Procedure file

Basic information

COD - Ordinary legislative procedure (ex-codecision 2023/0085(COD) procedure)

Directive

Substantiation and communication of explicit environmental claims (Green Claims Directive)

Subject

4.60.02 Consumer information, advertising, labelling

4.60.06 Consumers' economic and legal interests

Legislative priorities

Joint Declaration 2023-24

Awaiting Council's 1st reading position

Key players

European Parliament

Joint Committee Responsible

ENVI Environment, Public Health and Food Safety

Internal Market and Consumer Protection

Rapporteur

Appointed

08/06/2023

08/06/2023

S&D EN

ENGERER Cyrus



ANSIP Andrus

Shadow rapporteur



KOKALARI Arba



WEISS Pernille



BALLARÍN CEREZA



WIESNER Emma



GALL<u>ÉE Malte</u>



VAN SPARRENTAK





FIDANZA Carlo



FIOCCHI Pietro



JORON Virginie



TARDINO Annalisa



KOKKALIS Petros



IMCO Environment, Public Health and Food Safety

Internal Market and Consumer Protection

Committee for opinion

Rapporteur for opinion

Appointed

BUDG Budgets

The committee decided not to

give an opinion.

ITRE Industry, Research and Energy

The committee decided not to

give an opinion.

AGRI Agriculture and Rural Development

13/07/2023



Council of the European Union European Commission

Commission DG

Commissioner

Environment

SINKEVIČIUS Virginijus

European Economic and Social Committee

Key events			
22/03/2023	Legislative proposal published	COM(2023)0166	Summary
01/06/2023	Committee referral announced in Parliament, 1st reading		
12/07/2023	Referral to joint committee announced in Parliament		
14/02/2024	Vote in committee, 1st reading		
23/02/2024	Committee report tabled for plenary, 1st reading	A9-0056/2024	Summary
11/03/2024	Debate in Parliament	F	
12/03/2024	Results of vote in Parliament	<u> </u>	
12/03/2024	Decision by Parliament, 1st reading	<u>T9-0131/2024</u>	Summary

Technical information	
Procedure reference	2023/0085(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	Rules of Procedure EP 59; Treaty on the Functioning of the EU TFEU 114
Mandatory consultation of other institutions	European Economic and Social Committee

Stage reached in procedure	Awaiting Council's 1st reading position
Committee dossier	CJ45/9/12670

Documentation gateway					
Legislative proposal		COM(2023)0166	22/03/2023	EC	Summary
Economic and Social Committee: opinion, report		CES5381/2022	14/06/2023	ESC	
Committee of the Regions: opinion		CDR2019/2023	10/10/2023	CofR	
Committee draft report		PE753.670	11/10/2023	EP	
Amendments tabled in committee		PE756.117	13/11/2023	EP	
Amendments tabled in committee		PE756.118	13/11/2023	EP	
Amendments tabled in committee		PE756.119	13/11/2023	EP	
Committee opinion	AGRI	PE753.776	25/01/2024	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0056/2024	23/02/2024	EP	Summary
Text adopted by Parliament, 1st reading/single reading		<u>T9-0131/2024</u>	12/03/2024	EP	Summary

Additional information		
Research document	Briefing	05/03/2024

Substantiation and communication of explicit environmental claims (Green Claims Directive)

PURPOSE: to lay down new rules to stop companies from making misleading claims about environmental merits of their products and services and allow consumers to make informed environmental choices (Green Claims Directive).

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: claiming to be green and sustainable has become a competitiveness factor, with green products registering greater growth than standard products. If goods and services offered and purchased on the internal market are not as environmentally friendly as presented, this would mislead the consumers, hamper the green transition and prevent the reduction of negative environmental impacts.

Different requirements imposed by national legislation or private initiatives regulating environmental claims create a burden for companies in cross-border trade, as they need to comply with different requirements in each Member State. This affects their capacity to operate in and take advantage of the internal market.

With a proliferation of different labels and calculation methods on the market, it is difficult for consumers, businesses, investors and stakeholders to establish if claims are trustworthy.

In March 2022, the Commission proposed to update Union consumer law to ensure that consumers are protected and to empower them to contribute actively to the green transition. This proposal provides more specific rules (lex specialis) and complements the proposed changes to the Unfair Commercial Practices Directive (lex generalis).

CONTENT: according to the proposal, when companies choose to make a green claim' about their products or services, they will have to respect minimum norms on how they substantiate these claims and how they communicate them. The proposal applies to explicit environmental claims made by traders about products or traders in business-to-consumer commercial practices. It aims to:

- increase the level of environmental protection and contribute to accelerating the green transition towards a circular, clean and climate neutral economy in the EU;
- protect consumers and companies from greenwashing;
- enable consumers to contribute to accelerating the green transition by making informed purchasing decisions based on credible environmental claims and labels;
- improve the legal certainty as regards environmental claims and the level playing fields on the internal market;
- boost the competitiveness of economic operators that make efforts to increase the environmental sustainability of their products and

activities; and

- create cost saving opportunities for such operators that are trading across borders.

Scope of the proposal

The proposal sets minimum requirements on the substantiation and communication of voluntary environmental claims and environmental labelling in business-to-consumer commercial practices, without any prejudice to other Union legislation setting out conditions on environmental claims as regards certain products or sectors.

Requirements for substantiation of environmental claims

The proposal requires that the substantiation of explicit environmental claims be based on an assessment that meets selected minimum criteria to prevent the claims from being misleading. In particular, the underlying assessment should:

- be based on recognised scientific evidence and state-of-the-art technical knowledge;
- demonstrate the significance of impacts, aspects and performance from a life cycle perspective;
- consider all significant aspects and impacts in assessing performance;
- provide information on whether the product is significantly better environmentally than current practice;
- require that greenhouse gas emission offsets be reported in a transparent manner.

Microenterprises (fewer than 10 employees and with an annual turnover not exceeding EUR 2 million) are exempted from the requirements of this article unless they wish to receive a certificate of conformity of the environmental claim in which case they will have to comply with these requirements.

If products or organisations are compared to other products and organisations, these comparisons should be fair and based on equivalent information and data

Environmental labelling

The proposal will also regulate environmental labels. To control the proliferation of such labels, new public labelling schemes will not be allowed, unless developed at EU level, and any new private schemes will need to show higher environmental ambition than existing ones and get a pre-approval to be allowed. There are detailed rules about environmental labels in general: they must also be reliable, transparent, independently verified, and regularly reviewed.

Aggregated scoring

The environmental labels often aim at providing consumers with an aggregated scoring presenting a cumulative environmental impact of products or traders to allow for direct comparisons between products or traders. Such aggregated scoring however presents risks of misleading consumers as the aggregated indicator may dilute negative environmental impacts of certain aspects of the product with more positive environmental impacts of other aspects of the product.

Claims or labels that use aggregate scoring of the product's overall environmental impact, will no longer be permitted according to the proposal.

Enforcement of provisions

Each Member State will designate one or more appropriate competent authority as responsible to enforce the provisions set out in the proposal. As the consumer protection mechanisms vary between each Member State, it is proposed to let them designate the most efficient competent authority to carry out the enforcement including inspections, sanctions and judicial pursuits. In this way, the proposal leaves the possibility to Member States to choose the existing mechanisms under consumer protection law.

Budgetary implications

The proposal involves a budget of a total of approx. EUR 25 million until 2027 (i.e. under the current multi-financial framework).

Substantiation and communication of explicit environmental claims (Green Claims Directive)

The Committee on the Environment, Public Health and Food Safety and the Committee on the Internal Market and Consumer Protection adopted a joint report by Cyrus ENGERER (S&D, MT) and Andrus ANSIP (Renew, EE) on the proposal for a directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims (Green Claims Directive).

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter and scope

The report clarified that the purpose of the proposed Directive is to provide for a high level of consumer and environmental protection, while contributing to the functioning of the internal market, by approximating the laws, regulations and administrative provisions of the Member States related to environmental claims made on or with reference to products made available on the market or to traders making products available on the market. It should apply to explicit environmental claims made by traders about products placed on the market or put into service, including through online platforms or traders and environmental labelling schemes in business-to-consumer commercial practices.

Substantiation of explicit environmental claims

Explicit environmental claims claiming that a product has a neutral, reduced or positive environmental impact based on the use of carbon credits should be prohibited. By 18 months after the entry into force of this Directive, the Commission should provide a report on the use of explicit environmental claims on products or product groups containing substances or preparations/mixtures meeting the criteria for classification as toxic, hazardous to the environment, carcinogenic, mutagenic or toxic for reproduction (CMR).

Environmental labelling schemes

Environmental labelling schemes established by private operators prior to the date of transposition may continue to award environmental labels, which are to be used on the Union market, provided they meet the requirements of this Directive.

The Commission should publish and keep-up-to date a list of environmental labelling schemes that comply with this Directive and environmental labels that are allowed to be used. This list should be available to the public free of charge and be presented in an understandable manner.

Verification

The verification of explicit environmental claims and environmental labelling schemes should be completed within 30 days. The verifier may decide to extend the period for verification for more than 30 days in duly justified cases. Member States may prioritise the verification of existing environmental claims made before the entry into force of this Directive. The verifier should have adequate resources, in particular technical capabilities and a sufficient number of suitably qualified and experienced personnel, with experience in life-cycle assessments, where necessary, responsible for carrying out the verification tasks.

Small and medium sized enterprises

To support SMEs, the report suggested that Member States should designate single points of contact for microenterprises and small and medium-sized enterprises from where they can request information on complying with the requirements on explicit environmental claims and on the available support.

Compliance monitoring measures

The competent authorities may decide upon a duly justified request from the trader, in exceptional cases, to grant the trader one extension to the original 30 days, during which the trader will be required to take all appropriate corrective action.

Where the competent authorities of a Member State establish that verifiers have repeatedly issued certificates of conformity for explicit environmental claims that do not comply with the requirements laid down in this Directive, the verifier's accreditation should be withdrawn without undue delay.

Complaint-handling and access to justice

Competent authorities should, as soon as possible and in any case within 30 days from receiving the substantiated concern inform the relevant person or organisation that submitted the complaint of its decision to accede to or refuse the request for action put forward in the complaint and shall provide the reasons for it and a description of the further steps and measures it will take.

Consultation forum

A new article proposes that the Commission should establish a green claims consultation forum involving balanced participation of Member States representatives and all relevant interested parties.

Monitoring

National competent authorities should actively collaborate and regularly exchange best practices regarding the implementation of this Directive.

Evaluation and review

Members considered that the report should assess whether this Directive has achieved its objective, in particular with regard to:

- facilitating transition towards toxic free environment;
- ensuring that traders effectively prioritise emission reductions in their own operations and value chains, by assessing the adequacy of the provisions related to the use of carbon credits;
- further strengthening consumer protection and the functioning of the internal market by considering extending the requirements on substantiation of explicit environmental claims to micro enterprises.

Transposition

Member States may introduce a transitional period, between the date of entry into force and the date of application of this Directive, during which existing environmental claims submitted for verification can be used.

Substantiation and communication of explicit environmental claims (Green Claims Directive)

The European Parliament adopted by 467 votes to 6, with 74 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims (Green Claims Directive).

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

Subject matter and scope

The proposed Directive should provide for a high level of consumer and environmental protection, while contributing to the functioning of the internal market, by approximating the laws, regulations and administrative provisions of the Member States related to environmental claims made on or with reference to products made available on the market or to traders making products available on the market. Examples of environmental claims are environmentally friendly, eco-friendly, green, natures friend, ecological, environmentally correct, climate friendly, gentle on the environment, carbon friendly, energy efficient, biodegradable, biobased or similar statements that suggest or create the impression of excellent environmental performance.

The Directive should apply to explicit environmental claims made by traders about products placed on the market or put into service, including through online platforms or traders and environmental labelling schemes in business-to-consumer commercial practices.

Substantiation of explicit environmental claims

Professionals should carry out an assessment to substantiate explicit environmental claims. According to Members, this assessment should:

- be based on independent, peer-reviewed, widely recognised, robust and verifiable scientific evidence, use accurate information and take into account relevant European or international standards;
- separate any carbon credits used from greenhouse gas emissions as additional environmental information, specify whether those credits relate to emission reductions or removals;
- indicate, for the use of carbon credits, the share of residual emissions expressed as a share of base-year emissions, the share of biogenic and fossil emissions within these residual emissions and the quantity and type of activity underlying the credits used, providing evidence that the credits have been appropriately retired from the registry of the certification scheme, in order to avoid double counting;
- ensure that, for carbon credits used for contribution claims, no financial contribution is used to claim an improvement in the climate or environmental impact of the product or trader.

Explicit environmental claims claiming that a product has a neutral, reduced or positive environmental impact based on the use of carbon credits should be prohibited. By 18 months after the entry into force of this Directive, the Commission should provide a report on the use of explicit environmental claims on products or product groups containing substances or preparations/mixtures meeting the criteria for classification as toxic, hazardous to the environment, carcinogenic, mutagenic or toxic for reproduction (CMR).

Where the explicit environmental claim is related to future environmental performance of a trader, the trader should:

- include a time-bound, science-based and measurable commitment for improvements inside own operations and value chains;
- include an implementation plan containing measurable and verifiable interim targets and other relevant elements necessary to support implementation, such as allocation of resources, a monitoring plan and a reporting plan based on reporting and verifications at regular intervals;
- make publicly available the information referred to above, including the results of reporting.

Environmental labelling

The environmental labelling scheme should have a robust monitoring and evaluation system to regularly review its objectives, strategies, performance and impacts, based on the latest best practices, scientific data and evidence, and where relevant, to update its requirements in line with the findings.

The Commission should publish and keep-up-to date a list of environmental labelling schemes that comply with this Directive and environmental labels that are allowed to be used on the Union market. This list should be available to the public free of charge and be presented in an understandable manner.

Verification

The verification of explicit environmental claims and environmental labelling schemes should be completed within 30 days. The verifier may decide to extend the period for verification for more than 30 days in duly justified cases. Member States may prioritise the verification of existing environmental claims made before the entry into force of this Directive. The verifier should have adequate resources, in particular technical capabilities and a sufficient number of suitably qualified and experienced personnel, as well as a complaint and dispute resolution mechanism in place.

Where the competent authorities of a Member State find that a verifier has repeatedly issued certificates of conformity concerning explicit environmental claims which do not comply with the requirements laid down in the Directive, the accreditation of the verifier concerned should be withdrawn immediately.

Small and medium sized enterprises

To support SMEs, Members suggested that Member States should designate single points of contact for microenterprises and small and medium-sized enterprises from where they can request information on complying with the requirements on explicit environmental claims and on the available support.

Simplified verification system

By 18 months after the entry into force of the Directive, the Commission should establish, by means of a delegated act, a simplified verification system that allows traders to benefit from a simplified procedure, that may include a presumption of conformity, for certain environmental claims.

Consultation forum

A new article proposes that the Commission should establish a green claims consultation forum involving balanced participation of Member States representatives and all relevant interested parties.

Transparency				
ENGERER Cyrus	Rapporteur	ENVI	17/04/2024	Metal Packaging Europe External Affairs ASBL
KOKALARI Arba	Shadow rapporteur	IMCO	04/04/2024	ICC Sweden

ENGERER Cyrus	Rapporteur	ENVI	21/03/2024	Compare Ethics
ENGERER Cyrus	Rapporteur	ENVI	19/03/2024	Stiftung myclimate
KOKALARI Arba	Shadow rapporteur	IMCO	19/03/2024	Visita
ENGERER Cyrus	Rapporteur	ENVI	13/03/2024	LightingEurope
ENGERER Cyrus	Rapporteur	ENVI	06/03/2024	Amcham Finland ry
WEISS Pernille	Shadow rapporteur	ENVI	04/03/2024	International Association for Soaps, Detergents and Maintenance Products
WEISS Pernille	Shadow rapporteur	ENVI	26/02/2024	AIM - European Brands Association
WEISS Pernille	Shadow rapporteur	ENVI	21/02/2024	Federation of the European Sporting Goods Industry
WÖLKEN Tiemo	Member	11/03/2024	European agri-cooperatives European farmers	
POULSEN Erik	Member	11/03/2024	AIM - European Brands Association	
REPASI René	Member	06/03/2024	L'Oréal	
JAHR Peter	Member	01/03/2024	Indigo Agriculture Europe GmbH	
DECERLE Jérémy	Member	22/02/2024	planet score	
BERNHUBER Alexander	Member	20/02/2024	Wirtschaftskammer Österreich	
GLÜCK Andreas	Member	31/01/2024	L'Oreal	
GRAPINI Maria	Member	29/01/2024	L'Oréal	
WIEZIK Michal	Member	25/01/2024	Textile Exchange	
	Member	25/01/2024	Association Française des Entreprises Privées / French Association of Large Companies	