Green Claims Directive

Proposal for a Directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims

> **DG Environment** Emmanuelle Maire



Directive on substantiation and communication of explicit environmental claims - Context

European **Green Deal** December 2019

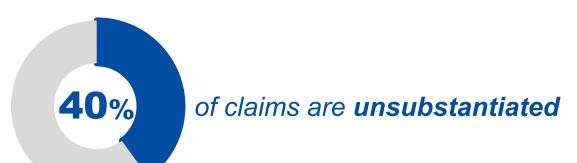
Circular **Economy Action Plan March 2020**

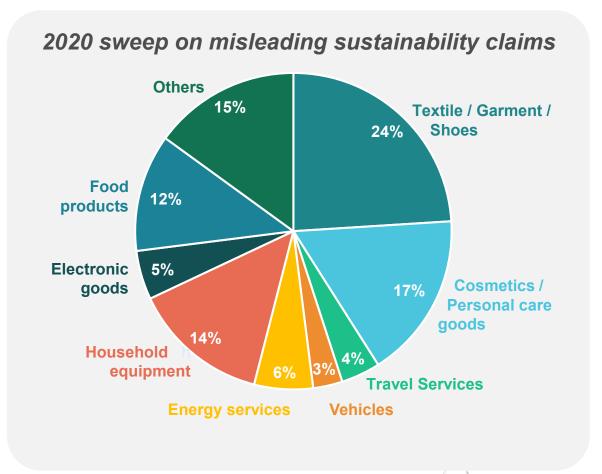
Empowering consumers for the green transition March 2022

Why set requirements on environmental claims?

2020 inventory on environmental claims









Why set requirements on environmental claims?

Protect consumers and companies from greenwashing

Enable consumers to make informed purchasing decisions based on credible environmental claims & labels

Boost the competitiveness of economic operators that make efforts to increase their environmental sustainability

Improve legal certainty & level the playing field on the Single Market

Accelerate the green transition towards a circular, clean & climate neutral economy

Scope of the proposal

- Lex specialis to Unfair Commercial Practices Directive
- (& Empowering Consumers for the Green Transition)
 - > also covers *business-to-consumer* commercial communication
 - ▶ applies only to voluntary explicit environmental claims
- Builds upon the current consumer framework
 - definitions, rules, enforcement,
- In case of conflict, current safeguard clause under UCPD
- ▶ Does not apply to environmental claims regulated by other Union rules (existing or future)

Ecodesign for Sustainable Products Regulation

March 2022

Setting of performance and information requirements for product categories

Regulation on labelling of organic products

May 2018

Energy Labelling Regulation *May 2017*

EU Ecolabel Regulation

Since 1992

Product label of environmental excellence





Substantiation of environmental claims

- ► Reliable claims need credible & proportionate substantiation:
 - backed by scientific evidence & takes into account relevant international standards
 - demonstrating that the claim addresses significant environmental issues from a lifecycle perspective

 - □ no need for full life-cycle assessment for all types of claims → "bird's eye view"
 - transparent on offsets: high integrity & correct accounting of climate impacts (no double counting & discerning GHG emission reductions vs removals)
 - guarantees use of high quality data (primary/secondary)
 - identifies if common practice or imposed by law
- ► Comparative claims based on *equivalent* assessment (data, assumptions...)

Exemption for microenterprises from substantiation requirements on claims unless they chose to opt in

Communication of environmental claims

- Rules are complementary to consumer protection framework
 - Unfair Commercial Practices Directive & its guidance
 - Proposal Empowering consumers for the green transition
- ► Claims to concern only impacts / aspects / performance
 - Substantiated in accordance with requirements
 - Identified as significant



Information on substantiation to be made available to consumers on product / weblink / QR code



Exemption for microenterprises from communication requirements on claims unless they chose to opt in



Regime for environmental labelling

- ► Avoid the proliferation of schemes and reinforce the trust in existing ones
 - ► Based on <u>certification</u> schemes with **independent & transparent governance**
 - ► Ban of labels presenting an aggregated scoring or indicator
 - > to be developed only under Union Law





at regional or national level

new ones allowed only under Union law



only if added value can be demonstrated to national authorities



approved by EU authorities
(for public)
by national authorities
(for private)

Verification of environmental claims & labels

- **Ex-ante verification** by independent & accredited verifiers competent to certify that substantiation & labelling schemes meet the requirements
 - Certificate of conformity recognised across the EU
 - Microenterprises can opt-in for verification of claims

Support to SMEs

- > **EU to finance** flanking measures & acquisition of high quality data sets (useful to assess value chains)
- **▷** *Member States:*
 - raising awareness of ways to comply
 - financial support
 - access to finance
 - technical assistance



Enforcement & Monitoring

Enforcement

- ► Alignment with consumer protection framework
- **▶** Designation of competent authorities:
 - ▶ MS can chose competent authorities under Unfair Commercial Practices Directive (or not)
 - ▶ Powers to investigate, enforce & impose penalties
- Provisions on compliance, complaint handling & access to justice
 - ▶ Regular checks of all claims / labels & evaluation of claims at risk of infringement

 - > Access to court shall be ensured

Monitoring

- ► Monitoring of compliance of claims and labelling schemes by Member States
- ► European Environmental Agency (EEA) to report every 2 years

Monitoring results determine priority for further empowered action through delegated acts & review

Thank You



© European Union 2023

Unless otherwise noted the reuse of this presentation is authorised under the <u>CC BY 4.0</u> license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders



Complementary "twin instruments" against greenwashing

Empowering Consumers Proposal

- ▶ Lex generalis /horizontal consumer protection safety net / legal backstop
- ▶ Wide scope
- **▶** Principle-based provisions
 - banning specific greenwashing practices (through Unfair Commercial Practices Directive Art.6, Art.7 & Annex I)
 - Provisions broader compared to Green Claims proposal e.g. sustainability labels, etc.
- ➤ **Ex-post enforcement** by consumer protection authorities and courts (but will benefit from 'ex ante review' from Green Claims proposal)

Green Claims Proposal

- **▶** Lex specialis complementing horizontal rules
- ▶ Applies to explicit voluntary environmental claims
- **Detailed requirements** on:
 - Substantiation
 - Communication
 - Environmental labels
 - Verification
- ➤ Ex-ante review by independent verifier (but shall not prejudge Unfair Commercial Practices Directive competent authorities)

Self-standing complementary instruments, reinforcing each other and the fight against greenwashing!