

POSITION PAPER

Green Claims Directive

For a regulation that supports customers making sustainable choices



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Background

In this paper, CLEPA, the European Association of Automotive Suppliers, comments on the Proposal 2023/0085 for a Directive by the European Parliament and the Council on substantiation and communication of explicit environmental claims (Green Claims Directive). This document provides a comprehensive overview of current challenges and recommendations by the European automotive supply industry, one of the driving forces of EU competitiveness with annual investments exceeding €30 billion in R&D.

Executive summary

CLEPA and its members fully support the efforts of the European Commission, Parliament and Council to enhance sustainability and address the risk of greenwashing in product communication. Nevertheless, in its current form, the Green Claims Directive may negatively impact the transition towards more sustainable products.

Fact-based communication on the environmental contribution of products and services ensures a level-playing field for market actors in the sector. Automotive suppliers have been developing strategies and pre-competitive partnerships to provide sound, reliable and comparable tools to measure sustainability progress. Automotive supply companies acknowledge the importance of transparently communicating on the sustainability of their products. This communication not only empowers consumers to make informed choices, but also fosters a marketplace that promotes truly sustainable products. The Green Claims Directive should aid consumers in discerning between products of varying degrees of sustainability, thereby encouraging greater transparency and accountability across industry.

However, the Green Claims Directive could, in its current form, introduce an excessively high bar for sustainability communication. We see the specific risk that uncertainty in the text, legal concerns and financial costs of certifications may result in preventing companies from communicating about sustainability entirely, which would, in turn, mean less transparency for customers. To achieve a sustainable economy, consumers need to be able to not only identify the best-in-class performing product, but also to distinguish between better and worse products. It is therefore crucial that the efforts to substantiate environmental claims are proportional to the competitive advantages that such claims bring to the market.



If companies are not able to benchmark themselves and their products on sustainability, there is a very concrete risk that no market interest and consumer request can be leveraged to afford the significant investments that are needed upfront and throughout the greening process. We urge the Council and the subsequent Trilogue negotiations to consider these aspects and develop a harmonised legislation that creates a level-playing field for EU stakeholders; and not a barrier to environmental communication.

Assessment and recommendations

Based on the concerns highlighted above, CLEPA suggests addressing the following elements:



Subjective wording and definitions: The Commission's proposal for the Directive introduces (in Art. 3.1) the requirement for an environmental claim to “rely on widely recognised scientific evidence, use accurate information and take into account relevant international standards”. Terms such as *widely recognised*, or *relevant*, are very vague and provide uncertainty for companies and operators seeking to comply with the requirements. The text provides several examples of such uncertain and subjective definitions that may negatively impact the ability of entities to positively communicate on their sustainability contributions. Furthermore, there is unclarity on the [Commission's website](#), where it is indicated that an example of a green claim is a “company's environmental footprint reduced by 20% since 2015”, which stands in contrast with the Directive's scope being B2C.

We invite EU institutions to clearly define the scope of the legislation on B2C, and to ensure that there are no contradictions between the proposal and legislations that are already in place (e.g., Corporate Sustainability Reporting Directive and the latest revision of the Unfair Commercial Practices Directive to address greenwashing).



Mandatory third-party verification: CLEPA is in favour of a substantiation approach to verify environmental claims, whereby the conformity with the requirements defined in the Directive is assessed by the trader and controlled by market surveillance. The EU's General Product Safety Regulation has already proved the effectiveness of self-declarations as a reliable way of ensuring compliance in highly sensitive areas (including, to a large extent, CE marking). Inaccurate and false advertisements may already now cause severe legal and reputational consequences for companies. CLEPA agrees that companies must be held accountable for their green claims, but we urge institutions to consider that the Green Claims Directive, in its current formulation, may lead to a situation where the more organisations disclose about their environmental performance, the more they must pay to get third-party certification.



Lack of harmonisation: Article 10 indicates that "Member states shall set up procedures for verifying the substantiation and communication of explicit environmental claims [...]". CLEPA members see an improvement to the text proposed by the Parliament to Art. 10.7, where it is stated that "Once a certificate of conformity is delivered and notified, the labelling scheme of the environmental claim can be used within the Union [...]". Nevertheless, the fact that key provisions in the text depend on the implementation in the 27 Member states, and by the different third parties that will be established in the EU27, CLEPA sees a high risk of different interpretations. The EU should not create a competing market for green labelling schemes but aim at a harmonised approach across the block. Clarifications to the text should be added in this regard.

CLEPA strongly believes that if these points are not fully addressed, the pitfalls may outweigh the benefits of the Green Claims Directive and there is a concrete risk that the text undermines the support for proactive companies in the green transformation. Automotive suppliers remain open for a constructive dialogue to ensure a successful implementation of the Directive.

Would you like to know more? You can contact:

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CLEPA, the European Association of Automotive Suppliers, represents over 3,000 companies supplying state-of-the-art components and innovative technologies for safe, smart, and sustainable mobility.

CLEPA brings together over 120 global suppliers of car parts, systems, and modules and more than 20 national trade associations and European sector associations. CLEPA is the voice of the EU automotive supplier industry linking the sector to policy makers.

- The automotive sector accounts for 30% of R&D in the EU, making it the number one investor.
- European automotive suppliers invest over €30 billion euros yearly in research and development.
- Automotive suppliers register over 39,000 patents each year.
- Automotive suppliers in Europe generate 1.7 million direct jobs.

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