



## Questions and Answers on European Green Claims

Brussels, 22 March 2023

### How will consumers benefit from this proposal? How will the initiative protect consumers from greenwashing?

**94% of Europeans say that protecting the environment is important** to them personally, and **68% agree that their consumption habits adversely affect** the environment in Europe and globally ([Special Eurobarometer 501](#)). For this to happen, they need reliable, verifiable information.

Companies operating in the European Union often make **voluntary environmental claims** without any or little evidence and substantiation backing these claims. However, this can result in **'greenwashing'** where products or processes are made to appear more environmentally friendly than they truly are. This is both **misleading for customers and unfair to companies** that are genuinely working to improve their environmental performance.

A Commission study from 2020 found that **53.3% of the claims examined were vague, misleading or unfounded, and 40% were completely unsubstantiated**. The huge variety of 'green' labels (some 230 were identified) was also found in itself to undermine consumer trust, as labels differ widely in robustness and reliability, leading to widespread scepticism.

The **proposal for a Directive on Green Claims** will address greenwashing by tackling false environmental claims made towards consumers, and stopping the proliferation of public and private environmental labels. Together with the March 2022 proposal for a [Directive on empowering consumers for the green transition](#), the new rules establish a clear regime for environmental claims and labels. They aim to ensure that consumers receive trustworthy information about the environmental credentials of the products they buy.

In addition, [the proposal on common rules promoting the repair of goods](#) (also adopted today) will also contribute to sustainable consumption by a number of measures that promote repair and make repair easier and more attractive for defects consumers may experience throughout the lifecycle of goods. Both proposals are an important element of delivering on the circular economy objectives, as defined in the [Circular Economy Action Plan](#).

### What types of claims are covered by this proposal?

The proposed Directive on Green Claims targets **"green claims" made by businesses that state or imply a positive environmental impact**, lesser negative impact, no impact, or improvement over time for their products, services, or organisation. **The proposal requires that these green claims**, such as "packaging made of 30% recycled plastic", "bee-friendly juice", "carbon compensated ride" or "commitment to reduce CO2 emissions linked to the production of this product by 50% by 2030 as compared to 2020," **must be substantiated and this substantiation be verified ex-ante**.

The proposal covers explicit claims made **voluntarily** by businesses for consumers, which relate to the **environmental impact**, aspect, or performance of a product or the trader itself, and adopt a **"life-cycle" approach**, from raw materials to end-of-life.

The proposal also addresses **environmental labelling schemes**, stopping the proliferation of public and private labels and ensuring transparency and robustness of labelling schemes.

It only concerns **claims that are not currently covered by other EU rules**. This means that if EU legislation establishes more specific rules on environmental claims for a particular sector or product category, such as the EU Ecolabel, energy efficiency label, or organic farming label, those rules will prevail over those of the proposal.

Climate-related claims that are based on carbon offsets or carbon credits have been shown to be particularly prone to being unclear and ambiguous, and to mislead consumers. This relates notably to environmental claims that products or entities are "climate neutral", "carbon neutral", "100% CO2

compensated”, or similar. The Green claims proposal also **tackles claims relying on offsetting**. Companies should focus on reducing emissions in their own organization or value chain. When climate-related claims are made, companies have to be transparent about what part of that claim concerns their own operations, and what part relies on buying offsets. There are also requirements on the integrity of the offsets themselves as well as on their correct accounting.

### **How exactly will verification and enforcement of green claims work?**

The proposed directive would require Member States to ensure that **minimum requirements for substantiation and communication** are respected by companies when they make voluntary green claims. Member States will be responsible for setting up **verification and enforcement processes, to be performed by independent and accredited verifiers**, as follows:

- **Claims must be substantiated with scientific evidence** that is widely recognised, identifying the relevant environmental impacts and any trade-offs between them
- If products or organisations are compared with other products and organisations, these **comparisons must be fair** and based on equivalent information and data
- Claims or labels that use **aggregate scoring** of the product's overall environmental impact on, for example, biodiversity, climate, water consumption, soil, etc., **shall not be permitted**, unless set in EU rules
- Environmental labelling schemes should be solid and reliable, and their proliferation must be controlled. **EU level schemes** should be encouraged, **new public schemes, unless developed at EU level, will not be allowed**, and new private schemes are only allowed if they can show higher environmental ambition than existing ones and get a pre-approval
- Environmental labels must be transparent, verified by a third party, and regularly reviewed.

### **Can consumers' representatives bring collective actions against traders not respecting the new Directive?**

In the Commission Green Claims proposal it is foreseen that, thanks to the Representative Actions Directive (EU) 2020/1828, “qualified entities”, such as **consumer organisations, will be able to bring legal actions to protect the collective interests** of consumers. This will apply, for instance, if a trader makes green claims (implicitly or explicitly) assuring that it complied with the minimum requirements for substantiation, but it is suspected that it was not the case.

### **How will the proposal complement and contribute to existing initiatives empowering consumers in green transition and tackling misleading practices?**

The [Unfair Commercial Practices Directive](#) (UCPD) is a cross-cutting instrument addressing a wide range of business-to-consumer advertising and sales practices. It provides for a general prohibition of misleading commercial practices that applies also to environmental green claims, subject to case-by-case assessment. It is currently being revised by the European Parliament and the Council on the basis of the Commission's proposal for a Directive on empowering consumers for the green transition, put forward on 30 March 2022. The [Empowering consumers proposal](#) is strengthening the UCPD to fight greenwashing practices more effectively, including by prohibiting specific and recurrent greenwashing practices under all circumstances in a blacklist of unfair commercial practices ([‘Annex I’ of the proposal](#)).

Today's Green Claims proposal complements the UCPD by setting specific rules on the substantiation, verification and communication of voluntary environmental claims and environmental labelling schemes on the EU market. Crucially, it introduces verification requirements *before* claims can be made and put on the market.

### **How will the new rules affect companies in the EU?**

Today's proposal introduces **minimum requirements for businesses** who would like to make voluntary claims in the areas of substantiation, communication, and verification.

Companies will have to **ensure the reliability of their voluntary environmental claims**, and communicate their claims in a transparent way. Their claims will need to be checked by an independent verifier against the requirements of the Directive. The verifier will then issue a

certificate of compliance recognised across the EU.

By putting in place this common set of rules within the EU internal market, the proposal will give a **competitive advantage to companies who make a genuine effort** to develop environment-friendly products, services and organisational practices, and lessen their impact on the environment.

This is also expected to **reduce the risk of legal fragmentation** of the single market, saving costs for businesses that have their claims certified by an accredited verifier. The harmonised and clear rules will **reduce costs for companies** trading across borders inside the internal market and reinforce the credibility of our industries outside the EU.

### **How will the proposal affect small and medium companies?**

To avoid a disproportionate impact of the requirements on smaller enterprises compared to larger ones, **microenterprises** (fewer than 10 employees and less than €2 million turnover) **are exempt** from the obligations of this proposal, unless they themselves wish to use the rules.

To encourage SMEs to participate in the green transition and favour legitimate environmental claims, the proposal asks Member States to take measures to help SMEs apply the requirements by facilitating access to financial support as well as organisational and technical assistance. The **Commission will also support companies by making available funding** to provide data to support solid claims and develop calculation tools for SMEs.

### **What will the proposal mean for international trade partners?**

**Businesses** that are based **outside the EU** and make voluntary environmental **claims directed at EU consumers will also have to respect the requirements** set out in the proposed directive. This encourages global partners to contribute to the green transition, in particular businesses trading within the internal market.

The measures foreseen include a ban on new environmental labelling schemes developed by private operators in the EU or from external partners who operate on the EU market, unless they can prove to Member States their added value for the EU market in terms of their environmental ambition or coverage of impacts. Such schemes will be subject to a notification and approval by the Commission.

### **What is the link between the proposal on environmental claims and the EU Ecolabel?**

The [EU Ecolabel](#) is the official European Union voluntary label for environmental excellence guiding consumers to products with a guaranteed low environmental impact verified by independent experts. Union legislation sets requirements on how to obtain and communicate the EU Ecolabel including strict criteria per product group established on solid scientific basis, through a transparent multi-stakeholder consultation process and independent third-party certification. As the EU Ecolabel is already regulated by Union legislation that guarantees its reliability and trustworthiness, its use is not submitted to the rules of the proposal on Green Claims. At the same time, the Green Claims proposal can give a boost to the EU Ecolabel and its further development, as new public labelling schemes are not allowed and Member States are encouraged to work together on EU-wide schemes, EU Ecolabel being one of the most prominent ones.

### **What is the link between the proposal on environmental claims and the Eco-management and Audit Scheme?**

While the EU Ecolabel is the label of environmental excellence for products, [EMAS](#) looks at improving the environmental performance of companies. The EU Eco-management and audit scheme is the EU's official management and audit scheme developed for companies to evaluate, report and improve their environmental performance checked by independent verifiers. Thanks to EMAS, companies are reducing their climate and environmental impact in their everyday business management. As EMAS is already regulated by Union legislation that guarantees its reliability and trustworthiness, its use is not subject to the rules of the proposal on environmental claims.

### **For More Information**

[Proposal for a Green Claims Directive](#)

[Press release](#)

[Factsheet](#)

[Webpage on green claims](#)

[Proposal for a Directive on common rules promoting the repair of goods](#)

[Press release](#) - Promoting Repair and Reuse

[Questions and Answers](#) - Promoting Repair and Reuse

Promoting Repair and Reuse – [Website](#)

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