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After Nutri-Score, Get Ready for Eco-Score

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It's only been a few months since the launch of the front-of-pack label Eco-Score, but it seems to have gotten off to a flying start. Both discounter giant Lidl and Belgian supermarket Colruyt have already expressed interest in using this environmental guide for consumers in their stores. If anything, this is a sign that food producers had better take Eco-Score seriously.

Just as Nutri-Score encourages consumers to make a healthier choice, Eco-Score similarly aims to make it easier for consumers to consider the environmental and ecological impact when purchasing food. If Eco-Score continues to catch on, food producers will soon be competing more directly on sustainability, likely resulting in more transparency regarding sourcing and packaging, as well as in greater motivation to pursue certification.

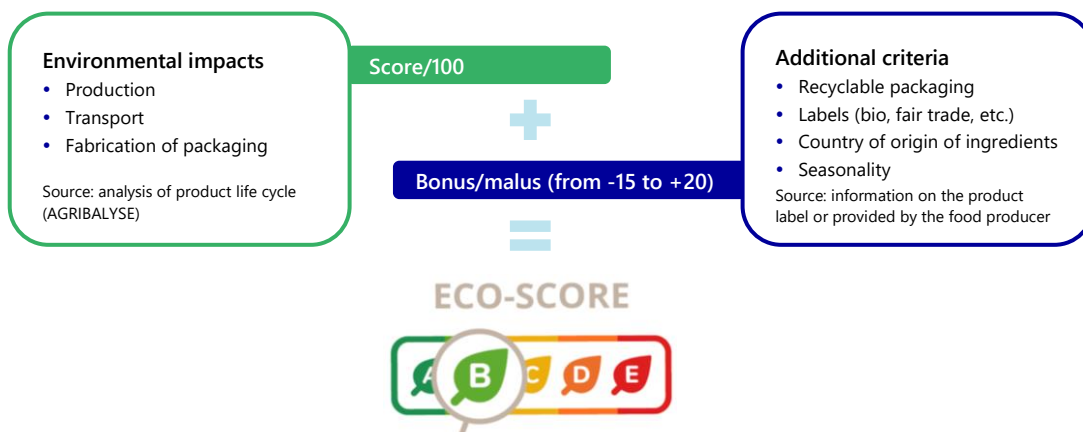
Food Industry Helps Consumers to Make More Sustainable Choices in the Supermarket

Eco-Score, a front-of-pack label that measures the environmental impact of a product, was launched in January 2021 by a collective of ten French initiators (including ECO2 Initiative, Open Food Facts, and ScanUp). This environmental label has many similarities with the successful introduction of the health label [Nutri-Score](#) in 2017.

Several supermarkets have indicated their intention to implement or test Eco-Score in their stores. Colruyt in Belgium is already using it, and in April of this year, Lidl announced it will be piloting the use of Eco-Score in its Berlin supermarkets.

Eco-Score allows consumers to consider the environmental impact of a product when shopping. An A score suggests the product is a sustainable choice, while an E score represents a relatively high environmental footprint. What makes Eco-Score unique is the integration of many sustainability aspects in one label; something that does not yet exist. To date, only organic or fair-trade certifications are widely used. However, they do not take into account the total environmental footprint of a product, but rather focus on the production method. After all, a fair-trade, organic banana might still have a higher environmental impact than a conventional apple. Eco-Score captures the total environmental footprint, making it easier for consumers to compare products.

Figure 1: Eco-Score



Source: <https://docs.score-environnemental.com/>, Rabobank 2021

The Eco-Score calculates the environmental footprint of a product using the Product Environmental Footprint (PEF) method, which is based on Life Cycle Assessment (LCA). This means the total footprint (from farm to fork) of a product is taken into account, and generally accepted emission factors from AGRIBALYSE (developed by the French Environment and Energy Management Agency, ADEME) are used to make these calculations.

In addition to the LCA calculation, bonus or penalty points are given for several areas where the LCA method is considered inadequate. These include product origin, certification for a particular production method such as organic or fair trade, packaging, biodiversity, and seasonality. The LCA awards a score between 0 to 100, and the bonus or minus points can give a downgrade or upgrade ranging from -15 to +20 points. This results in a final score from A to E, similar to the already existing Nutri-Score.

Nutri-Score Leading the Way

Already successfully launched some years ago, Nutri-Score is now being used in major supermarkets across Europe. The setup of Nutri-Score is very similar to that of Eco-Score, awarding products a nutritional score ranging from A (very healthy option) to E (unhealthy option). Initial empirical and practical evidence shows that the label helps consumers make healthier choices. Moreover, as food retailers embrace Nutri-Score, the label indirectly 'pushes' food producers to reformulate their products in order to get a better Nutri-Score (than their competitors).

Implications for Food Producers: A New Kind of Competition

When asked, the majority of consumers say they care about the environmental impact of their food and crave clearer information on this. Even though we all know that what people say and what they do can differ, Eco-Score should make it easier for consumers to make purchasing decisions beyond price and taste.

Once retailers start to endorse this score, it will be up to food producers to position themselves accordingly. It is to be expected that food producers will try to compete by adjusting or reformulating their offerings to achieve a higher Eco-Score. Or, they might even be asked by food retailers to improve their Eco-Score, especially in the case of private label products. As a result, food producers will be competing more directly on sustainability.

This new competitive dimension could expand the number of competitors to include not only products within the same food category, but also products beyond that food category. For example, a consumer looking for a Friday night snack might, based on a certain Eco-Score, decide to replace their regular cashew nuts with a more sustainable version, or they could decide to go for potato chips instead (which generally have a better Eco-Score). Similarly, a shopper might be surprised by the high environmental footprint of an avocado and opt for hummus on their toast instead. These possible shifts could trigger some food producers to rethink their product portfolio and/or to consider reformulating their products with more sustainable ingredients.

All of this raises the question of how food producers can improve their Eco-Score and stay ahead of competition. The LCA calculation gives an 'average' emission for a particular food, such as bread. In order to boost their score, a producer is incentivized to get some bonus points. To obtain these bonus points, a producer must not only implement more sustainable practices, they must also prove it. Hence increased transparency by the food producer will pay off. The more information on origin, sustainable packaging, or production method, the more likely the score will be upgraded. The same goes for organic or fair-trade certification; it is one of the few options to outperform competitors with similar products.

A big difference between the effects of Nutri-Score and Eco-Score for producers is the fact that all the information needed for Nutri-Score was already on the packaging, but on the back of the pack and usually too detailed for the average consumer to understand. This is not the case for Eco-Score. Except for the occasional organic or fair-trade certification, the environmental footprint is nowhere to be found on the front or back of the pack. Therefore, the introduction of Eco-Score will encourage producers to be more transparent about environmental aspects across their entire supply chain.

We encourage the development of a front-of-pack environmental label, as it helps consumers make more sustainable choices and indirectly pushes producers to take steps in the right direction. Even if there are some objections against the specific method used by Eco-Score, it is an interesting first attempt.

Imprint

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