't have to do everything ourselves. We have to do it together. Are you with us?

Yours, Christof Timpe

# CONTENTS

#### IN FOCUS

- 3 "A shift in production is pivotal" Interview with Jochen Geilenkirchen (vzbv)
- 4 We want it but can we have it? The framework for sustainable behaviour
- 8 More beans, less beef Where does sustainable behaviour pay off?



eco@work – December 2024 – ISSN 1863-2025 Published by: Öko-Institut e.V. Edited by: Mandy Schoßig (mas), Christiane Weihe (cw) Responsible editor: Christof Timpe Translated by: Christopher Hay Design/Layout: Hans Löbermann – Technical implementation: Markus Werz Address of editorial office: Borkumstraße 2, 13189 Berlin, Germany Phone: +49 (0) 30/4050 850, redaktion@oeko.de, www.oeko.de

.....

Account Details for Donations: GLS Bank, Bank Code No.: 430 609 67, Account No.: 792 200 990 0, IBAN: DE50 4306 0967 7922 0099 00, BIC: GENODEM1GLS Donations are taxdeductible for German income tax purposes.

Picture Credits: Title: DC studio @ freepik.com; p. 3 above: MicroStockHu @ istock.com, below: Gerd Baumbach @ vzbv; p. 4: amriphoto @ istock.com; p. 8: amy-vann @ unsplash.com

# "A shift in... production is pivotal"

Protecting the rights of consumers and supporting them on a range of issues from pension provision to food buying is the stated objective of the Federation of German Consumer Organisations (vzbv). It also focuses on sustainability - with regard to financial investments and food alike. Jochen Geilenkirchen is the Federation's Policy Officer for Sustainable Consumption. Among other things, he analyses the regulations that are intended to protect consumers - including the EU's Green Claims Directive, whose purpose is to define the rules applicable to product-related environmental claims. In this interview with eco@work, he explains why this Directive is so important and which other opportunities exist to support sustainable behaviour by consumers.

#### Jochen Geilenkirchen, how can consumers be empowered to act sustainably?

First of all, they need guidance. Due to the multitude of claims that promise benefits from climate neutrality to bee-friendliness, it is almost impossible to differentiate those that have real substance and products that are genuinely sustainable. There is a high level of uncertainty around labels as well. Very many consumers are keen to act sustainably but sadly, this often comes down to money. With food products in particular, the price level is far higher nowadays than it was a few years ago. For that reason, more support should be provided here, particularly for low-income households.

### Which other pathways towards more sustainability do you identify?

As one example, all the sustainability labels should be certified by an independent body. The EU's Supply Chain Directive (CSDDD) can potentially make a significant contribution as well: it is intended to safeguard standards in supply chains, but puts a strong focus on social sustainability. So on its own, it can't solve the issue, and in any case, it is being called into question to a significant extent again. The Empowering Consumers Directive and the Green Claims Directive are other steps towards giving consumers more clarity on product sustainability. Relying solely on ex-post lawsuits by civil society organisations such as vzbv to remove misleading claims from the market is not a long-term solution.

## Are the EU directives effective in their current form?

They are certainly useful and a start has been made, which is a good thing. What is needed are clear rules on the methods to be used in substantiating claims, which should apply to all companies. What's more, from our perspective, there should not only be accreditation and therefore assessment of the bodies that check whether companies are complying with the provisions of the Directive. The process itself – in other words, how the inspection bodies carry out the checks – should also be assessed and accredited. That's not envisaged at present.

## What kind of claims does the vzbv take action against?

Claims about climate neutrality, among other things. Studies show that nine out of 10 consumers who buy a product advertised as climate-neutral believe that no climate-damaging gases were emitted in the manufacturing process. But with today's technology, that's simply not possible – especially in the case of a product like "climate-neutral heating oil". These claims are generally based on offsetting, and that is far from reliable as well.

#### When does vzbv take action?

As an example, we issued a written warning to FIFA because it claimed that the World Cup in Qatar was "carbon-neutral". But we don't undertake systematic market surveillance; instead, we monitor the market, investigate complaints by consumers and take action against particularly flagrant cases of misleading claims.

#### What role does business have to play?

A shift in production is a pivotal issue. Regulation is required for that, because we have seen in recent years that voluntary commitments don't work. The goal must be to achieve compliance with clearly defined sustainability standards in supply chains. However, a further aim is to ensure that production-related impacts, such as environmental pollution, are factored into product prices, without losing sight of the issue of continued affordability for the consumer.

Thank you for talking to eco@work. The interviewer was Christiane Weihe.



Talking to eco@work: Jochen Geilenkirchen, Policy Officer for Sustainable Consumption at the Federation of German Consumer Organisations (vzbv). Jochen.Geilenkirchen@vzbv.de

# We want it but can we have it? The framework for sustainable behaviour

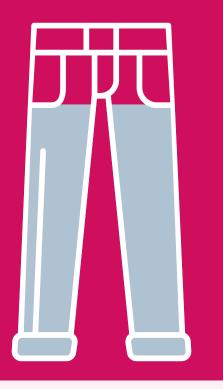
Balcony solar power is trending now: more than half a million balcony solar systems have already been installed in Germany – with around 220,000 plug-in PV devices added in the first half of 2024 alone. With a gross capacity of 200 megawatts (MW) – enough to meet around 50,000 people's electricity needs – these newly installed systems are a driver of Germany's energy transition. The message is clear: consumers have a wealth of power – if they move forward together. But what motivates us to harness this potential? Which frameworks do we need? And where can we find guidance on action that is genuinely sustainable?



The transition to sustainability needs each and every one of us. That doesn't just mean every consumer. It means the whole of society: policy-makers to establish the right frameworks and an economy that sustainably produces the right products. "If sustainable behaviour costs more or takes more effort, it's understandable if many consumers don't act accordingly," says Dirk Arne Heyen from the Oeko-Institut. "Politicians and businesses have more leverage, but without demand and pressure from consumers, it can't be done. Simultaneous action by stakeholders is required." If everyone moves forward together, this can have a significant effect. "That's underlined by the example of balcony solar systems," says Heyen, a Senior Researcher in the Environmental Law and Governance Division. "The boom in sales of these systems would not have been possible without technological improvements and the lowering of technical and bureaucratic hurdles. It is undoubtedly fuelled by the reform of tenancy law in summer 2024 as well – landlords must now approve installations unless they have compelling reasons to refuse." In Heyen's view, a sense of self-efficacy and the "social contagion" phenomenon also play a role. Studies show that households are more likely to install solar panels on their own rooftops if their neighbours have already done so. "We are influenced by others' behaviour and are more likely to feel that we can make a difference if others are making an effort as well."

#### **READY FOR SUSTAINABILITY?**

But how willing are consumers to embrace sustainability when making everyday consumption decisions? **73 per cent** of consumers look at the labels when buying a pair of jeans.



A survey conducted as part of the project "The Consumer as an Actor in Supply Chain Regulation" shows that the interest is there, with more than half of the respondents claiming to have a "strong" or "very strong" interest in human rights abuses or environmental problems in supply chains. "Other surveys show that for most people, environmental performance in food production and the durability of products are key criteria influencing their purchasing decisions," says Dirk Arne Heyen. What's more, many of them are holding themselves accountable. Eighty-six per cent believe that German companies have a duty to solve existing problems in their supply chains, according to the Oeko-Institut's survey, conducted in cooperation with

infas. However, 70 per cent think that consumers have a responsibility as well. And most of them are willing, in principle, to take action themselves: the majority are already buying products with the specific aim of championing human rights and environmental aspects in supply chains (58 per cent) and many more can envisage doing so (33 per cent).

But what informs our decisions on which product to buy and which one is better left on the shelf? In the case of balcony solar power or cycling, it is obvious that these are sustainable choices. However, with many products, such as cosmetics, food or furniture, it is less clear-cut. The supply chain project shows that consumers wishing to access information about textile production practices, for example, mainly rely on Internet search engines (75 per cent) – and labels (73 per cent). "Consumers are confronted on a daily basis with an ever-increasing amount of environmental information about products and services. Green claims can take a variety of forms, such as text or eco-labels, or even graphics that merely resemble eco-labels. They often hold out the promise of eco-friendly production, packaging or fair trade. Are these green claims - such as the pledge that a product is 'climate-neutral' - really justified? That's often impossible to follow up," says Dr Florian Antony, a Senior Researcher in the Oeko-Institut's Sustainable Products and Material Flows Division.

The issue of green claims is currently being investigated by the Oeko-Institut's researchers together with the Hamburg-based law firm Rechtsanwälte Günther Partnerschaftsgesellschaft in an ongoing study entitled "Avoiding Greenwashing, Strengthening Ecodesign" on behalf of the German Environment Agency (UBA). Consumers find the plethora of green claims confusing, says Heyen. For example, the latest Environmental Awareness Study shows that 79 per cent of respondents are often unsure whether a product is genuinely eco-friendly. What's more, a recent SINUS survey reveals that many people have no idea what is behind the "climate-neutral" claim. This is the case even with the legally protected terms "organic" and "biological" that apply to foods. "Consumers' knowledge of various labels and claims is still limited," the researcher says. And he points out that although information offerings such as siegelklarheit.de exist, it cannot be assumed that the majority of consumers will take active steps to access information.

"Of course there are trustworthy and useful labels such as energy labelling, the Blue Angel or Germany's official Bio-Siegel label for certified organic products, which are widely recognised.



According to one survey, **58 per cent** 

of respondents buy products with the specific aim of championing human rights and environmental protection in supply chains.



The Environmental Awareness Study reveals that

# 92 per cent

of respondents want tougher controls on green claims.

But nowadays, there is also a plethora of labels, logos and slogans that hint at environmental benefits but make false, vague or incomplete claims - greenwashing, in other words," says Dirk Arne Heyen. They do so for understandable reasons: consumers are influenced by labels and claims and prefer to buy these products. According to the Environmental Awareness Study, 39 per cent of respondents always refer to the EU Energy Label when deciding on a purchase, while a further 43 per cent do so often or very often. The Biosiegel and Fairtrade labels are often influential as well. "But claims about climate neutrality also influence purchasing decisions - and even the visuals and colours on packaging," says the Senior Researcher.

#### **TWO DIRECTIVES**

We don't know enough, yet we're easily influenced. Despite that, can we find the right pathway towards sustainable products? Our chances of doing so could certainly be improved. "Product-related green claims have an effect, so of course companies use them. One problem is that many of these claims have not been clearly substantiated or independently verified by a third party. Policy-makers must aim to exclude baseless claims and labels from the market. Ultimately, this will also benefit businesses which make well-founded green claims that consumers can rely on," says Dr Florian Antony. An overwhelming majority of consumers also want to see tougher government regulation and independent monitoring of green claims, as the Environmental Awareness Study and other surveys show

Two EU directives now specifically aim to improve this guidance in practice.

The Directive on Empowering Consumers for the Green Transition, which has already been adopted, is intended to assist consumers to make more informed purchasing decisions."It follows the 'no data, no claim' principle – which means that without corresponding baseline data, no further claims may be made about the eco-friendliness of a product. In addition, no environmental benefits may be claimed for a product as a whole if the characteristics being promoted only relate to part of it," Dr Florian Antony explains. "There is now also a ban on displaying sustainability labels that are not established by public authorities or based on a recognised certification scheme." In addition, the Directive sets out criteria for determining what constitutes a misleading practice for legal purposes. "It is intended not only to improve claims that are targeted at consumers, but also to ensure a level playing field for businesses."

While the Empowering Consumers Directive has already been adopted, the Green Claims Directive is still under way. "It sets out more or less specific requirements relating to the substantiation and communication of environmental claims," Dr Antony explains. "Both of these initiatives represent a significant push by the European Commission to address an obvious problem. I hope that their level of ambition will not be watered down in the next legislative term and that we will ultimately see genuine improvements in the guidance available to consumers." Dirk Arne Heyen agrees that the directives are a major step towards more guidance for consumers. "Until now, consumer organisations, with their various lawsuits, have taken on the task of holding businesses accountable if they make false sustainability claims. It will make things easier for everyone if there are clearer rules in place for the EU as a whole."

# MORE THAN JUST LABELS

Of course, when it comes to sound frameworks for sustainable behaviour, adequate product labelling is only part of the story. "Appropriate infrastructures, such as good cycle paths and an attractive public transport system, are also needed. Carbon pricing is another important tool in making climate-damaging goods and services less appealing," says Dirk Arne Heyen. At the same time, creating appropriate frameworks for sustainable behaviour also means keeping sight of what is feasible and affordable for people in diverse life situations. "This means financially empowering certain groups to invest in sustainability. For example, targeted subsidies or a special bonus for low-income households can make a contribution here."

Christiane Weihe



What are the governance options for the transition to sustainability? And which social issues arise in connection with environmental and climate policy? These questions are addressed by Dirk Arne Heyen at the Oeko-Institut. Based in the Environmental Law and Governance Division, he looks at consumer attitudes to environmental and climate policy measures, among other things. d.heyen@oeko.de

# More beans, less beef

Where does sustainable behaviour pay off?

Take the train instead of a plane. Travel by bike, not by car. Opt for organic instead of conventional. Be a model of efficiency, not an energy guzzler. There are countless ways to behave sustainably. So many, in fact, that despite their intentions to switch to environmentally aware, climate-conscious consumption

In the project "Big Points of resource-conserving consumption: An issue for consumer advice beyond energy efficiency and climate protection" on behalf of the German Environment Agency (UBA), the Oeko-Institut has defined the main areas where sustainable action is particularly worthwhile. "In our analysis, we identified the most important fields of action and product groups for resource-conserving consumption and where relevant possibilities for action exist for consumers. We also looked at the intersections with energy-efficient and climate-friendly consumption," explains Dr Florian Antony, a Senior Researcher in the Oeko-Institut's Sustainable Products and Material Flows Division.



An eco-friendly, health-conscious diet can reduce nutrition-related environmental impacts by

**50** per cent.

The project aimed to make information available for consumer consultations in order to activate them as multipliers. It focused on eight key areas of action, including the three – nutrition, living and mobility - that are most relevant from an environmental perspective. Nutrition, for example, accounts for more than 20 per cent of our greenhouse gas emissions. "Anyone wishing to embrace a lifestyle that protects the climate and resources should reduce the amount of animal products in their diet, eliminate products that were transported by plane and greenhouse products and choose organic products - this can halve their nutrition-related environmental impact," Dr Antony explains. Living also has a role to play. "Although it's not always easy to put in practice, it's also about a reduction of living space. Furnishing with durable products and efficient household appliances that are used economically is helpful as well." Individual mobility can also make a big difference - a reduction of environmental pollution by more than 50 per cent appears to be possible here. "This can be achieved by using public transport, eliminating air travel and doing without a private car." According to the study, buying fewer, high-quality garments that are produced in an environmentally friendly manner and are worn for a long time can also make a significant difference. Energy efficiency is relevant when buying ICT products as well, and there is leverage in using these devices for as long as possible. "And for consumers with the financial means, another option is to invest in renewable energy production plants or sustainable investment products."

- or, indeed, non-consumption – consumers are often so confused that they sometimes take no action at all. So when does it genuinely pay off to challenge and change our own behaviour? Where can consumers really make a difference? And is there a chance that we ourselves might actually benefit?

#### INTERNALISE ENVIRONMENTAL COSTS

Understandably, consumers often base their consumption decisions on the costs that they will incur. However, many are unaware that most products have external costs that are associated with their impacts on health and the environment, for example. As a rule, these external costs are not factored into the product price - which means that they are not covered at all, or must be borne by society. "A better understanding of these costs could be helpful in influencing consumer decision-making," says Dr Florian Antony. The project "Internalisation of the external environmental costs of food" on behalf of the German Environment Agency (UBA) aims to make these external costs more visible. It also looks at another question: to what extent the internalisation of costs offers scope to reduce the environmental impacts of our food. The project team therefore investigated various approaches for the internalisation of environmental costs, including levies such as carbon pricing, disposal charges, regulation, e.g. via pollution licences, and emissions trading. "We have produced factsheets in which we describe the possible governance and impacts of these internalisation approaches. For example, a climate levy on food could help motivate consumers to switch to more climate-friendly foods overall."



9

Together with project partner INFRAS, the researchers have also outlined costs associated with environmental impacts in food production - such as those associated with soil and water pollution or biodiversity loss. In Germany, the consumption of meat and dairy products alone generates external costs running into billions - estimated at 8.3 billion euros for beef, 5.1 billion euros for pork and 4.8 billion euros for cheese annually. Ideally, the prices we pay for food should in future more accurately reflect the environmental impacts of producing these foods. "Accounting for environmental costs and their internalisation also provides us with another strong argument in favour of a more plant-based diet."

#### SUSTAINABLE EVERY DAY

For anyone wishing to build environmental and climate protection into their daily life, the Oeko-Institut – in response to the 2022 energy crisis – has compiled nine simple tips on how to save energy at home. "Merely reducing the room temperature by one degree produces a saving of 720 kilowatt-hours (kWh) or 115 euros a year. And by not showering one day a week, you can save 280 kWh and 45 euros over the year," Dr Florian Antony explains. Installing a water-saving aerator shower head offers similarly high potential, namely 240 kWh and 38 euros. "And it pays to invest in efficient household appliances. For example, a new dishwasher with an 'A' energy efficiency rating saves 90 kWh and roughly 33 euros." tious by all means, but let's be kind to ourselves as well. We don't have to get everything right first time. It is about starting out on the journey. And then we'll find that there are many good opportunities to make a difference."

Christiane Weihe

## A BETTER LIFE

.....

In conclusion, as the Oeko-Institut's Senior Researcher points out, sustainable behaviour can pay off - not only for the environment and climate, but also for ourselves. "The debate about sustainable behaviour is often a debate about loss – about things we should no longer be buying, eating or doing. But sustainability can lead to many positive changes for everyone - if, for example, we analyse and question our own needs and look at whether our consumption is truly satisfying to us or we are simply chasing after things that we don't really need. Developing an awareness here gives us some breathing space." At the same time, sustainable behaviour can create a positive and empowering feeling of self-efficacy, he says. He advises consumers simply to make a start instead of waiting - probably in vain for the perfect solution. "Let's be ambi-



Sustainable consumption is the main focus of Dr Florian Antony's research. A biologist in the Sustainable Products and Material Flows Division, he conducts evaluations of processes and technologies, life cycle assessments and material flow analyses. He is also the Head of the Sustainable Food Systems and Lifestyles Subdivision. The methods he applies include the Corporate Climate Footprint (CCF), Product Environmental Footprint (PEF) and Product Carbon Footprint (PCF). f.antony@oeko.de