

Webinar Procedures



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Agenda

Introduction

Charlotte Denis, Textile ETP

Q&A









Green Claims
Directive: What It
Means for Your
Business

Sophia Engström, RISE



Charlotte Denis, Textile ETP







GOING GREEN TRAININGS

Online animation activities play a pivotal role in sustaining the engagement of SMEs within the digital ecosystem. To stimulate interaction, the RegioGreenTex Community Talks promote the latest progresses and results of the project, and well as encouraging dialogue and knowledge sharing in the textile sector.

The 'Going Green Trainings', a component of the RegioGreenTex Community Talks, offer advisory green support to SMEs in the textile sector, carefully tailored to address sustainability concerns. Led by experts from RISE, these webinars provide practical training across six distinct areas of sustainability.

The Going Green Trainings are part of WP4 (T4.2 Green advice/advisory support to SMEs) and are managed by RISE, with support from OVAM, Euramaterials, Citeve, Eurofins, Ateval, AEI Textils, CS-Pointex, NTT, EURATEX, and Textile ETP.





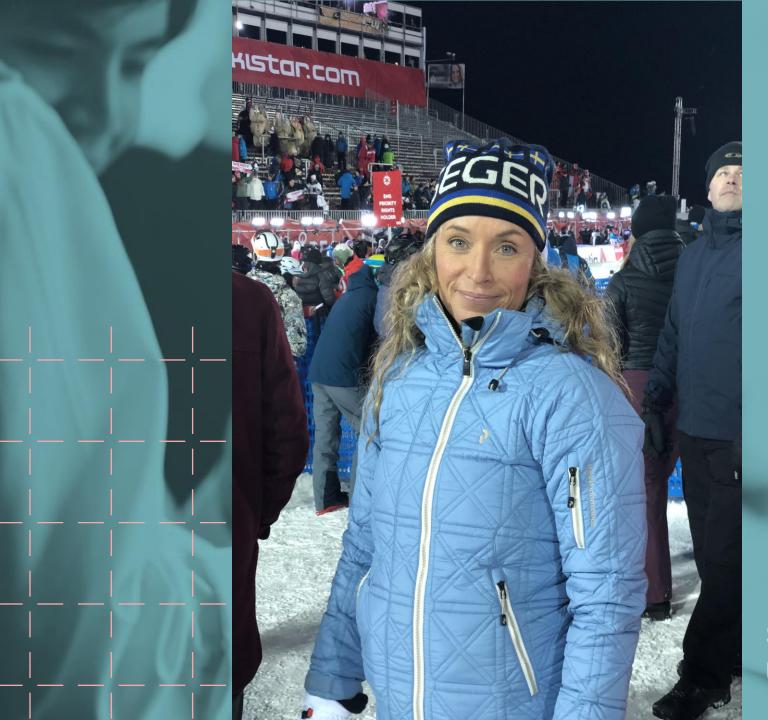
Green Claims Directive: What It Means for Your Business

Sophia Engström, RISE





Green Claims Directive What it Means for Your Business



Sophia Engström Business Development specialist

Purpose of Green Claims Directive

- 1. Role of Consumers in Accelerating the Green Transition. Aims to give the large scope 3 that means us, more power to make the right sustainable choices
- 2. Fair and leveled market for companies

NO MORE GREENWASHING!



A Claim - As customer You shall be able to..

1. Trust

2. Compare

3. Verify



What's happening?

- ☐ The ENVI and IMCO Committee (joint committees responsible) adopted their report on 14 February 2024, which was adopted by the Parliament plenary on 12 March 2024.
- ☐ The Council adopted its general approach on 17 June 2024.
- ☐ 28 January 2025: first trilogue
- ☐ Following trilogues between EU institutions, the Directive is expected to enter into force and be transposed into national law by member states.
- ☐ <u>Directive on Empowering Consumers for the Green Transition</u> (ECGT):
- □ Parliament adopted the provisional agreement on the ECGT Directive. The <u>directive</u> entered into force on 27 March 2024, and member states have 24 months to transpose it into national law.
- ☐ March 2026?



Open letter to

Members of the European Parliament

Ministers of the Council of the European Union

January 27th, 2025

Honourable members of the European Parliament and national representatives,

Trust is easy to lose and hard to regain - and current practices for communicating environmental information are rapidly eroding public trust in green claims, as recently shown by a <u>consumer survey</u> conducted by the European Consumer Organisation (BEUC). The Green Claims Directive is Europe's best chance to eliminate greenwashing.

By guiding businesses to have confidence in the claims they can make, this Directive could set the foundation necessary to repair a market failure that is costing rather than rewarding businesses for sustainable innovation.

We, the undersigned (civil society organisations and businesses across Europe), call on the Council and Parliament to support a robust Directive with a meaningful verification procedure and clear rules on environmental claims to protect consumers and sustainable businesses.

In particular, two key provisions are needed to achieve more sustainable consumption:

- 1. Ensure the efficient verification of all claims before they enter the market. Today, half of environmental claims on the market are either misleading or misuse methods of substantiation. Market authorities cannot enforce current legislation sufficiently due to the sheer number of claims whilst traders face legal uncertainty and fragmentary enforcement. Smaller businesses that cannot afford the best lawyers and who cannot risk enforcement are the most disadvantaged. Including verification ex-ante by default would eliminate greenwashing from the start and support businesses in managing legal risks from greenwashing. The process should be swift, manageable, and affordable.
- 2. Prevent misleading environmental claims relying on 'offsetting' of environmental impacts, including at the traders' level. The EU's Empowering Consumers for the Green Transition Directive, national regulators, and Courts have all recognised that 'offsetting' is a highly flawed concept that does not align with scientific evidence. Instead, the Directive should enable companies to communicate about their contribution to environmental projects outside of their value chain, with no notion of compensation.

The Green Claims Directive is a major milestone of the New Consumer Agenda and the European Green Deal – and it is as urgent as ever to put it into action. We firmly believe that these provisions will ensure that consumers receive truthful information about the real environmental impacts of products and traders.

We urge you to support and enhance the sound provisions proposed by the European Commission and the co-legislators, as proposed in this letter.

Signed

Environmental Coalition on Standards

European Environmental Bureau

Carbon Market Watch

BFUC

L'Arbre ve

Backmarke

Circular Economy Forum Austria

Ecopreneur

Eurocoop

iFixit

New European Reuse Alliance

Rethink Plastic Alliance

SIG Group

TIC Coun

Werner & Mertz































What else is happening?

Regulatory crackdown on greenwashing in the EU!

Regulators across Europe are increasing their scrutiny of greenwashing practices!

Enforcing stricter transparency standards. For example, the European Securities and Markets Authority (ESMA) has issued guidelines requiring funds that use ESG or sustainability terms to allocate at least 80% of their assets to investments that meet mandatory ESG objectives. These guidelines aim to increase transparency and prevent misleading claims in the financial sector.



Short on GCD and CSRD

- The EU Green Claims Directive, currently being negotiated between the Council of the European Union and the European Parliament, aims to combat greenwashing by ensuring that environmental claims made by companies are substantiated and communicated transparently. Once adopted, it will require companies to verify their environmental claims through independent verification, before they put it on the market. Promoting greater accountability and consumer confidence.
- In contrast, the EU Corporate Sustainability Reporting Directive (CSRD) mandates that companies disclose detailed information on their environmental, social and governance (ESG) practices.
- Both directives aim to improve corporate transparency and environmental responsibility.
- The Green Claims Directive aims to specifically target the accuracy of
- environmental claims in marketing.
- The CSRD focuses on comprehensive sustainability reporting within corporate reporting.
- These initiatives are changing the landscape of corporate sustainability marketing by imposing legal accountability for unsubstantiated claims.













53% of green claims give vague, misleading or unfounded information

40% of claims have no supporting evidence

Half of all green labels offer weak or non-existent verification There are 230 sustainability labels and 100 green energy labels in the EU, with vastly different levels of transparency

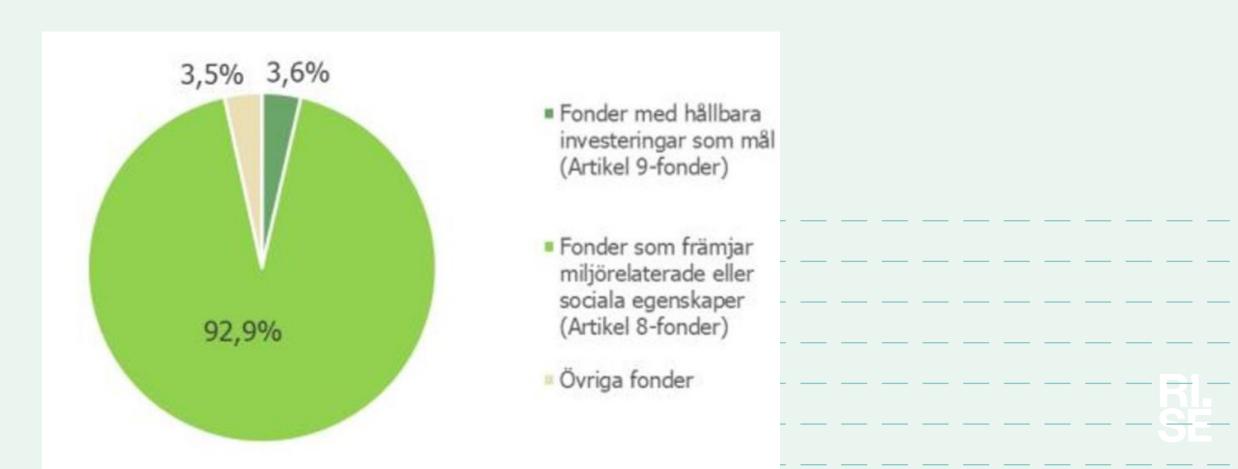
Where do we stand as a society?

"If investment funds had been covered by the green claims directive most of them would be fined.

It is so contradictory that investment funds can even be described as "promoting environmental and social objectives" when they at the same time undermine the very same objectives. But it is still legal according to European SFDR regulation."

/Jacob König, Head of Fair Finance Guide

Source: The Swedish Investment Fund Association



How does GCD affect my company?

- You must know your claim on a detailed level, it must be relevant, true and transparent
- You must be able to compare your claim, it must be substantiated with evidence that allows comparison with other products/services
- Your company must submit your environmental marketing claims for verification before using them.

What to do?

- You must know your claim on a detailed level, it must be relevant, true and transparent
- Make this activity part of your strategy and marketing budget. Learn about how to make a true claim
- You must be able to compare your claim, it must be substantiated with evidence that allows comparison with other products/services
- The more transparent you are, the more you gain
- Your company must submit your environmental marketing claims for verification before using them.
 This is already the law and should be part of every



How about the cost?

- To verify cost less if your claim is transparent and easy to verify.
 The more complex your claim, more data, more evidence etc.
- Estimated cost for verification should be affordable
- Marketing costs already exist, plan as part of the marketing budget.
- Penalties include exclusion from procurements, confiscation of revenues and a fine of 4% of the annual turn over

What is NOT ok to communicate?

Low carbon footprint, green, eco friendly environmentally friendly, ocean friendly, concsious, CO2 neutral, lower carbon footprint greener, better for nature..

Poll: No scientific evidence behind 40 % of claims (> 50 % vauge or misleading evidence) 230 labels in EU today!
Distrust >70 %, even more in som countries

Distrust is a huge risk for good and fair competition on the market - for all Companies!

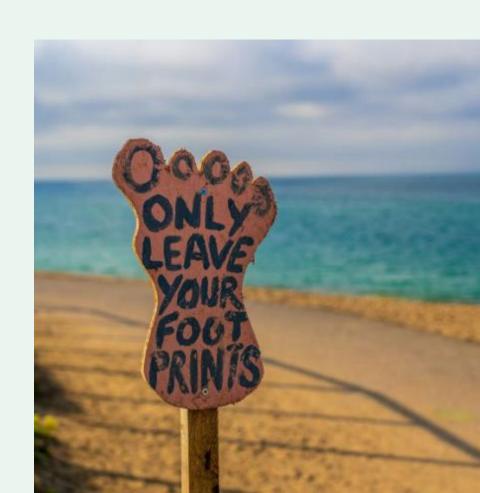


What is OK to communicate?

What do we need to do to make a claim on the market?

- ✓ Your claim must be material to your product- not just a fraction but a
 relevant part of product lifecycle, of total CO2 footprint
- ✓ Your claim must be broad enough not just a few impact categories in the LCA of your product
- ✓ Verify and be transparent with your result
- ✓ Communicate the verified result made by a third party (RISE is already working on providing affordable services for this)
- ✓ No ranking of your product compared to others is allowed.

Note: All this is already in Legislation "Unfair practises directive" - new ammendment coming soon



Criticism & Risks

Criticism on GCD:

- Overly focused on CO2 impact, missing other important impacts, such as social responsability
- To vauge, no clearly defined comparable measuring standards
- Lack of standardized testing, KPI etc.
- Unclear how much secondary data is required?
- Companies can cherry pick methodology on how to substantiate your claim



Mitigating Risks

- Use and take the LCA approach when calculating your product data
- Use comparable standardized testing methods, same KPI etc.
- Demand high quality data from your suppliers in your value chain
- The EU "Environmental footprint method" to substantiate your claim. Use best practices.



How about the fashion and Textile Industry?

Does the Industry pose more problems than others?

- we are more visible, well known brands, more exposed
- Global value chains that has a lot of social responsability issues
- Not always worst when it comes to our environmental practices
- A wide variety of labels has amplified the problem of green washing





What should the Industry do

- Create better traceability; where is it woven, knitted, and dyed?
- Create better knowledge of systems and value chains
- Global value chains that has a lot of social responsability issues, deal with them.
- A wide variety of labels has amplified the problem of green washing
- Not always worst on environmental practices, but a large industry creates large impact
- o Respect Your Customer!







Q&A





Thank you

For more information about the RegioGreenTex Community Talks, contact: charlotte.denis@textile-platform.eu







Building a circular textile value chain: Portugal GreenTex Hub

Introduction to the Hub, Interregional Focus Group and Presentations of SMEs

13 March 2025 • 10:30-11:30 • Online

