

THE RISE OF ECO LABELS: WHAT SHOPPERS AREN'T BEING TOLD

BY NICOLE BOWEN

From Lidl shops in Germany to Tesco aisles across the UK, “organic,” “natural,” and “sustainable,” are labels that appear in every supermarket.

The labelling of food products has become dramatically more disorganised over the past decade. There are now more than 230 sustainability labels and 100 different green energy labels being used throughout the EU, even on items such as bottled water.

And with the implementation of the 2024 ‘EU Directive on Empowering Consumers for the Green Transition’, the situation is only about to get more complicated. This legislation is an important attempt to guard consumers from deceptive environmental marketing.

Claims which are not backed by publicly accessible and verifiable evidence are banned, with minimum criteria to be put in place for environmental labelling schemes.

Legislative changes can be traced to longstanding issues with the EU’s main food labelling law, the 2011 ‘Food Information to Consumers Regulation’. This sets the rules for what information should be on packaging, including ingredients, allergens, nutrition, and sometimes origin.

Yet, there is no standardised definition for green labels across the EU, and many remain in a regulatory grey zone.

Over half of all environmental claims reviewed across the EU were found to be vague or misleading in an investigation by European Commission, with 40% of claims thought to be completely unsubstantiated.

Another study by the European Court of Auditors revealed that one in three European consumers found labels confusing and another third thought they were misleading.

The lack of standardisation has encouraged vague labels such as “eco” and “sustainable” to grow, allowing hundreds of ambiguous logos and claims.

Declarations of “eco” and “sustainably sourced” can refer to anything from reduced packaging to carbon offsetting, and in some cases, a company’s own policies.

Why, then, are these labels so widely used?

The effectiveness of these labels has less to do with careful evaluation than with well-documented psychological effects.

At face value, these labels offer a sense of reassurance to consumers. “Eco” and “sustainable” hint at general environmental responsibility and “free-from” implies the absence of something harmful, even when this refers to dietary restrictions. “Natural” implies purity without specifying what, precisely, is meant by this.



Green labels not only influence perception but also work using what experts call “trust heuristics”. In a supermarket that is saturated with environmental labels, consumers view third-party certifications as more credible.

Think of the Fairtrade logo or the Marine Stewardship Council mark, which give shoppers a quick shortcut to trustworthy products. These certifications matter especially when people cannot easily verify facts for themselves, such as how the fish was caught or whether the chicken was truly free-range.

The problem is not that these green labels exist, but the assumptions attached to them often exceed far beyond what they realistically guarantee.

As regulators in the EU tighten rules around environmental claims, the challenge will be to turn green labels into something more meaningful.

Labels on the package should not be more important than the contents inside.

The effectiveness behind these labels can be linked to one of the most powerful phenomena in consumer psychology; the infamous “halo effect”.

The halo effect occurs when a positive trait leads consumers to assume other positive qualities are also present, directly influencing purchasing decisions.

Studies by consumer psychologists in the early 2000s found that foods labelled “organic” or “low-fat” were consistently seen as healthier and lower in calories than identical products without those labels.

A more recent study showed that consumers in Europe and the US were willing to pay significant price premiums for products described as sustainably produced, even when blind tastings revealed no real preference. Consumers have long associated higher price with superior quality, and this is reinforced by the appeal of sustainably labelled products.

