



## JOINT BUSINESS STATEMENT

**Businesses call on the EU co-legislators to clarify, harmonise and simplify the Green Claims Directive to ensure the adoption of a framework safeguarding businesses' competitiveness**

28 February 2025

***EU policymakers are urged to carefully evaluate options to simplify, clarify and streamline the Green Claims Directive during negotiations, through the lens of the simplification and competitiveness agenda. The introduction of proportionality and legal predictability in the substantiation and ex-ante verification requirements should be a key priority. Adopting a well-designed and simplified framework is essential to align the Directive with the EU's goals of boosting industry competitiveness and investments in the EU and avoiding green hushing.***

Our associations are fully committed to providing consumers with clear and relevant information on the sustainability of products and businesses. The **communication of this information is a catalyst for innovation and investments in sustainability, enhancing the industry's competitiveness, and empowering consumers to make informed, sustainable choices.**

We support the objectives of the proposal for a Green Claims Directive to create a level playing field for businesses while ensuring consumers receive trustworthy information. However, **we need a proportionate and clear framework from its outset, levelling the playing field for all economic operators and safeguarding businesses' competitiveness and incentive to invest, empowering both businesses and consumers in the green transition.** This will also avoid short-term revisions to address inconsistencies, ambiguities or other unintended negative impacts of the Directive on businesses.

If new rules are unclear, impractical and costly, they will de facto prevent businesses from communicating about sustainability (i.e. green hushing effect), depriving consumers of such necessary information.

The proposal presents **challenges that contradict and run counter** to the European Commission's Political Guidelines and its recent Competitiveness Compass, the findings of the Draghi Report on the future of European Competitiveness, and the ongoing discussions within both the European Parliament and Council, which all emphasise

the **intention to reduce administrative burdens by simplifying the application of legislative frameworks to facilitate compliance for all businesses**, especially SMEs, and **improve the competitiveness of the EU economy**.

Addressing the current imbalances and uncertainties in the proposal does not undermine consumers' and markets' trust, as they can already count on established and robust EU rules preventing and penalising misleading environmental claims which have been consistently enforced at national level.

As the EU Institutions start the interinstitutional negotiations, **we urge policymakers to carefully assess and consider the amendments under discussion to introduce proportionality and streamline the proposal, aligning it with the objectives of administrative burden reduction, avoiding duplication of requirements and simplifying rules application**. Here are some of the areas for substantive improvements to make it workable:

**1. Lack of proportionate and clear substantiation and verification requirements risks preventing businesses from communicating to consumers and discouraging investments in sustainability**

The **one-size-fits-all approach to substantiation requirements risks creating disproportionate rules for claims related to environmental aspects** (e.g. 'produced with renewable electricity', 'X% recycled content', 'recyclable' etc). Such claims, which the European Commission identifies as 'straightforward' for their justification, would require the same level of substantiation as more complex ones (e.g., carbon footprint of a product), which require time-consuming lifecycle assessments and whose substantiation cost is estimated to be between 8-16 times higher than the one for claims on environmental aspects<sup>1</sup>.

The proposed **ex-ante verification and certification process raises concerns due to its lack of predictability, harmonisation and practicality**. It could result in inconsistent systems across Member States and prevent companies from making claims due to the costs and potential delays of the verification process, considering the high volume of environmental claims and labelling schemes requiring ex-ante verification. This will ultimately negatively impact the provision of information to consumers. While we note the efforts of the EU co-legislators to reduce administrative burden by proposing some simplification of the procedure, we remain concerned about the unintended additional burden and legal uncertainty of some of the proposed solutions as well as the missed opportunity to holistically address the inconsistencies of the legislative proposal.

**2. Unfeasible transition periods risk leading to waste generation**

**Sufficient transition period is essential for companies to adapt to the new requirements**. On one hand, the ex-ante verification and certification process and any simplified procedures will take time to become operational. On the other hand, businesses need full legal clarity and all relevant information, to be defined through the Directive and implementing legislation, before applying the framework. Additionally, special consideration should be given to **products already on the market before the application date and displaying claims or labels on the packaging**, which should be **allowed to continue to be marketed**. Otherwise, packaging may need to be destroyed to avoid fines or reputational damage, generating waste, in contradiction with EU environmental objectives.

**3. Rules around hazardous substances are misplaced and risk leading to unintended consequences**

The Green Claims proposal is not the right instrument to set up EU legislation around hazardous substances. All the proposed solutions in the different legislative texts intersect and potentially disrupt other EU legislation. **Including an**

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<sup>1</sup> [European Commission's Impact Assessment](#) (p. 14): Substantiation costs for a claim related to an environmental aspect (e.g., recycled content) are estimated at EUR 500, while claims on the environmental impact (e.g., environmental footprint) are estimated at EUR 8000 (this can decrease to EUR 4000 in case a product environmental footprint category rule exists).

**automatic ban for environmental claims on products containing hazardous substances within the scope of Green Claims introduces potential overlap with existing legislation** (e.g., REACH, RoHS) which already addresses the safety and environmental impact of hazardous substances. These regulatory frameworks have already the necessary instruments to restrict hazardous chemicals following appropriate impact assessments (e.g., REACH). **This overlap could result in products compliant with these frameworks being excluded from Green Claims eligibility, while there is no established correlation between the presence of such substances and misleading environmental claims.** Finally, the proposed list of categories is too broad to be effectively measured and controlled, making the Council and European Parliament's proposals impossible to implement in practice.

#### 4. Clearly exclude claims based on information already regulated in other EU rules

Full clarity on the legal hierarchy and scope of the Directive is paramount: The **Directive should not cover B2B communication nor overlap with other EU rules, such as the Packaging and Packaging Waste Regulation (PPWR) and the Corporate Sustainability Reporting Directive (CSRD)**, which govern claims related to packaging and corporate sustainability reporting respectively:

- **Article 14 of PPWR**, which recently entered into force, **establishes clear rules for substantiation of claims related to packaging**, requiring them to be substantiated through the PPWR technical documentation.
- **Corporate sustainability reporting is already regulated in the CSRD and has more than 1200 data points (ESRS)**. Sustainability reporting plays a different role and has a different nature (structure, language, requirements) compared to claims made on products and services and is primarily targeted at non-consumers (e.g. investors, banks, insurers, pension funds etc). It should be clearly indicated that corporate information, including targets and statements regarding a company's strategy and business model, that is already **regulated** under other existing EU pieces of law, for example, the **CSRD**, are **excluded from the scope of the GCD**.

We stand ready to support EU policymakers in this phase of the legislative negotiations by sharing our expertise and exploring solutions to ensure a clear, predictable and practical framework for green claims, empowering both businesses and consumers in the green transition.

List of signatories:



AIM, European Brands Association



A.I.S.E., International Association for Soaps, Detergents and Maintenance Products



Brewers of Europe



BusinessEurope



CEPI, Confederation of European Paper Industries



Cosmetics Europe



EBCA, the European Branded Clothing Association



EDANA



EUROPEN - The European Organisation for Packaging and the Environment



Federation of the European  
Sporting Goods Industry

FESI, Federation of the European Sporting Goods Industry



FoodDrink Europe



spiritsEUROPE



NATRUE, the International Natural and Organic Cosmetic Association



TIE, Toy Industries of Europe