



What is a green claim?

What is the motivation for GCD?

What is the broader picture GCD has to be judged at?

Where does it stand?

What is the difference between ECGT and GCD?

What are the requirements of GCD?

What is the scope?

What is the purpose of GCD?

Whom does it affect?

What happens if you do not comply?

What about level playing field?

Waste framework directive, EPR and ECRA position paper

Strategy moving forward

Ecodesign for Sustainable Products Regulation

Digital Product Passport

GCD „Green Claim Directive“



What is a “green claim”?

A "green claim" is a statement by companies about the environmentally friendly aspects of their products or services. These claims highlight the environmental benefits or reduced impact compared to other products or services.

Green claims can relate to various stages, including manufacturing, packaging, distribution, use, consumption, and disposal of products.

GCD „Green Claim Directive“



⇒ **Explicit green claims:**

These are direct and clear statements or claims made in writing or verbally about the environmental benefits of a product or service. Examples include phrases such as "100% recycled material" or "CO₂-neutral production".

⇒ **Implicit green claims:**

These are indirect hints or implications about the environmental benefits of a product or service, often conveyed through images, colours or vague terms such as "environmentally friendly" without specific details.

⇒ **Generic environmental claims:**

Generic claims that a product or service is environmentally friendly, such as "eco-friendly", "green" or "sustainable". The Directive ensures that these claims are supported by substantial evidence to prevent greenwashing.

GCD „Green Claim Directive“



Motivation for GCD



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



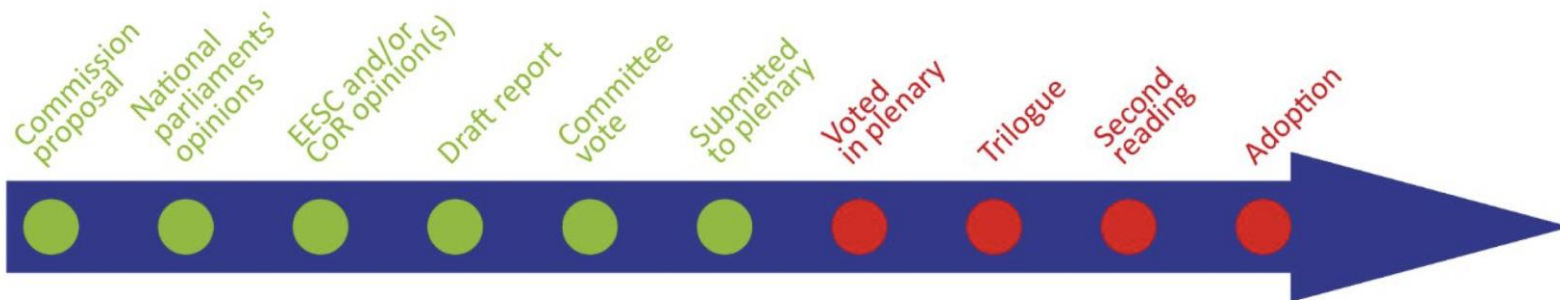
40% of claims have no supporting evidence



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



GCD „Green Claim Directive“



EU Communication Framework

- | | |
|--|---------|
| 1. Empowering Consumer Directive | |
| 2. Consumer Rights Directive | => ECGT |
| 3. Unfair Commercial Practices Directive | => ECGT |
| 4. Green Claims Regulation | => GCD |
| 5. Ecodesign For Sustainable Products Regulation | => DPP |
| 6. Review of Textile Labelling Regulation | |

„Reshaping the way EU marketers communicate with consumers“

ECGT is formally an update of UCPD and CRD.

- 30.03.2022 presented under responsibility of Didier Reynders
- On 17th of January 2024 the ECGT (Empowering Consumer for the Green Transition Directive) was approved by the EU Parliament.
- 20.02.2024 formal approval by the Council

It will be incorporated into national legislation by all EU member states by 2026

GCD „Green Claim Directive“



Empowering Consumers for the Green Transition Directive (ECGT)

1. Objective:

- ECGT aims to empower consumers to make more sustainable purchasing decisions.
- It focusses on providing clear and reliable information on the sustainability of products.

2. Content:

- This directive requires companies to provide transparent and understandable information about the sustainability of their products.
- This includes information on the durability and reparability of products.
- The directive promotes the development of labelling systems and labels that help consumers to recognise sustainable products.

3. Application:

- This directive is aimed at both businesses and consumers. It includes measures to better inform consumers and help them choose sustainable products.
- It applies to a wide range of products and services and involves various stakeholders, including manufacturers, retailers and consumer organisations.

GCD „Green Claim Directive“



Green Claims Directive (Directive on environmental claims)

1. Objective:

The Green Claims Directive focuses on preventing misleading environmental claims ("greenwashing"). Companies should provide clear, accurate and verifiable information about the environmental performance of their products and services.

2. Content:

This Directive requires companies to substantiate their environmental claims with scientific evidence.

It establishes standards and methods for the verification of environmental claims.

Sanctions and penalties are also provided for companies that make misleading or false environmental claims.

3 Application:

This Directive applies to all companies marketing products or services in the EU, regardless of their size or sector.

GCD „Green Claim Directive“



Summary

GCD:

Prevents misleading environmental claims by companies. Emphasises on the verification and scientific substantiation of environmental claims.

ECGT:

Enables consumers to make informed and sustainable purchasing decisions. Focuses on providing clear information about the sustainability and durability of products.

Both directives complement each other by holding companies accountable and empowering consumers to act sustainably.

GCD „Green Claim Directive“



Requirements

Compliance with standards:

The use of eco-labels and environmental product certifications is allowed, if they comply with the Directive's standards and are officially recognised.

Regulation of labelling schemes:

The Directive imposes stricter regulations on environmental labelling schemes, including those from third countries. New schemes from outside the EU need European Commission approval to enter the EU market.

Cooperation with authorities:

Businesses must cooperate with the national authorities enforcing the Directive and provide relevant information upon request.

Carbon offsets:

Businesses can only make claims based solely on carbon offsets, if they can prove a net-zero target, show progress towards decarbonisation, and disclose the percentage of total greenhouse gas emissions, that have been offset.

Product comparisons:

Ads that compare products must be fair and use consistent evaluation methods.

Data recency:

Claims of product improvements must be based on data no older than five years.

GCD „Green Claim Directive“



Requirements:

Substantiation of claims:

Companies must have their environmental marketing claims approved before use, with an evaluation period of 30 days. These claims need to be backed up by scientific evidence that identifies and assesses the environmental impacts and trade-offs.

Verification and certification:

An accredited body must verify and certify green claims as compliant before they can be shared.

Transparency and clarity:

Claims should be straightforward, avoiding any vague or ambiguous language.

Specific and relevant:

Claims must focus on specific environmental benefits and avoid being general or non-specific.

Avoidance of misleading practices:

Businesses are not allowed to mislead consumers about the environmental characteristics or impact of their products or services.

Compliance with luding those from third countries:

New schemes from outside the EU need European Commission approval to enter the EU market.

GCD „Green Claim Directive“



Scope

=> **The Directive does not apply to environmental claims, labels or schemes that are already regulated by other EU legislation.**

For example, claims related to organic farming, which are covered by Regulation (EU) 2018/848, are excluded.

=> **Financial services:**

Environmental claims related to financial services, such as green loans or green home insurance, are not covered by the GCD. These services are subject to their own regulations regarding their environmental claims and certifications.

=> **Green claims for financial incentives:** Offers that include financial incentives for the fulfilment of environmental criteria, such as green credits or discounts for sustainable behaviour, are not regulated by the GCD.

=> **Mandatory reporting by large companies:** Large companies that report sustainability information in accordance with the European sustainability reporting standards are exempt from the GCD when it comes to these specific reports. This ensures that no double reporting is required and that the consistency of the reporting standards is maintained.

⇒ **Certified organic products:** Claims on products certified as organic under existing EU organic farming rules are exempt from the Directive. This ensures consistency and avoids overlapping regulatory requirements.

⇒ The directive exempts **micro-enterprises** with fewer than **10 employees** and an **annual turnover of less than 2 million euros**. They can still obtain a certificate of compliance if they fulfil the criteria, but are not strictly bound by all the provisions of the Directive.

GCD „Green Claim Directive“



What is the purpose of it?

Ensure that brands who make environmental claims to EU consumers are clear and substantiated.

Who does it affect?

Businesses that make environmental claims about their products or services within the EU market.

What are the penalties?

Expensive legal action and fines of up to 4% of a company's annual turnover in EU Member States (or 2 million€, if turnover information is not available).

Companies are well advised to start to comply with it as of now!!!

GCD „Green Claim Directive“



What happens if you don't comply with the Green Claims Directive?

Member states are responsible for enforcing the Green Claims Directive, ensuring that businesses meet their obligations. Authorities designated by each member state will oversee compliance and implement dissuasive penalties for non-compliance.

Member states also have the authority to conduct investigations, which may result in trading sanctions for businesses who are found to be non-compliant.

Businesses that break the Directive's rules could face severe consequences, including procurement bans, loss of revenue, and significant fines.

The Directive also opens the door for third-party complaints, potentially leading to legal action against non-compliant companies.

GCD „Green Claim Directive“



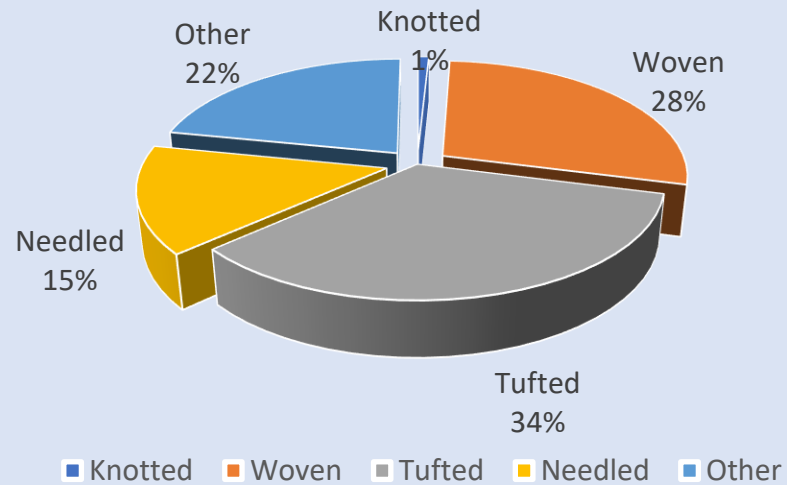
Non-EU company targeting EU consumers, must comply with the Directive.

The aim is to create a global standard for environmental claims, especially for companies interacting with the EU market

EPR Position ECRA

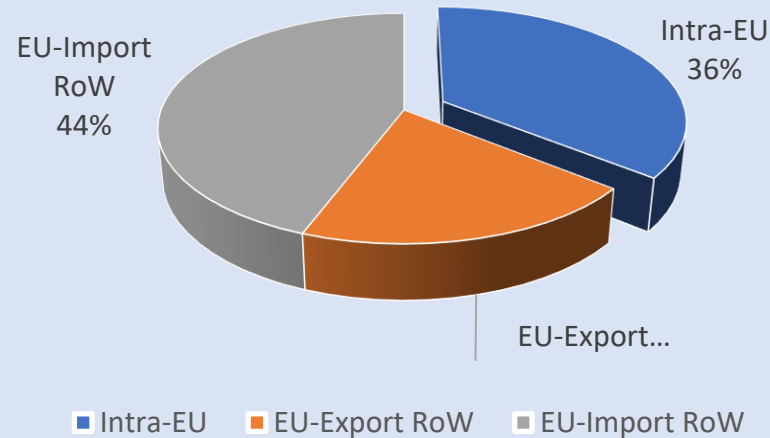


Volume remaining in EU (2022) = Produktion + Export - Import



Type	Mio.-sqm	kt
Knotted	7,3	17,7
Woven	248,2	286
Tufted	302,2	543,2
Needled	130,3	145,5
Other	192,2	194,7
Total	880,2	1.187,1

Trade (2022)



Type	Mio.-sqm	kt
Intra EU	344,6	567,1
EU Export RoW	191,3	292,3
EU Import RoW	425,0	374,6
Total	960,9	1.234

Source: EURASTAT

EPR Position ECRA



- ⇒ *EU is the 2nd largest carpet market globally*
- ⇒ *2022 apr. 4bill.€ production*
- ⇒ *78% remains in Europe => true European asset*
- ⇒ *carpet waste is a bulky waste stream with own challenges*
- ⇒ *ECRA supports a EU wide-harmonized circular economy focused EPR*
- ⇒ *Market criteria and circular principles should define fees (eco-modulation)*
- ⇒ *EPR should allow for collective and individual take back systems with independent auditing to verify compliance*
- ⇒ *Valuable waste is essential to achieve full circularity and must be incentivised to remain in EU*
- ⇒ *ECRA advocates for a mandatory DPP*
- ⇒ *„closed loop“ is not a synonyme for circularity*
- ⇒ *EPR needs to be a level playing field*
- ⇒ *EPR needs to be based upon longer change over times due to lifespan of our products*



EPR Position ECRA



05.07.2023 EU Commission submitted a proposal for of directive 2008/98/EC (= WFD) focussing on two ressource intensive sectors „food & textiles“

09.10. 2023 WFD amendment „*carpets to fall under revised art 22a, i.e. textile household waste*“.

Memberstates to cover costs for collection, transport, sorting, preparing for reuse, recycling and other recovery or disposal.

Memberstates to ensure that producers cover the costs.

31.01.2024 EPR Position Paper filed by ECRA to EU Comission and Parliament.

14.02.2024 DG ENVI WFD amendment change of scope EPR for carpets (5704) „whose main component is textile“ to be implemented by 31.12.2027.

23.02.2024 Discussion with DG ENVI.

13.03.2024 Vote of Parliament plenary session in favor on ENVI Committee report.

Amongst others the scope was extended to carpets (5704) and remained unchanged in wording:

„By 31 December 2027, Member States shall ensure that producers of carpets and mattresses as referred to in Part 2a (new) of Annex IVc, **whose main composition is textile**, that make available those carpets and mattresses on the market for the first time within the territory of a Member State, shall have epr in accordance with Articles 8 and 8a.

Member States may decide to establish a separate epr scheme specifically for those items“.

09.06.2024 Parliament Election

07.07.2024 The Council did not follow the Parliament and Commission proposal to extend EPR to carpets.

EPR Position ECRA



Strategy going forward:

- 1) Monitor the upcoming triologue negotiations between Council, EP and the EC.
The issue of extending the scope to carpets is one of the points, where they are not agreeing and will be negotiated.
 - 2) The question is, do we want to push for the extension of the scope to carpets (taking the side of the EP)?
or do we keep silent and see how the negotiations play out in order to gain more time?
- Our members are in clear favor of a separate EPR but is the industry really ready for it?
 - Disharmony between association fighting for hamonized EPR system and eco-modulation vs individual company circularity approaches and take back schemes.
 - Scenario to have one EPR for textile regulated rugs & runners (majority of import) vs CPR regulated wall to wall (majority of EU production) is unclear.

=> Decission on ECRA Members Meeting in September

As for the negotiations time line, it is not clear yet because the EP is still in the process of establishing its committee members and agenda.

Hence there will be no further progress before end of the year.

Ecodesign for Sustainable Products Regulation

The ESPR aims to reduce the environmental impact of products.

The new requirements via delegated acts will help to design more sustainable products and improve circularity. DPP as well as EFPCRs help to quantify the life cycle wide environmental performance.

Timeline

30.03.2022	ESPR proposal
23.03.2023	Council adopted its general approach
23.12.2023	Provisional agreement between Parliament and Council
27.05.2024	Final approval by council
Next steps:	Adoption of legislative act by President of Parliament and President of Council Publication in Official Journal of EU Commission Enforcement 24 month after entry in force

- The concept of DPP is presented on page 25-27
- New requirements for product durability, reusability, upgradeability and reparability
- Rules on the presence of substances that inhibit circularity, energy and resource efficiency
- Rules on recycled content, remanufacturing
- EFPCRs
- Information requirements including DPP



Digital Product Passport



- Digital Product Passport is the central point of the ESPR
- Standards will specify ESPR and thereby DPP
- These standards will be elaborated by scientific Institutes, industry, society, public sector as well as standardization committees
- DPP will go live 02-2027 for the Global Battery Alliance
- DPP to give product information, used materials, chemicals, recycling possibilities, DOP, operating instruction, product name, product producer, properties, place of production, environmental and social indicators (e.g. CO₂ footprint, compliance with supply chain legislation...)
- The EU commission has asked CEN/CENELEC, ETSI to develop harmonised EU standards for DPP
 - => CEN/CENELEC has founded „Joint Technical Committee 24 DPP“
 - => 06-2023 DIN/DKE has founded „Gemeinschaftsgremium DPP“ to mirror „Joint Technical Committee“ and represent German interests

Digital Product Passport



ESPR Art. 8 and Annex VI describe DPP related delegated acts

- 1) The definition of the product groups covered
- 2) The information to be included in DPP
- 3) The types of data carriers to be used
- 4) The layout in which data carriers shall be presented and positioned
- 5) Whether the DPP corresponds to model, batch or item level
- 6) The manner in which DPP shall be made accessible
- 7) The actors that shall have access to information in DPP and to what information
- 8) The actors that may introduce and update the information in the DPP
- 9) The period for which DPP shall remain available
- 10) Specification for tests, measurement or calculation methods needed to verify/establish compliance
- 11) Requirements on information to be provided manufacturers including elements of technical documentation to enable verification of compliance of the product with ESPR

Digital Product Passport



While details will be defined by delegated acts, general information requirements are described in Art. 7 and annex II:

- ⇒ Unique product identifier
- ⇒ Global Trade Identification Number according to ISO/IEC 15459-6
- ⇒ Relevant commodity codes (TARIC)
- ⇒ Compliance documentation (DOP, technical documentation, certificates)
- ⇒ Requirements related to substances of concern
- ⇒ User manuals, instructions, warnings or safety information
- ⇒ Information related to the manufacturer
- ⇒ Unique operator identifiers in particular responsible for product certification tasks
- ⇒ Unique facility identifiers
- ⇒ Information related to the importer
- ⇒ Voluntary EU Ecolabels
- ⇒ Performance information of the product
- ⇒ Information for consumers and other end-users how to install, use, maintain and repair the product
- ⇒ Information on how to return or dispose
- ⇒ Information for treatment facilities on disassembly, recycling, disposal