

David Ridley (00:11):

Welcome to HBW's Over The Counter podcast. I'm David Ridley and I'll be chatting with industry experts and insiders about the latest trends, issues, and intelligence in consumer healthcare. In this episode, we look at yet another piece of EU sustainability legislation. This time the Green Claims code sustainability expert Jo Stevenson, managing director of PHD Marketing, explains the background of the legislation, which proposes detailed rules for companies that wish to make environmental claims. Although companies are not required to make green claims and may choose not to, given these stricter rules, Stevenson points out that companies will soon be required to record and report extensive environmental data in the future, so may as well use this information to create robust and credible green claims in the future. Being used to strict rules on making health claims, consumer healthcare firms are in a good position to embrace and even benefit from this new framework, Stevenson also points out. Hi, Jo. Thanks for coming back on Over The Counter podcast. Nice to see you again.

Jo Stevenson (01:22):

Hi, nice to see you.

David Ridley (01:24):

How are you?

Jo Stevenson (01:25):

Hot. We've had fantastic weather the last few weeks, so I work from home as well as from an office and it's absolutely boiling here. So, yeah, not the most pleasant conditions, but we'll get through it.

David Ridley (01:38):

So do you just want to introduce yourself again even though you've already been on the podcast?

Jo Stevenson (01:43):

Of course. No problem. So I'm Jo Stevenson and I'm managing director of a company called PHD Marketing Limited. We work with a range of healthcare, pharma, life sciences companies, as well as the print and packaging market, helping them communicate their brands and messages out to their clients. So I work on quite a broad range of clients, but knowing the topic that we're going to be talking about today, it's probably pretty interesting to understand the situation both from a life sciences and pharma perspective as well as the packaging perspective. So I've got a foot in both camps. That's probably the best way to describe it.

David Ridley (02:28):

Definitely, yeah, brilliant to have you on. And last time we spoke to you, we talked about the UK version of this green claims legislation, and so we wanted to ask you about the EU green claims regulation. I'm not sure what the official name is. It's an important bit of legislation coming in, and it's great to have you on to make the link I think with consumer health because one of these regulations that covers a broad spectrum of companies, but obviously given that consumer healthcare companies do a lot of marketing and have been starting to emphasize the kind of green credentials of products, if they've made some investment in that area, they now may have to be quite careful about what they do when it comes to green claims. Is that correct?

Jo Stevenson (03:23):

Exactly. Very much so. If I talk about what the green claims directive what it's all about and when it's happening, and perhaps that'll help give us some insight to the seriousness of this actually. And as we talked last time with a green claims code coming into the UK, the UK took a bit of a head start on this one, but the EU has taken it even more seriously. So this has been mooted in March, 2023 and in truth doesn't really apply from 2026, but this typically an 18-month gap between something being talked about as a new piece of legislation, directive or regulation, however we want to describe it, and the reality of it coming into force. So the belief is that it'll apply from 2026, and what this is about is stopping companies from eco advertising, putting misleading claims out around the environment. And what I think what's really interesting for the consumer healthcare and pharma area is this industry is very used to being very, very careful with its marketing and communications and is very reticent to make any claims without due backing.

So I think it's probably in a good space in understanding how to apply this. But what the EU is keen to do is really remove any misleading environmental claims, get rid of fake labels, and I'll talk about what those are in a moment. And also any false sustainability promises. And we've all seen this on packaging. You'll see environmentally friendly or climate light was one I saw the other day. Carbon neutral or net zero applicable. There's all sorts of descriptions and let me assure people, this is not just the EU and the UK. The US has actually been on this for the last couple of years as well, but it's trying to get away from these misleading messages on pack that suggest something is positive for the environment when indeed nothing is good for the environment. Even if you take a glass of water, we are redirecting water away from nature.

We are using some industry somewhere to get that water to us. So to suggest anything is environmentally friendly is an untruth, it's just a misnomer. So we've got to move to the point where, and this is what the EU government wants or the EU organization wants, is to move us into a situation where any claims on a product or packaging are truthful and can be validated and substantiated. And that's quite a big move from where we were previously just to explain the fake labels piece. Within that, there's been a bit of an explosion in people creating their own logos to describe some sort of environmental benefit or green claim, and they're really uncomfortable with that approach. So many of us will see the confusion over recycling today, particularly of plastics, and we're used to those joined arrows, but it's trying to put some stringency and standardization into the labeling of product as well. It's not just about the messaging on pack.

David Ridley (06:43):

That's a great introduction overview. Thank you. So, yeah, I mean I was looking at this and the kind of examples it was giving on the kind of explanation of the legislation proposed in the European Commission was stuff like net zero even. I mean, this is something that you see all the time, isn't it? I mean the governments are saying net zero all the time. It's just almost like a cliché now, isn't it? So I mean, companies aren't going to be able to necessarily even say things like that or, I mean, are we talking even sustainable? What far-reaching certain terms can be used?

Jo Stevenson (7:21):

Certain terms can be used. Again, I would stress 'environmentally friendly' is probably the one that's really thrown out, but you can certainly make claims moving forward, but what you've got to be able to do is validate and substantiate that. And this is where it gets pretty complex in how we do that. The

reality is, and if we talk about where all this has come from, it's really born out of the FMCG industries that have been a bit loose and fast over the last few years as the whole environmental pressure has climbed.

And I talked in our last podcast about the 2016 Blue Planet series with Sir David Attenborough that just caused an explosion in terms of climate change awareness, microplastics, marine litter, blah, blah, blah, blah, blah. The story goes on. And what we had was a lot of knee-jerk reactions from companies both in terms of production of goods that they claimed were a better environmental alternative, but more importantly, were making claims that were factually untrue.

So this is an attempt by governments, NGOs, and indeed consumers ping from the back to say we want the truth. And, actually, if you look at demographic data, millennials and Gen Zs are extremely eco aware, but they want transparency and provenance and I think it's almost a bit of a response to that. We even talk about the Greta Thunberg, but, look, you can't just say it. You've got to prove what you're doing. And indeed, the EU went out to look at claims online and found 40% of the claims that were available online were actually misleading. Not a surprise. It's what the CMA in the UK really stepped in to address the first time 'round. But what they're doing is really taking it to the next level and saying, 'if you put that on a pack just like a health claim, which our industry is used to, then we need to see the data,' and it's that data production that's going to be the challenge for everybody.

David Ridley (09:19):

Yeah, just a bit more on the context, I'm glad you brought up the investigation where the EU looked at some claims. Ee wrote about that and they found, like you say, something like 40% of claims being false. So that's a bit of the background, isn't it? But also I think I've been writing about sustainability and consumer health for a couple of years now, and I've definitely seen a shift in the last few months. I went to one of the industry conferences and you could see it wasn't just that there was a panel on sustainability and maybe think about this, and this is quite exciting. The whole conference was really about it. There was pharmaceuticals in the environment, there was recycling, but the difference I think was that the regulators at EU level especially we're saying, right, it's changed now. This is all about what you can and can't do. Our patience is running out. And also the special circumstances we've given pharmaceutical companies, for example, it is still there, but it's the time limit on it. You don't get to just do your own thing forever even though they recognize that there are some difficulties there. So there's a real tension in the consumer healthcare industry.

Jo Stevenson (10:38):

And that's the nub of it. I think, David, the bottom line is I think there's been huge shifts in industries around the world in terms of attention on this and activity. It's just not fast enough. And with evidence of climate change, and I am sitting here in a hot room, and I hate to say this is climate change, but with evidence of that mounting and pressure mounting, they've decided if industry as society can't move quickly enough, we're going to have to force it. And that's really the number of it. It's a regulatory move that is just shifting things that much more quickly. And really there's going to be quite a big cost to many, many industries around the world on this front now.

But as I said, I think the life sciences and pharma and consumer healthcare areas, they're used to a very risk-averse, tightly regulatory controlled market environment. So actually adopting this and putting it into practice, it's probably one of the best industries to tackle it. It's just because it's not traditionally been able to market perhaps in the way that general FMCG brands and companies have been able to.

They've perhaps thought it wouldn't impact them in the same way, and yet they have got some serious responsibilities coming forward.

David Ridley (11:56):

There's a couple of things about the proposed new rules that I thought was quite interesting and maybe points to this change in emphasis from the regulator. On the one hand, I noticed there's a kind of point about the life cycle. So I mean if you are talking about something being net zero for example, actually you've got to be quite careful if you're thinking about the life cycle of a product, that means you've got to think about how it was made, the raw materials, how it got to wherever it's going, what happens to it afterwards if I'm right in understanding that. There's also this whole thing about having to verify before use. So there's a bit about having to do some work before you make the claim rather than it being a kind of more self-regulated thing. Isn't there? That's quite a big difference.

Jo Stevenson (12:46):

OK. Well, we need to step back a little bit to understand where all this is coming from. I hadn't made this connection, but now this actually all makes sense. What's actually happening is there's a new piece of legislation coming in '25, '26 under the EU green deal. It's part of the, now let me get the actual descriptions correct for you. I don't want to lead you astray here. It's part of the corporate sustainability reporting directive. So what's happening in '25, '26, depending on the size of your company, is that you are going to have to record your environmental performance from a governance, transparency, provenance perspective. So if your business, irrespective of what industry you're in, is over 40 million euros as of, at best case, 2026, you are going to have to report what's known as your scope 1, 2, and 3 emissions. So this is your carbon footprint of your products and your operations.

A lot of companies have been excluded from that up until now. It's only about 11,700 were captured under that legislation. There's over 50,000 now, and it's only really the sort of micro SMEs that escape the reporting requirement. So the reality is if you're a sizable company and take that anything over, I think it's 2 million euros and 10 people, you are going to have to record your scope 1, 2, 3 emissions. And for those of you who are listening who aren't sustainability savvy, that means your carbon footprint of what you do, but including your supply chain. And that's the bit that's throwing everybody because for packaging manufacturers, for example, suddenly they're going to have to supply you the carbon front of their pack that you're putting your tablet supplements and so forth into powders or whatever it is. So why am I talking about this? Well, if you are going to record your LCA and have all that beautiful data in front of you and be able to look at how you operate and now have some ability to change your processes and protocols in order to improve your environmental footprint, guess what the marketing team are going to get involved and everybody's going want to shout about, oh, we're fantastic compared to that company, or we're doing this to improve our carbon footprint, et cetera, et cetera.

So I think this is a layering of regulation. Actually, on the one hand, we're forcing all companies now within the EU, might I stress, it isn't in the UK until it gets migrated into the UK, which I suspect it invariably will do. By 2026, they're going to be recording their LCAs. And, by the way, I'm really concerned, I don't think there's enough companies and people out there actually able to do this. I'm just working in the UK and we work with a company that is doing fantastic work on it, but there simply isn't enough people out there doing LCA work at the moment. We are then going to feed into the green claims directive. So if you're going to translate that knowledge into some sort of claim on your pack or your product, you're then going to have to do it in the right way and not get trapped into making claims.

Now the two should go hand in hand if you've now got your LCA data and you can say, I don't know, 30% reduction in LCA with this pack versus, I dunno, a cardboard box versus a pouch or something like that. You've put your product in, you've got the data, you can substantiate it, you can make that claim, but you've just got to avoid these sort of woolly, climate-friendly, carbon footprint, light environmentally friendly type terms because they will come down hard on you if you do that. There is a reporting directive that's going to force you to create the data and a fundamental belief that once you've done that, basically people are going to start marketing it more effectively, even if it's within online, I dunno, websites that talk to the consumers that are using your products. I find it highly unlikely that marketing teams wouldn't want to use that data, in which case this legislation is designed to really control what's put out there. All that being said, I do wonder in the interim, with the awareness of this legislation coming through, whether many, many companies will actually go, just don't claim anything environmentally.

David Ridley (16:55):

Yeah, just don't say anything.

Jo Stevenson (16:55):

You've got two choices.

David Ridley (16:57):

But I think like you say, if you have to record the data properly, that's part of the problem at the moment, isn't it?

Jo Stevenson (17:05):

Everybody's doing it,

David Ridley (17:07):

But they're also all these different frameworks. There's not all the expertise. It seems just to be a very difficult thing to do, even if you want to do it properly. I'm not saying that there are companies that want to not do it properly. So if there is this thing, which means that you have to, if you're a big company and then you get your head around this claims framework, it seems like a no-brainer to then make the claim. And like you say, this is consumer health being good at this anyway, if you make a claim, it has to look like this. You say this kind of word, if it's a food, you have to say it like this way, you can't sound like a medicine. It sounds like that would be a thing that you could do.

Jo Stevenson (17:54):

A natural fit.

David Ridley (17:55):

Fit. Yeah, I wouldn't say easily, but it's just something that you've already prepared for really, isn't it?

Jo Stevenson (18:00):

It is, and particularly for OTC-type products, your consumer of the future, and I'm only talking perhaps 10 years away, is very driven by these types of claims. So they're making today purchasing decisions

based on the packaging, for example, not just the benefits of the product. So they are making values decisions based on how you communicate to them. So I think I saw some data recently, and I might be getting it wrong, but something like 72% of consumers today prefer packaging that is plastic free, and I might be talking rubbish, but it was really quite a high number of today's shoppers that were making choices based on that. I assume an awful lot more are basing it on price with the cost-of-living crisis. But anyway, so even if you go down the route of going, well, look, we just won't claim anything on the green front because how is it relevant to what we're trying to achieve with our product? I understand that mentality, but I think there's only so long you're going to get away with that because everybody's affected by this legislation coming through. You're going to have to do the hard work anyway, so you might as well use it to your advantage.

David Ridley (19:11):

Well, and also you're losing out on an opportunity, aren't you? Other companies will do it. It's another way to appeal to consumers. And ultimately in consumer health, it is about what consumers want. So it seems you would be shooting yourself in the foot a little bit by stepping out of that area, really.

Jo Stevenson (19:32):

Exactly.

David Ridley (19:43):

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So on the other bit then the kind of verified-before-use aspect, that sounds scary.

Jo Stevenson (20:27):

I sort of sat back and thought about exactly what they're going to mean about this. If we go right back to basics, fundamentally there's an ISO standard that companies can use already. The ISO 14,001, and any of the large companies listening to this will already probably have sustainability leaders in place. I'm thinking more the kind of mid-size and SME-type brands that perhaps are listening. So ISO 14,001 gives you a management of sustainability guide for your company. It's an environmental management framework, and that gives you the ability to really look at how you're going to manage sustainability or ESG as it's invariably become known now as a business, and you can sign up to that and get accredited. So that's number one in terms of verifying, we're the good guys, we're doing things in the right way. Having your ISO 14,001 is certainly a good start, but what the legislation's actually demanding is integrity, transparency, and verification of the data.

And that's where it gets a little bit chunky because, first of all, you've got to take into account the entire supply chain. So you're now having to put new processes in place toward your supply chains. You can't just accept that your packaging comes from Jack Mills in Bradford or whatever it is you've really got to do your homework on. They're not using slave labor. Have they got appropriate policies in place? What is the carbon footprint of that pack, for example? And you have to ensure full substantiation of the complete life cycle, so you cannot miss any part or process. Ultimately, it's about collecting data, substantiating that data, so verifying it, which is just sheer homework basically in terms of what you've

got to do, developing guidelines within your business to manage that data and ensure it's updated appropriately, regularly. And then you have to bring in a third party to verify that data.

You can't just do it yourself. So you've got to go out to the market and have an LCA consultant or a verified accredited party confirm what you've said. So for example, I'm a marketing firm, but I've got EcoVadis and I don't even know that EcoVadis verifies your carbon footprint. What it does is check the checks and balances within your business to make sure you've got all the appropriate processes and protocols in place. But I'm not sure it's actually validating the LCA data. So who those individuals are, pass. This is probably why it's not coming into force yet and will be 2026, but you are going to have to have new operating models, new processes in place, and you're going to have to bring your management team, your marketing team, your ops team, your risk management team together, typical people that you might've had in terms of your product claims and bring them over to the sustainability side. So some new skills needed in a business, but fundamentally you've got to have third-party verification of the data. Once you've done all the hard work of generating it, you've got to go out to market and find somebody to say, yes, they've done it correctly and happy days, but I dunno who those individuals are at this point in terms of accreditations.

David Ridley (23:31):

So basically bit of forward planning is required, isn't it, with an extra probably couple of steps.

Jo Stevenson (23:39):

Absolutely. And one of the big debates with LCAs is their accuracy and also we call it, you'll hear these terms 'cradle to grave' and 'gate to gate,' and it's where is the scope 3 emission stopping and starting. So for you, going to your packaging supplier and saying, what's the, imagine the classic pill pack with the carton box with a leaflet in it, going to them and saying, 'What's the carbon footprint of that pack?' Is that sufficient in terms of your gate that you've had that information? Or have you actually got to go to the supplier of the packaging firm and get their carbon footprints? I think that will be too far. I think as long as you've made a judicious approach to verify the claim and have the data from your supplier, that will probably suffice. But, yeah, it's a little bit woolly, dare I say at this point. But we are early on. It's March 23, it was announced. We're only June 23 and they're not anticipating full implementation until '25, '26. So we've got a little time to get this cleared up.

David Ridley (24:43):

So what happens, probably too early to say as well with this, but what happens if you get this wrong? What are the kind of enforcements?

Jo Stevenson (24:53):

This bit, they're very clear on David. It always amazes me how they can't actually tell you how you're going to do it, but we'll tell you if you get it wrong, what it's going to cost you. They have announced that there will be a legal investigation and up to a 4% of annual turnover. Fine. If you are found to make erroneous claims on your products or packs,

David Ridley (25:15):

Well, that's scary.

Jo Stevenson (25:15):

So we can't actually tell you who's going to verify at this point, but we can tell you what it's going to cost you. Now, let's be realistic. These guys, because of sheer resource, tend to only go after the big brands. Let's be honest about it, and I'll give you an example within the FMCG world, and you may have seen it yourself, boohoo.com got caught because they were supplying dresses and clothes in basically polyethylene film bags. You might've seen them coming through the mail with these guys through their e-commerce systems. They were stamping on their bags made from recycle content and boohoo genuinely thought the bags were made from recycled content. If you know anything about the whole recycling world at the moment, virgin plastics are actually cheaper than recycled plastics a lot of the time at the moment because everybody's gone sustainability crazy. Absolutely rightfully so.

There's insufficient recyclers on the market, so it's a demand-and-supply game. And when virgin plastics are dropping away and recycled demand is going up, of course the price has gone up for recycled material. Their supply, whoever that was, flipped them back over to virgin material, hoping nobody would notice, and they got checked and caught out, and not only were they fined on that, secondarily the massive reputational damage because you've got young girls and boys all looking at this going, my values are around the environment. I've grown up with this stuff. I do not trust your brand. Now, it took them into the whole cheap fashion, fast fashion arguments and caused huge reputational damage for them. So that's just a bit of a warning of what can happen, but yet they've declared 4% of annual turnover as the fine if she should be found to be making claims that you shouldn't be. So it is an all our interest, not only from an ethical perspective, but from a financial perspective to start really thinking about how we get on top of this work.

David Ridley (27:07):

But I think that's the point, isn't it? There's the investigation and then there's the potential fine, but really it's the reputational damage with health. Really importantly. We're talking a hundred-year-old brands sometimes, aren't we? Exactly. Families have been using the same product for generations, and then that new generation is using it and then is also really concerned about the environment and then puts two and two together, sees that on the news, and then that's it. You've lost that consumer forever, haven't you?

Jo Stevenson (27:43):

Well, it truly is a trust relationship. A lot of, again, FMCG brands will talk about building trusted consumer relationships, but if I chew one toffee or one sweet product over another, yes, I like a particular product, but I don't think of it as a trusted relationship. But definitely in the consumer healthcare market, it's entirely different. You're buying into that company reputation and that product and to have that question when it comes to the environment, again, I stress the demographics of this because perhaps if you're 40-plus, this is not front of mind necessarily. Of course there's always a segment of society that is very eco driven, but it tends to be the under 40s at the moment that are really motivated by this whole value driver and it is feeding through into consumer healthcare. I work with companies myself who are working on their ESG programs and looking at this whole space themselves. So I think my message is it's got to come up the priority list, even though this still feels like two years away because you've probably got 18 months' work at least to get it together if you've not started doing your LCAs yet.

David Ridley (28:53):

So there's a lot to take in, I think, isn't there is, but I think there, as well as stressing the kind of seriousness of it, I think it's important to stress that it's, again, that it's only just been proposed and

there's a lot to work through, and then some of it will change. But thinking about how the other environmental legislation that's coming in has been presented by the European Commission, it's probably not going to be a lot of scope for special measures and delays and stuff. I feel like the other ones, this is how it's going to be and it's just really about working out the details rather than making any substantial changes according to input from industry.

Jo Stevenson (29:35):

And I think as we've discussed, you've got a get-out clause as long as you are fitting the criteria for having to do your scope 1, 2, 3 emissions anyway, and reporting from a transparency perspective under that piece of legislation, you don't have to make environmental claims on your packs. What we're saying is it could be a value motivator for potential consumers or patients in the future chat. So if you are uncomfortable, stay away from it, do the right thing in terms of putting your systems and frameworks and processes in place, but just leave the claims part out of it until you're absolutely crystal clear that what you've got in front of you is correct and then move forward. But I think as we've discussed any, I don't like to use the word brand, but any company in this market, if you're not looking at the environmental perspective of your business, you're missing a trick.

And it may feel lower priority in the healthcare market relative to solving the world's challenging health issues or at least contributing to the wellbeing of the consumers that you supply. But it is going to become part of the purchasing decision, particularly if the OTC products and every government department, so hospitals, GPs, all of these people are starting to talking about what they're doing on sustainability. So you've just got to join the party, I'm afraid, and be aware of the legislation that's coming through. As I said, anybody that's really small, under 10 people or less than 2 million euros turnover, you're not captured by this. So that's the good news. But anybody of any reasonable size, you've got to tread pretty carefully moving forward.

And even if you're working with a marketing agency or communications partner, not all of those are up to speed. I pride myself with my business because I have the foot in the two camps that we are aware of what's coming down the pike, but I talk time and time again to people and they have no idea about any of this legislation. So I think the world is only just waking up to it, to be honest, in the EU. And, of course, for the UK, it's whether we translate these demands into the UK market, but I really much can guarantee they will do. The CMA went first before the EU or the EU followed. I suspect we're going to follow in terms of that reporting data as well. So the two are definitely intrinsically linked.

David Ridley (32:00):

But the point is, anyway, you may be a British company, but if you've got any footprint in the EU, then you're going to have to work it. You're have to work within it anyway because of the lifecycle aspect of it.

Jo Stevenson (32:12):

Absolutely. And if you're white labeling for any brand in Europe as well, they're going to be asking you for your RCA in order to support theirs. So you get captured both ways, to be honest with you. So again, better to bite the bullet and get on with it and see how you go. But as I said, you've got a little bit of a get-out clause in just not making any claims short, medium term. You don't have to do this, but you are going to have to do the restructuring around sustainability and getting those processes in place that you can report effectively but also confidently so that you don't get caught out.

David Ridley (32:47):

So just finally, what are the kind of next things to watch out for in terms of the progress of this new proposed legislation?

Jo Stevenson (32:59):

Fundamentally, the EU is trying to drive transparency on environmental and social affairs, and these legislative moves and regulatory moves are going to keep coming. So I think keeping an eye on the news and tracking, listening to podcasts like this, of course, but tracking

David Ridley (33:17):

And reading HBW Insight, of course.

Jo Stevenson (33:19):

And reading HBW Insight, of course, can certainly help you. The EU wants to be a front runner in all of this. It's quite clear this move that it's making '25, '26, it's getting it ahead of global sustainability drives. So it's taking the mantle and we are going to get caught up in that. It's estimated that about 50,000 companies are going to get trapped under it. So I am expecting the new legislation for reporting went out in November 2022. The green claims was '23. So yeah, you're looking at '25 at the earliest in this hitting, but I would just keep a careful eye on those deadlines, to be honest with you. And then it's anybody over 40 million euros that has to produce the 1, 2, 3 scope emissions. So if you are under 40 million euros, you can relax a little bit on those reporting requirements.

The bigger challenge, I think, in terms of what to watch out for is not falling down a bit of a rabbit hole in terms of, or underestimating, the amount of work that's got to be done. As I mentioned before, it's about bringing multiple functions together within your business, but also making sure somebody has the sustainability skills on hand and bringing in partners that can advise you.

There's other pieces of legislation going on, things like EPR, which is the environmental packaging responsibility. So this starts to move the responsibility for packaging production and disposal onto the manufacturer. So even though you think that falls onto your converter, it actually falls onto you as the owner of the packaging. So actually having regulation experts wider than the product consumer health product experts that people typically have in their businesses is incredibly important. And there are people out there that can help you with that, but it is a bit of a shifting sands at the moment.

So keeping abreast of those dates and times. The good news is it's all on the EUgov website and the UK government website, and actually the UK government has done a really nice, if you just put in 'UK gov green claims code' into Google, it'll bring it up. And they've done a really nice page where they've got a quiz on whether certain claims are suitable or not, and it gives you a guide on how to create claims that work. So there is a little bit of help out there. We're not the blind leading the blind at the moment, fortunately.

David Ridley (35:52):

I think the EU will also put a lot of stuff out there to support companies, even when it is in the mode of, hurry up, get on with it, no patience or whatever. It also at the same time emphasizes that the support there are also, there's funding out there to help companies with innovation. And I think there'll be both hands extended, weren't there? The more threatening and the more helpful both at the same time.

Jo Stevenson (36:22):

We hope. We hope. But I think the good news is if you're based in the UK, because we've had the green claims code now for a couple of years, I think people are a bit more aware and a bit more used to it. I think I said before, I'm still a little concerned that some of the communications agencies that are on the market aren't as aware as they should be, but there is some assistance on UKgov, and I think that will only increase with time. I would expect to see another kind of boohoo-type scenario advertised because a classic of the CMA picking a case and promoting it to make everybody think, and that was a little while ago now, so I suspect we're going to see another one in the next few months that just kind of puts it to the forefront. But yes, this EU directive is going to come hard and heavy, and none of us want to lose 4% of our turnover just on some silly line on pack, which is invariably what it is. So get your marketing departments to rein back on any clever recycling logos or anything like that that they're thinking about or claims around their products. Please don't rely on your packaging suppliers. Really test out and challenge them with the realities and to look at those support tools that are out there and see if you can do a better job than perhaps some of that 40% that the EU found recently.

David Ridley (37:39):

That's great advice. Well, I really appreciate you spending all this time looking at this and explaining another big bit of claims regulation for us.

Jo Stevenson (37:49):

Well, I hope I've not, I've tried to make the complex simple, because when you read it, honestly, I was going cross-eyed with some of it, but it is pretty simple when you get down to the basics, so you've just got to use your common sense.

David Ridley (38:00):

Yeah. Well, thank you very much.

Jo Stevenson (38:02):

No problem. Thanks, David.

David Ridley (38:14):

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