

Swedish Forest Industries Federation's (SFIF) position on the Directive on substantiation and communication of explicit environmental claims (Green Claims Directive)

Summary

SFIF welcomes the European Commission's objective to set a baseline for the requirements for substantiation of environmental claims to mitigate greenwashing. The proposal constitutes an important and needed piece of legislation which complements related consumer protection legislation. However, although the intended purpose of the proposal is commendable, SFIF would like to highlight some challenges we have identified, and which we believe need to be addressed, to avoid counteracting the intended purpose of the proposed legislation.

1. Legislation related to products in the Single Market needs to be harmonized

The addition of a mechanism for how national authorities and commercial stakeholders may contribute to the Commission's assessment process for determining the implementation and potential need for delegated acts.

2. Clarification on how to assess substantiation of environmental claims is crucial

The lack of clarity (or risk of arbitrary interpretation) risks inhibiting serious stakeholders from making green claims due to uncertainty surrounding the consequences of evaluation of the environmental claim.

3. Ensure industry involvement related to the development of delegated acts

Industry representation needs to extend across the entire value chain, with a majority of stakeholders having knowledge about specific products or product groups.

Background

One of the objectives of the *Circular Economy Action Plan (CEAP)*¹ published in March 2020, was to empower consumers to contribute to the circular economy by making informed purchasing decisions.

¹ [Circular economy action plan \(europa.eu\)](https://ec.europa.eu/euro-observatory/circular-economy-action-plan)

² [Empowering consumers in the green transition \(lex specialis\)](#)

³ [Green Claims Directive \(lex specialis\)](#)

Enabling consumers to make the right choice through reliable and verifiable green claims

In March 2022, the *Empowering consumers in the green transition*² proposal was published with the aim of ensuring that consumers receive trustworthy and relevant information related to products' sustainability aspects. A year later, the follow-up legislation was presented, the *Directive on Green Claims*³. The aim of this proposal is to set a baseline for requirements on traders to substantiate any voluntary environmental and product performance claims communicated to consumers.

The proposal lists assessment criteria for substantiation of explicit environmental claims, such as being able to:

- support environmental claims with scientific evidence
- demonstrate that environmental impacts are significant from a life-cycle perspective
- separate greenhouse gas emission offsets from actual greenhouse gas emissions
- provide information on whether products perform significantly better regarding environmental aspects than accepted common practice for products in the relevant product group

The proposal also includes rules for ex ante conformity verification by a third-party as well as compliance monitoring measures. The Commission may adopt delegated acts to complement the requirements on substantiation for certain types of claims (e.g. climate related claims, including claims about offsets, "climate neutrality" or similar, recyclability and recycled content). Already established environmental labelling schemes and explicit environmental claims, for which claims are regulated by the Union are exempted from the proposed Directive.

Position by SFIF: Main arguments

1. Legislation related to products in the Single Market needs to be harmonized.

SFIF supports the aim of maintaining and strengthening consumer protection but would like to **stress the importance that rules affecting the functioning of the Single Market are harmonized between all Member States**. A level playing field is decisive for many industries, including the Swedish forest industry, which has the Single Market as its main (domestic) market. For example, compliance monitoring measures need to be similar in all Member States, and apply to all products, whether they are produced within the EU or imported. Fragmented implementation of the proposed legislation risks undermining consumer protection rather than strengthening it.

SFIF emphasizes that the proposed legislation clarifies how implementation should take place in Member States to ensure full harmonization. In connection with the proposed safety mechanism related to delegated acts issued by the Commission, it would be highly beneficial to the implementation of the proposed Directive to **define a mechanism for how input from national authorities and commercial stakeholders can contribute to annual monitoring of implementation** and to the subsequent determination of the need for delegated acts.

2. Clarification on how to assess substantiation of environmental claims is crucial.

SFIF acknowledges the Commission's proposal in the article 3, listing criteria on how to conduct assessments to substantiate explicit environmental claims. However, the proposed criteria are formulated vaguely and lack delimitations and are thereby open to arbitrary interpretation. It is crucial that the whole value chain, but also the third-party conformity verifiers and designated national authorities in Member States, **share the same interpretation** of the requirements and the amount and quality of information which needs to be available to form the basis of an environmental claim. **SFIF urges for clarification on this point because we are concerned that a lack of clarity risks preventing serious stakeholders from making green claims, particularly if the consequences of such arbitrary interpretation are severe and lead to unpredictable consequences.**

SFIF would therefore like to highlight that some of the proposed assessments to substantiate environmental claims need to be further clarified in the legislation and harmonized with secondary legislation.

According to the proposal the assessment shall:

- “[...] *rely on widely recognized scientific evidence, use accurate information and take into account relevant international standards; [...]*”. SFIF acknowledges that environmental claims must be based on recognized scientific evidence, but what constitutes recognized scientific evidence needs to be specified in the proposal. **SFIF suggests that, as a starting point, recognized scientific evidence requires a peer review process**, i.e. information on which the claims rest, has been evaluated by independent experts in the appropriate field and that it fulfills scientific standards for publication.
- “[...] *demonstrate that environmental impacts, environmental aspects or environmental performance that are subject to the claim are significant from a life-cycle perspective [...]*”. The wording “significant from a life-cycle perspective” is open to interpretation from the scale of life-cycle *perspective* to a full life cycle analysis (LCA). There are a variety of LCA methods available and there is currently no harmonized approach that is fully developed for the whole value chain. **SFIF emphasizes that additional guidelines are decisive, such as clarifying specific product category rules for the whole value chain and the related data needed for LCA evaluation**. Product category rules need to be developed in collaboration between the legislator and industry. Furthermore, there is a need of relatively high level of granularity, e.g regarding material specifications to facilitate comparison between alternatives.
- “[...] *take into account all environmental aspects or environmental impacts which are significant to assessing the environmental performance [...]*”. The proposed requirement is widely open for interpretation. Some guidance is provided in the proposal about the possibility to partly use product environmental footprint (PEF) as well as EU Ecolabel to evaluate environmental performance, although the need to “take into account all environmental aspects” will require the application of additional methods. Furthermore, in addition to providing relevant details regarding the environmental performance of a preferred scenario, the *possible* alternative scenarios also need to be evaluated. **SFIF urges for clarification regarding the extent of basic information needed to fulfill the requested scope of “all environmental aspects/impacts”, particularly in relation to what is technically, practically and economically reasonable.**

3. Ensure industry involvement related to the development of delegated acts

In the Commission's proposal, delegated acts may be adopted to establish product-specific rules or to clarify life-cycle-based rules on the substantiation of claims. SFIF would like to emphasize that the development of delegated acts needs to ensure adequate industry representation throughout the process. Additionally, representation needs to cover the full width of relevant value chains with a majority of stakeholders having knowledge about the actual products or product groups in scope. Industry involvement will help establish an early understanding of the balance between potential outcomes and the technical and economic consequences of additional legislation imposed via delegated acts, to facilitate the implementation of such legislation.

THE SWEDISH FOREST INDUSTRY is an essential contributor in the green transition to a more circular and biobased economy. The industry refines wood resources to bio-based products, such as pulp, paper, board, packaging material, sawn timber, refined wood products, biobased electricity and heat and advanced biofuels. The core business is industrial activities based on wood sourced from sustainably managed forests, but among the industry are also some of the largest private forest holdings in Europe. Any forest, climate, environmental, energy and product related European Union policy is of high importance.

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