# EBCA's position on the Green Claims Directive

### 20 July

The <u>European Branded Clothing Alliance</u> (EBCA) welcomes the European Commission's proposal for a legislative initiative on the substantiation and communication of explicit environmental claims (also known as the Green Claims Directive).

EBCA would like to make the following recommendations to the Commission's proposal for a Green Claims Directive:

- 1. Reinforce claims' reliability through a harmonised verification process
- **2.** Support the call for a single methodology
- 3. Provide increased legal clarity and avoid overlaps with other EU legislation
- 4. Incentivise sustainability related communication
- **5.** Provide a longer implementation period

### Reinforce claims' reliability through a harmonised verification process

EBCA supports the intention of ending greenwashing practices and the aim of ensuring that sustainability claims become reliable, comparable, and verifiable across the EU.

We believe that clear, actionable, and unambiguous rules should direct the textile sector to make science-based environmental claims. We recognize the need to enable the verification of environmental claims and we welcome the fact that the Commission recognized the importance of allowing mutual recognition for the certificates of conformity. However, the verification of individual claims pressures companies with both an administrative and financial burden, delaying product development processes and market introduction. Moreover, we are concerned about the capacity of national competent authorities and verifiers to absorb the high number of requests expected.

Hence, we believe that by introducing a time limit for the issuing of certificates of conformity, companies will be given certainty to properly account for product development processes and the market introduction of products. To make sure claims are verifiable we suggest placing an emphasis on the validity of the verification processes, by ensuring all verifiers assess claims using the same set of rules. This approach would guarantee the same level of reliability of claims and level the playing field for companies operating across borders. Moreover, it should ensure that the verification process is harmonised as much as possible at EU level.

### Support the call for a single methodology

EBCA welcomes the Commission's intention of relying on a single methodology to allow for the comparability of sustainability related claims. The textiles industry is committed to working with the Commission on the further development of the product environmental footprint category rules (PEFCR) for the textiles industry, both in terms of product coverage and impact categories considered. However, we also acknowledge that this process is, due to its complexity, taking longer than initially foreseen. For this reason, to allow for a smooth implementation of the Directive, we suggest that more detailed methodological requirements would be adopted via delegated acts, rather than in the Framework Directive.

To ease the administrative burden of the proposal, while keeping the product/claim specific flexibility and ensuring further steps towards coherence on the EU market, we suggest establishing an option for the Commission to recommend specific methodologies next to mandating them. For instance, the

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Commission may include a reference to this standard/methodology in the Annex of the proposal when specific standards or methodologies are well accepted to substantiate environmental impacts of a certain product or regarding a certain impact. This approach, taken up for instance under the EU Product Safety Law, grants economic operators the freedom to use other methodologies but also allows them to self-certify and rely on presumed conformity in case the specific methodology is used.

# Provide increased legal clarity and avoid overlaps with other EU legislation

EBCA would like to point out that in order to provide legal certainty, the scope of the Green Claims Directive should be better reflected throughout the proposal. Moreover, ambiguous concepts and definitions, such as "better than common practice", "future performance", "robust, science-based and verifiable methods", "significant added value", and "high-quality secondary data" should be revised. Additional certainty could be provided by clearly defining the claims considered, such as "sustainability" and "environmental claims", rather than referring to other legislation which is pending adoption. Furthermore, in light of the principle of policy coherency, which aims to avoid conflict or duplication between EU policies, we would like to emphasize the need to ensure alignment between the Green Claims Directive requirements, national initiatives and other legislation addressing product-related information requirements, such as the Ecodesign for Sustainable Products Regulation and the Textiles Labelling Regulation, and sustainability-related disclosure, such as the Corporate Sustainability Reporting Directive (CSRD).

## Incentivise sustainability related communication

EBCA would also like to point out that the Commission's proposal, as it currently stands, does not provide enough incentives for companies to communicate about the sustainability of their products. We believe that the requirements businesses would have to fulfil to accurately provide consumers with this kind of information, which would bring in additional costs for businesses, is not matched by economic incentives, such as accountability in the eco-modulation framework or tax advantages, which would drive businesses to invest in this direction.

Being able to communicate on sustainability investments and innovations is an important business driver to secure internal buy-in and prioritization. Among other reasons, this has created a business opportunity to advance sustainability strategies and develop more ambitious targets. While we fully support clear and harmonized action to address greenwashing and enhance trustworthy consumer communication, EBCA is concerned about the recent trends across the industry where sustainability and innovation related communication turned into a "risk" rather than an "opportunity".

# Provide a longer implementation period

Finally, to promote uniform implementation among EU Member States, it is advisable to extend the implementation period of the Green Claims Directive, as the current six-month transition period is insufficient for businesses, labels, and certification schemes to make the necessary adjustments. A longer transition period would also be needed to properly account and address the existing divergences in approach which currently exist due to already established national schemes, such as those on ecoscores. To enhance harmonization and legal certainty, we support further efforts to ensure alignment between Member States in the implementation and interpretation of the requirements. Additionally, EBCA believes a single approach throughout the whole of the internal market would reduce administrative burden for companies, foster market coherence and provide consumers with increased clarity.

In this vein, EBCA would encourage co-legislators to grant Member States a longer transposition period. Ideally, EBCA would also appreciate the EU taking the initiative on this and lead international

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collaboration to strive towards regulatory alignment on key definitions and concepts at international level, for instance in context of the US FTC Green Guide - which is currently under revision.

#### **About EBCA:**

The European Branded Clothing Alliance is a coalition of leading global retail companies brands that represent over 60 brands. The alliance works to ensure a positive trade agenda and a more predictable business environment for a leading industry sector in the EU that contributes to jobs, innovation and research and development. Via their global value chains, members also contribute to jobs and sustainable development in countries in which they source and produce. Please visit our website at <u>http://www.ebca-europe.org/</u> for further information.

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