

Brussels, 10 June 2024
(OR. en)

10940/24

Interinstitutional File:
2023/0085(COD)

ENV 610
CLIMA 239
CONSOM 217
MI 594
COMPET 635
IND 309
CODEC 1485

NOTE

From:	General Secretariat of the Council
To:	Council
No. prev. doc.:	10435/1/24 REV 1
No. Cion doc.:	7777/23 - COM(2023) 166 final
Subject:	Proposal for a Directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims (Green Claims Directive) – General approach

I. INTRODUCTION

1. On 23 March 2023, the Commission submitted to the European Parliament and the Council, a proposal for a directive on substantiation and communication of explicit environmental claims (hereinafter: Green Claims Directive). The proposal aims to make green claims reliable, comparable, and verifiable across the EU and help establish a level playing field when it comes to environmental performance of products. Under this proposal, companies and traders will be required to prove voluntary claims about environmental characteristics of their products or their organisations.

2. In the European Parliament, the file was referred to the Committees on the Environment, Public Health and Food Safety (ENVI) and on Internal Market and Consumer Protection (IMCO), which appointed Andrus Ansip (Renew/EE) and Cyrus Engerer (S&D, MT) as rapporteurs. The ENVI and IMCO Committees voted their report on 14 February 2024. The European Parliament adopted its position, with further changes, in plenary on 12 March 2024.
3. The European Economic and Social Committee delivered its opinion on 14 June 2023 and the Committee of the Regions delivered its opinion on 10 October 2023.
4. The Commission presented its legislative proposal and relevant parts of its Impact Assessment¹ to the Working Party on the Environment (WPE) on 3 April 2023 under the Swedish presidency. The proposal has been discussed at thirteen WPE meetings under the Swedish, Spanish and Belgian Presidencies. Three Presidency compromise texts have been prepared by the Belgian Presidency, most recently for the WPE meeting on 28 May 2024.
5. On 3 June 2024, the Presidency put forward a revised compromise text (10435/1/24 REV 1), which was discussed in the Committee of Permanent Representatives (Coreper) on 5 June 2024. On the basis of that discussion, the Presidency has maintained the proposed compromise text and only made minor editorial changes.
6. The revised Presidency compromise text is set out in the Annex to this note.

¹ The proposal was based on the Impact assessment accompanying the Commission proposal for Empowering Consumers for the Green Transition (doc.7802/22. ADD1-4).

II. MAIN ELEMENTS OF THE PRESIDENCY COMPROMISE PROPOSAL

7. The proposed compromise seeks to uphold the ambition of the Commission’s proposal by maintaining the ex-ante verification of environmental claims, while addressing the positions of delegations expressed on various issues. To that end, the text aims to strike a balance between protecting consumers from greenwashing, promoting environmentally sustainable innovation, and ensuring that the burden on economic operators and national authorities remains manageable.

The main changes concern the following points:

- Introducing the simplified procedure to exempt four specific types of explicit environmental claims from prior third-party verification to reach a balance between consumer protection and administrative and financial burden for economic operators (Article 3a).
- Introducing flexibility for Member States to establish new national or regional public environmental labelling schemes (Art.8.3) and to exempt certain national or regional public labelling schemes from ex-ante verification (Art. 8.1 b).
- Enhancing the overall clarity by separating the concepts ‘explicit environmental claims’ and ‘environmental labels’ throughout the text and adding a number of definitions, notably, ‘generating an explicit environmental claim’, ‘environmental labelling scheme’, ‘aggregated environmental label’, ‘environmental labelling scheme owner’, ‘making available on the market’, ‘environmental characteristic’, ‘contribution claim’, ‘offset claim’, ‘total greenhouse gas emissions’, ‘SME’ (Art.2).
- Maintaining the inclusion of national or regional ecolabelling schemes established by public authorities within the scope, while exempting officially recognised national or regional EN ISO 14024 type 1 ecolabelling schemes from verification (Art.1.2 and 8.6a).

- Amending the provisions for the substantiation and communication of environmental claims on cumulative environmental impacts by a single score based on an aggregated indicator, as well as the substantiation and communication of comparative environmental claims (Art.3.6, 4, 5.6, 6).
- Further specifying the substantiation requirements for climate-related claims, including those involving carbon credits (Art.3.1a). For example, introducing definitions for ‘contribution claim’ and ‘offset claim’, aligning definitions (e.g. ‘total greenhouse gas emissions’) and concepts (e.g. ‘net zero target’ and ‘decarbonisation pathways’) with relevant Union law, introducing a derogation for SMEs regarding the assessment of scope 3 emissions of their value chain, and mandating the Commission to adopt implementing acts, to ensure uniform rules for substantiating traders’ claims related to climate.
- Including microenterprises in the scope by deleting the exemption in Article 3(3), Article 4(3), Article 5(7), Article 10(3), while adding distinct provisions to ease the transition for them, including a later application date.
- Introducing provisions to use the Internal Market Information System (IMI) and the Single Digital Gateway (SDG) to reduce the burden for competent authorities.
- Accommodating the provisions on compliance monitoring, complaint handling and access to justice, penalties to avoid interference with national systems (Art.15, 16 and 17):
- Amending the review provision regarding explicit environmental claims for products containing hazardous substances to further specify the scope (Art.21.3).
- Further specifying the activities of the verifiers in order to bring more harmonisation in verification (Art.11).
- Amending the provisions on verification to ensure that only the substantiation assessment shall be verified before the environmental claims are made public, and not the communication requirements (Art.10).

- Introducing a postponed application date of 36 months instead of 24 months after the entry into force to allow enterprises, competent authorities and verifiers to prepare for the application of the Green Claims Directive.

III. CONCLUSION

8. The Presidency compromise text for a General Approach is set out in the Annex² to this note.
 9. The Council is invited to agree on a General Approach, as set out in the Annex to this note. The General approach will constitute the Council's mandate for future negotiations with the European Parliament in the context of the Ordinary Legislative Procedure.
-

² Changes to the Commission's proposal are marked in **bold** and deletions in [...]. The most recent changes, following Coreper on 5 June, are marked in **bold underlined** and deletions in [...].

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on substantiation and communication of explicit environmental claims and environmental labels (Green Claims Directive)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee

Having regard to the opinion of the Committee of the Regions¹,

Acting in accordance with the ordinary legislative procedure,

¹ OJ C , , p. .

Whereas:

- (1) Claiming to be “green” and sustainable has become a competitiveness factor, with green products registering greater growth than standard products. If goods and services offered and purchased on the internal market are not as environmentally friendly as presented, this would mislead the consumers, hamper the green transition and prevent the reduction of negative environmental impacts. The potential of green markets is not fully realised. Different requirements imposed by national **law** [...] or private initiatives regulating environmental claims create a burden for companies in cross-border trade, as they need to comply with different requirements in each Member State. This affects their capacity to operate in and take advantage of the internal market. At the same time, market participants have difficulties with identifying reliable environmental claims and making optimal purchasing decisions on the internal market. With a proliferation of different labels and calculation methods on the market, it is difficult for consumers, businesses, investors and stakeholders to establish if claims are trustworthy.
- (2) If environmental claims are not reliable, comparable and verifiable, consumers and other market actors cannot fully leverage their purchasing decisions to reward better environmental performance. Similarly, the lack of reliable, comparable and verifiable information hinders incentives for optimising environmental performance, which would typically go hand in hand with efficiency gains and cost savings for companies along the supply chain as well. These consequences are exacerbated by the lack of a common reference across the internal market and the ensuing confusion.
- (3) For users of environmental information (consumers, businesses, investors, public administrations, NGOs) included in environmental claims, the lack of reliability, comparability and verifiability leads to an issue of trust in environmental information and confusion in interpreting heterogeneous, contradictory messages. This is detrimental to consumers and other market actors, as they may choose a product or a business transaction over other alternatives based on misleading information.

- (4) It is therefore necessary to harmonise further the regulation of environmental claims. Such harmonisation will strengthen the market for more sustainable products and traders by avoiding market fragmentation due to diverging national approaches. It will also set a benchmark that can drive the global transition to a just, climate-neutral, resource-efficient and circular economy².
- (5) Detailed Union rules on substantiation of explicit environmental claims **and environmental labels**, applicable to companies operating on the Union market in business to consumer communication, will contribute to the green transition towards a circular, climate-neutral and clean economy in the Union by enabling consumers to take informed purchasing decisions, and will help create a level-playing field for market operators making such **explicit environmental claims and displaying such environmental labels**.

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A new Circular Economy Action Plan For a cleaner and more competitive Europe, COM/2020/98 final.

- (6) A regulatory framework for environmental claims is one of the actions proposed by the Commission to implement the European Green Deal³, which recognises that reliable, comparable and verifiable information plays an important part in enabling buyers to make more sustainable decisions and reduces the risk of ‘greenwashing’, and includes commitments to step up regulatory and non-regulatory efforts to tackle false environmental claims. Together with other applicable Union regulatory frameworks, including the [...] **Directive (EU) 2024/825 of The European Parliament and of The Council**⁴ amending Directive 2005/29/EC of the European Parliament and of the Council⁵ that this [...] **Directive** aims at complementing, they establish a clear regime for environmental claims, including environmental labels.
- (7) This Directive is part of a set of interrelated initiatives to establish a strong and coherent product policy framework that will make environmentally sustainable products and business models the norm, and not the exception, and to transform consumption patterns so that no waste is produced in the first place. The Directive is complemented, amongst others, by interventions on the circular design of products, on fostering new business models and setting minimum requirements to prevent that environmentally harmful products are placed on the EU market through the proposal for an Eco-design for Sustainable Products Regulation⁶.

³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The European Green Deal, COM/2019/640 final

⁴ [...] **Directive (EU) 2024/825 of the European Parliament and of the Council of 28 February 2024 amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and through better information, COM(2022) 143 final (OJ L...)**

⁵ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (Unfair Commercial Practices Directive) (OJ L 149, 11.6.2005, p. 22).

⁶ Proposal for a Regulation of the European Parliament and of the Council establishing a framework for setting ecodesign requirements for sustainable products and repealing Directive 2009/125/EC, COM(2022) 132 final

- (8) The specific needs of individual economic sectors should be recognised and this Directive should therefore apply to voluntary explicit environmental claims and environmental labelling schemes **and the corresponding environmental labels** that are not regulated by any other Union act as regards their substantiation or communication, or verification. This Directive should therefore not apply to explicit environmental claims, **environmental labels or environmental labelling schemes** for which the Union legislation lays down specific rules, including on methodological frameworks, assessment or accounting rules related to measuring and calculating environmental impacts, environmental aspects or environmental performance (**‘environmental characteristics’**) of products or traders, or providing mandatory and non-mandatory information to consumers on the environmental performance of products and traders or sustainability information involving messages or representations that may be either mandatory or voluntary pursuant to the Union rules.

- (9) Within the context of the European Green Deal, the Farm to Fork Strategy and the Biodiversity Strategy, and in accordance with the target of achieving 25% of EU agricultural land under organic farming by 2030 and a significant increase in organic aquaculture and with the Action Plan on the Development of Organic Production (COM(2021) 141), organic farming and organic production need to be developed further. As regards Regulation (EU) 2018/848 of the European Parliament and of the Council⁷, this Directive should not apply to environmental claims on organically certified products substantiated on the basis of that Regulation, related, for instance, to the use of pesticides, fertilisers and anti-microbials or, for instance, to positive impacts of organic farming on biodiversity, soil or water⁸. It also has a positive impact on biodiversity, it creates jobs and attracts young farmers. Consumers recognise its value. In accordance with Regulation (EU) 2018/848, the terms “bio” and “eco” and their derivatives, whether alone or in combination, are only to be used in the Union for products, their ingredients or feed materials that fall under the scope of that Regulation where they have been produced in accordance with Regulation (EU) 2018/848. For instance, in order to call the cotton “eco”, it has to be certified as organic, as it falls within the scope of Regulation (EU) 2018/848. On the contrary, if the dishwasher detergent is called “eco”, this does not fall within the scope of Regulation (EU) 2018/848, and is instead regulated by the provisions of Directive 2005/29/EC

⁷ Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1).

⁸ https://agriculture.ec.europa.eu/system/files/2023-01/agri-market-brief-20-organic-farming-eu_en_1.pdf

- (10) In addition, this Directive shall not apply to sustainability information involving messages or representations that may be either mandatory or voluntary pursuant to the Union or national rules for financial services, such as rules relating to banking, credit, insurance and re-insurance, occupational or personal pensions, securities, investment funds, investment firms, payment, portfolio management and investment advice, including the services listed in Annex I to Directive 2013/36⁹ of the European Parliament and of the Council, as well as settlement and clearing activities and advisory, intermediation and other auxiliary financial services, including standards or certification schemes relating to such financial services.
- (11) Furthermore, this Directive should not apply to environmental information reported by undertakings that apply European sustainability reporting standards on a mandatory or voluntary basis in accordance with Directive 2013/34/EU¹⁰ and sustainability information reported on a voluntary basis by undertakings defined in articles 3(1), 3(2) or 3(3) of this Directive where that information is reported in accordance with standards referred to in Articles 29b or 29c of Directive 2013/34/EU or in accordance with other international, European or national sustainability reporting standards or guidelines.

⁹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions [...], amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

¹⁰ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

- (12) Offers to purchase goods or receive services conditional on the fulfilment of environmental criteria defined by the seller or service provider or offers where consumers receive more favourable contractual terms or prices upon the fulfilment of such criteria, for example the so-called green loans, green home insurance or financial service products with similar rewards for environmental actions or behaviour should not be subject to the rules of this Directive.
- (13) In case future Union legislation lays down rules on **explicit** environmental claims, environmental **labels or environmental** [...] **labelling schemes**, or on the assessment or communication of environmental **characteristics** [...] of certain products or traders in specific sectors, for example the announced “*Count Emissions EU*”, the forthcoming Commission proposal on a legislative framework for a Union sustainable food system, the Eco-design for Sustainable Products Regulation¹¹ or Regulation (EU) No 1007/2011 of the European Parliament and of the Council¹², those rules should be applied to the explicit environmental claims **and environmental labels** [...] in question instead of the rules set out in this Directive.

~~(13a)~~ [...]

¹¹ COM(2022) 132 final

¹² Regulation (EU) No 1007/2011 of the European Parliament and of the Council of 27 September 2011 on textile fibre names and related labelling and marking of the fibre composition of textile products and repealing Council Directive 73/44/EEC and Directives 96/73/EC and 2008/121/EC of the European Parliament and of the Council (OJ L 272, 18.10.2011, p. 1).

(14) The [...] Directive **2024/825 of the European Parliament and of the Council** on empowering consumers for the green transition which amends Directive 2005/29/EC, sets out a number of specific requirements on environmental claims and prohibits generic environmental claims which are not based on recognised excellent environmental performance relevant to the claim. Examples of such generic environmental claims are ‘eco-friendly’, [...], ‘green’, ‘nature’s friend’, ‘ecological’ and ‘environmentally correct’. This Directive should complement the requirements set out in that [...] **Directive** by addressing specific aspects and requirements for explicit environmental claims, **which are environmental claims made in written form or orally, and environmental labelling schemes and the corresponding environmental labels** as regards their substantiation, communication and verification. The requirements set out in this Directive should apply to specific aspects of explicit environmental claims, **environmental labelling schemes and the corresponding environmental labels, on top of the [...] requirements set out in Directive 2005/29/EC** and will prevail over the requirements set out in Directive 2005/29/EC with regard to those aspects in case of conflict, pursuant to Article 3(4) of that Directive. **Thus, the provisions of Directive 2005/29/EC [...] will apply to traders making claims, in so far those provisions do not conflict with the requirements set out in this Directive.** Consequently, it should still be possible to consider that a commercial practice is unfair on the basis of the provisions of Directive 2005/29/EC, including Articles 5 to 9 of that Directive [...] even though that particular practice meets the requirements in this Directive. [...] However, the assessment of a verifier in the certificate of conformity or a trader in the Specific Technical Documentation, should not prejudice the assessment of the environmental claims by national authorities or courts which enforce Directive 2005/29/EC.

(14a) Explicit environmental claims cover both generic environmental claims and specific environmental claims. An explicit environmental claim is opposed to an implicit environmental claim. An implicit environmental claim is i.e. a colour or image, and therefore not presented in written form or orally. Implicit environmental claims are regulated in Directive 2005/29/EC. [...] Specific environmental claims are explicit environmental claims where the specification of the claim is provided in clear and prominent terms on the same medium. The requirements, such as the substantiation and communication requirements, set out in this Directive shall [...] be applicable to generic environmental claims based on recognised excellent environmental performance relevant to the claim.

- (15) In order to ensure that consumers are provided with reliable, comparable and verifiable information which enables them to make more environmentally sustainable decisions and to reduce the risk of ‘greenwashing’, it is necessary to establish requirements for substantiation of explicit environmental claims **and environmental labels**. [...] **Explicit environmental claims should be substantiated by the trader generating them. Generating an explicit environmental claim should mean making, for the first time, an explicit environmental claim in a business-to-consumer commercial practice towards a consumer in a Member State as well as its subsequent replication in a business-to-consumer commercial practice by that same trader. The trader who made, for the first time, an explicit environmental claim in a business-to-consumer commercial practice is also generating that claim by replicating and therefore repeating that claim at a later stage, for example when selling a product that contains this claim on its packaging to consumers or by communicating that claim, for example on their website, or through advertising towards consumers. Typically, [...] the trader generating the claim will be the producer, as they determine the characteristics and presentation of the products in the context of commercial communications where the final recipient is a consumer or could be a consumer. Nevertheless, the trader generating the explicit environmental claim could also be a trader who makes an explicit environmental claim about a product they did not produce for example by repeating a claim that was made exclusively in a business-to-business relationship in a transaction towards consumers, therefore making that claim for the first time in a business-to-consumer commercial practice. [...] The requirements applying to the generation of explicit environmental claims [...] do not address traders merely exactly replicating explicit environmental claims that have already been communicated towards consumers, as it is typically the case for, [...] sellers, [...] retailers or other distributors, as these traders usually do not influence either the characteristics or the packaging of the products they sell and usually do not create new explicit environmental claims. In addition to explicit environmental claims about products, including services, traders, including service providers, can also generate explicit environmental claims about themselves or their activities. It is the trader generating the explicit environmental claim who should possess the relevant information for substantiation. However, in accordance with Directive 2005/29/EC, once the fact of misleading practices has been established by the courts or administrative authorities, corrective measures may also be required from the retailers selling the**

product in question. They also may be required to provide consumers with additional information at the point of sale. On the other hand, environmental labels should be substantiated by the environmental labelling scheme owner.

(15a) Business-to-business (B2B) commercial practices do not fall within the scope of this Directive, which therefore does not regulate the consequences of enforcement measures in the context of B2B contractual relationships between retailers and producers. These B2B relationships are partly regulated by Directive 2006/114/EC of the European Parliament and of the Council on misleading and comparative advertising. In addition, Member States may extend, under their national laws, the protection granted by the Unfair Commercial Practices Directive to B2B commercial practices. [...].

(15b) This Directive should be without prejudice to Union rules on private international law, such as Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations (Rome I) or Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations (Rome II).

- (16) **The substantiation should be based on widely recognised scientific evidence, understood as that based on sound methodologies, approaches or studies, such as those that (i) have been developed in line with best practices in terms of transparency, stakeholder consultation, involvement of scientific community, industry and civil society; or (ii) have been independently peer reviewed by qualified experts in the field and published in internationally recognised scientific literature. In addition, such substantiation should take into account internationally recognised scientific approaches, such as relevant international standards, to identify and measure environmental characteristics [...] of products or traders, and it should result in reliable, transparent, comparable and verifiable information to the consumer.** The assessment made to substantiate explicit environmental claims **and environmental labels** [...] should not omit any relevant environmental aspects or environmental impacts **and needs to consider the life-cycle of the product or of the overall activities of the trader, expressly justifying when it is not necessary to assess the whole life-cycle on the basis of the nature of the explicit environmental claim or environmental label.** The benefits claimed should not result in an unjustified transfer of negative impacts to other stages of the life cycle of a product or trader, or to the creation or increase of other negative environmental impacts.

(17) The assessment substantiating the explicit environmental claim **or environmental label** should make it possible to identify the environmental impacts and environmental aspects for the product or trader that jointly contribute significantly to the overall environmental performance of the product or trader (‘relevant environmental impacts’ and ‘relevant environmental aspects’). Indications for the relevance of the environmental impacts and environmental aspects can stem from assessments taking into account the life-cycle, including from the studies based on Environmental Footprint (EF) methods, provided that these are complete on the impacts relevant to the product category and do not omit any important environmental impacts. For example, in the Commission Recommendation on the use of Environmental Footprint methods¹³ the most relevant impact categories identified should together contribute to at least 80% of the single overall score. **Therefore, the use of these Environmental Footprint methods to substantiate environmental claims, especially where Product Environmental Footprint Category Rules or Organisation Environmental Footprint Sector Rules have been established [for example for Apparel and Footwear] is recommended.** These indications for the relevance of the environmental impacts or environmental aspects can also result from the criteria set in various ecolabels type I, as for instance the EU Ecolabel, or in Union criteria for green public procurement, from requirements set by the Taxonomy Regulation¹⁴, from product specific rules adopted under the Regulation/.... of the European Parliament and of the Council establishing a framework for setting ecodesign requirements for sustainable products¹⁵ or from other relevant Union rules.

¹³ Commission Recommendation (EU) 2021/2279 of 15 December 2021 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations, OJ L 471, 30.12.2021, p. 1.

¹⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

¹⁵ ...

- (18) In line with Directive 2005/29/EC as amended by the [...] **Directive 2024/825** on empowering consumers for the green transition, the trader should not present requirements imposed by law on products within a given product category as a distinctive feature of the trader's offer or advertise benefits for consumers that are **irrelevant but could lead the consumer to believe that the benefits compared to other equivalent products are greater than they actually are, for example by promoting environmental characteristics that are common practice in the relevant product group or relevant sector [...]. i.e., environmental characteristics which are typically or widely used by traders in the same sector [...]. Making environmental claims on products and organisations which perform better than common practice is important to identify which products and organisations truly perform more environmentally friendly than average.**

- (19) It would be misleading to consumers if an explicit environmental claim **or environmental label** pointed to the benefits in terms of environmental impacts or environmental aspects while omitting that the achievement of those benefits leads to negative trade-offs on other environmental impacts or environmental aspects. To this end the information used to substantiate explicit environmental claims **and environmental labels** should ensure that the interlinkages between the relevant environmental impacts and between environmental aspects and environmental impacts can be identified along with potential trade-offs. The assessment used to substantiate explicit environmental claims **or environmental labels** should identify if improvements on environmental impacts or environmental aspects lead to the kind of trade-offs that significantly worsen the performance as regards other environmental impacts or environmental aspects, for example if savings in water consumption lead to a notable increase in greenhouse gas emissions, or in the same environmental impact in another life-cycle stage of the product, for example CO₂ savings in the stage of manufacturing leading to a notable increase of CO₂ emissions in the use phase. For example, a claim on positive impacts from efficient use of resources in intensive agricultural practices may mislead consumers due to trade-offs linked to impacts on biodiversity **or** ecosystems [...]. An **explicit** environmental claim **or environmental label** on textiles containing plastic polymer from recycled PET bottles may also mislead consumers as to the environmental benefit of that aspect if the use of this recycled polymer competes with the closed-loop recycling system for food contact materials which is considered more beneficial from the perspective of circularity.

(20) In order for the environmental claim to be considered robust, it should reflect as accurately as possible the environmental performance of the specific product or trader. The information used to substantiate explicit environmental claims therefore needs to include primary, company-specific data for relevant aspects contributing significantly to the environmental performance of the product or trader referred to in the claim. It is necessary to strike the right balance between ensuring relevant and robust information for substantiating environmental claims and the efforts needed to gather primary information. The requirement to use primary information should be considered in the light of the influence the trader [...] **generating** the claim has over the respective process and of the availability of primary information. If the process is not run by the trader [...] **generating** the claim and primary information is not available, accurate secondary information should be able to be used even for processes that contribute significantly to the environmental performance of the product or trader. This is especially relevant to not disadvantage SMEs and to keep the efforts needed to acquire primary data at a proportionate level. Moreover, the relevant environmental aspects are different for each type of environmental claim. For instance, for claims on recycled or bio-based content, the composition of the product should be covered by primary data. For claims on being environmentally less polluting in a certain life cycle stage, information on emissions and environmental impacts related to that life cycle stage should include primary data as well. Both primary data and secondary data, i.e. average data, should show a high level of quality and accuracy.

- (21) Climate-related claims have been shown to be particularly prone to being unclear and ambiguous and to mislead consumers. This relates notably to environmental claims that products or entities are “climate neutral”, “carbon neutral”, “100% CO₂ compensated”, or will be “net-zero” by a given year, or similar. **For that reason, this Directive, in conjunction with Directive 2005/29/EC, as amended by Directive (EU) 2024/825 of the European Parliament and of the Council, should set the basis for a credible, responsible and transparent communication regarding the trader’s actions resulting in net greenhouse gas emission reduction. It should give the right tool to traders to disclose their progress in a positive way, to inspire competitors and incentivize consumers to make informed purchasing decisions and thereby contributing to more sustainable consumption patterns.**
- (21aa) **Claiming that a product has a neutral, reduced or positive impact on the environment in terms of greenhouse gas emissions, based on the offsetting of greenhouse gas emissions, is therefore prohibited under all circumstances, as lined out in Directive 2005/29/EC, as amended by Directive (EU) 2024/825 of the European Parliament and of the Council Annex I [...]. Such claims are prohibited as they mislead consumers by making them believe that such claims relate to the product itself, or to the supply and production of that product, or as they give the false impression to consumers that the consumption of that product does not have an environmental impact. Such claims should only be allowed when they are based on the actual life cycle impact of the product in question, and not based on the offsetting of greenhouse gas emissions outside the product’s value chain. However, climate-related claims, based on offsetting of greenhouse gas emissions, claiming that a trader [...] has a neutral, reduced or positive impact on the environment in terms of greenhouse gas emissions are allowed, provided that the requirements of this Directive are met.**

(21a) Climate-related claims based on the actual life cycle impact should follow the general requirements for [...] environmental claims of this Directive. [...] Climate-related claims are however often based on [...] the offsetting of greenhouse gas emissions through “carbon credits” generated outside the company’s value chain, for example from forestry or renewable energy projects. The methodologies underpinning [...] carbon credits [...] vary widely and are not always transparent, accurate, or consistent. This leads to significant risks of overestimations and double counting of [...] reduced emissions, due to a lack of additionality, permanence, ambitious and dynamic crediting baselines that depart from business as usual, and accurate accounting. These factors result in [...] carbon credits of low environmental integrity and credibility that mislead consumers when they are relied upon in explicit environmental claims. Offsetting can prevent consumers from making more sustainable consumption choices and can also deter traders from emission reductions in their own operations and value chains. In order to adequately contribute to global climate change mitigation targets, traders should prioritise effective reductions of emissions across their own operations and value chains rather than [...] relying on offsetting [...]. [...] In addition, traders often communicate [...] about financial contributions [...] to environmental initiatives that reduce or remove greenhouse gas emissions [...] outside their value chain, on the basis of carbon credits [...] [...].

(21b) [...] Whenever climate-related claims are based on carbon credits [...], it is deemed appropriate to address [...] climate-related claims, including claims on future environmental performance, based on [...] such credits in a transparent manner. Therefore, the substantiation of climate-related claims should consider any [...] carbon credits, including claims in relation to financial contributions to carbon credit generating projects not used for offsetting purposes, separately from the trader's or the product's greenhouse gas emissions. In addition, this information should also specify the share of total emissions of the trader that are addressed through [...] credits, whether these [...] credits relate to emission reductions or removals enhancement, declare under which scheme they were verified and certified and by which registry they were issued [...]. The climate-related claims that include the use of [...] credits have to be substantiated by methodologies that ensure the quality and integrity and correct accounting of these [...] credits and thus reflect coherently and transparently the resulting impact on the climate.

[...]

It is important to ensure uniform conditions for the application of the requirements in this Directive on climate-related claims, including claims based on the use of carbon credits, with the objective of ensuring their high quality and integrity, such as through recognised quality standards as defined in the Directive 2013/34/EU as regards sustainability reporting standards and the accompanying European Sustainability Reporting Standards (ESRS). These recognised quality standards are standards for carbon credits that are verifiable by independent third parties, make requirements and project reports publicly available and at a minimum ensure additionality, permanence, avoidance of double counting and provide rules for calculation, monitoring, and verification of the project's greenhouse gas emissions and removals.

Additionally, also considering, where necessary, authorisations and corresponding adjustments related to the implementation of the Paris Agreement Article 6 framework under development, the operationalisation of which is pending in the Union, the Commission should be empowered to further specify the requirements for the assessment. When adopting the implementing acts, the Commission should comprehensively consider and, where relevant, ensure consistency with all relevant Union law that is necessary to pursue the objectives of this Directive, in particular, the provisions, including their timing, set out in Article 18 of the Regulation (EU) .../... of the European Parliament and of the Council of establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products [CRCF Regulation]; ESRS E1 Climate Change of Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards [climate reporting standard under CSRD]; Article 45 of Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action [Governance Regulation]; Article 17 of Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework [LULUCF Regulation]; Article 15 of Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement [Effort Sharing Regulation]; Article 30 of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union [EU ETS Directive], and Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 [European Climate Law].

- (22) Traders are more and more interested in making environmental claims related to future environmental performance of a product or trader, including by joining initiatives that are promoting practices which could be conducive to a reduced environmental impact or to more circularity. These claims should be substantiated in line with the rules applicable to all explicit environmental claims **and environmental labels**.
- (23) The information used to substantiate explicit environmental claims **or environmental labels** should be science based, and any lack of consideration of certain environmental impacts or environmental aspects should be carefully considered.
- (24) **The Commission Recommendation (EU) 2021/2279 contains guidance on how to measure the life cycle environmental performance of specific products or organisations.** The [...] **Environmental Footprint** methods can **be used to** [...] substantiate [...] explicit environmental claims **or environmental labels** on specific life-cycle environmental impacts that the methods cover, provided that these are complete on the impacts relevant to the product category and do not omit any important environmental impacts. The methods cover 16 environmental impacts, including climate change, and impacts related to water, air, soil, resources, land use and toxicity. **Proper application of these methods covers the requirements for substantiation, however, environmental claims based on these methods [...] should still be verified. Therefore, one way to promote greater harmonisation and comparability is to encourage the use of these methods where they are appropriate to the nature of the environmental claims.**

(25) The fact that a significant environmental impact of a product is not covered by any of the 16 impact categories of the EF methods should not justify the lack of consideration of such impacts. An economic actor making an explicit environmental claim **or environmental label** on such product group should have an obligation of diligence to find evidence substantiating such **explicit** environmental claim **or environmental label**. For instance, an economic actor making an explicit environmental claim about a fishery product as defined in Article 5 of Regulation (EU) No 1379/2013 of the European Parliament and of the Council¹⁶ should have an obligation of diligence to find evidence substantiating the sustainability of the targeted fish stock. Stock assessments by the International Council for the Exploration of the Sea and similar stock assessment bodies can be used for that purpose.

¹⁶ Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 (OJ L 354, 28.12.2013, p. 1).

- (26) Furthermore, there is not yet a reliable methodology for the assessment of life-cycle environmental impacts related to the release of microplastics. However, in case such release contributes to significant environmental impacts that are not subject to an **environmental** claim, the trader making the **environmental** claim on another aspect should not be allowed to ignore it, but should take into account available information and update the assessment once widely recognised scientific evidence becomes available. **In case the product for which the claim is made belongs to a product group where a PEFCR in line with Commission Recommendation (EU) 2021/2279 has been adopted [...], and the PEFCR includes a method for environmental impact assessment of micoplastic release, that method should be presumed to meet the requirements.**

(26a) [...] For certain types of explicit environmental claims that are of a less complex nature verification by a third-party verifier or a full substantiation assessment is not deemed necessary in the light of the objectives of this Directive. Instead, a simplified procedure [...] should be applied, wherein the trader demonstrates compliance with certain substantiation requirements via self-declaration in a Specific Technical Documentation. [...] This is in order to reduce the administrative and financial burden for traders generating claims. There are four categories of explicit environmental claims for which this simplified procedure should be [...] followed [...]: explicit environmental claims stating that an environmental characteristic of a product or a trader exceeds minimum requirements set out in other Union acts which are in line with methodological rules set therein; explicit environmental claims regarding environmental characteristics certified by an environmental label; explicit environmental claims related to [...] interventions supporting agricultural practices beneficial for the climate, the environment and other management commitments [...] established by a Member State in its Common Agricultural Policy Strategic Plan, in accordance with Article 31, 70 and Article 72 of Regulation (EU) 2021/2115; and explicit environmental claims that are listed in the implementing acts that should be adopted by the Commission. These implementing acts should [...] include a list of explicit environmental claims. The explicit environmental claims that can be listed are claims that do not require a full life-cycle analysis for their substantiation, they are related to a single environmental characteristic and shall not lead to significant trade-offs between different environmental impact categories. The simplified procedure should not be applicable for comparative explicit environmental claims, explicit environmental claims related to climate [...] or explicit environmental claims about future environmental performance as they represent explicit environmental claims of a more complex nature. Explicit environmental claims that could be part of the implementing acts are claims about reusability, [...] reduced energy consumption, reduced water consumption, reduced resource use, waste reduction, waste prevention or circular business models. The implementing acts should for every type of explicit environmental claim identify which substantiation requirements should be met to be able to use the simplified procedure. These substantiation requirements could be a reduced form of the substantiation assessment set out in Article 3 paragraph 1 but could include specific substantiation requirements related to the type of explicit environmental claim as well. The Commission should prioritise the adoption of rules for the most

relevant types of explicit environmental claims that are eligible for the simplified procedure within 18 months after the entry into force of this Directive. When [...] traders apply the simplified procedure, they should complete the Specific Technical Documentation before the explicit environmental claim is made public and provide a summary of the substantiation assessment [...] with the claim. The Specific Technical Documentation shall be made available to [...] competent authorities. In order to facilitate the simplified procedure for the trader generating the explicit environmental claim and to ensure a maximum level of harmonisation in the Union, the Commission should draft the format and content of the Specific Technical Documentation in [...] implementing acts. The Specific Technical Documentation will lay out what information the trader generating the explicit environmental claim should declare. It should still be possible to consider that a claim is unfair on the basis of Directive 2005/29/EC, even though that particular claim meets the requirements of the simplified procedure.

(26b) Pursuant to the current Article 31, 70 and 72 of Regulation 2021/2115, which establishes rules on support for Strategic Plans to be drawn up by Member States under the Common Agricultural Policy (CAP Strategic Plans) and financed by the European agricultural guarantee fund (EAGF) and the European agricultural fund for rural development (EAFRD), Member States should establish, and provide support, for [...] interventions [...] supporting agricultural practices beneficial for the climate, the environment and other management commitments [...]. Beneficiaries of such interventions willing to generate an explicit environmental claim [...] that is directly linked to compliance with these practices should not be requested to have their claim verified by a third-party verifier or to provide a full substantiation assessment, as a verification and an assessment equivalent to those conducted in accordance with Articles 3 and 10 have been already undertaken [...] under the CAP Strategic Plans rules. To avoid undue administrative burdens for the abovementioned beneficiaries of such interventions [...], they should be eligible to benefit from the simplified procedure, as it does not undermine the objectives of the Directive.

(27) Consumers can also be misled by explicit environmental claims **or environmental labels** that state or imply that a product or trader has less or more environmental impacts or a better or worse environmental performance than other products or traders (‘comparative explicit environmental claims **and comparative environmental labels**’). Without prejudice to the application, where appropriate, of Directive 2006/114/EC of the European Parliament and of the Council¹⁷, in order to allow the consumers access to reliable information, it is necessary to ensure that comparative **explicit** environmental claims **and comparative environmental labels** can be compared in an adequate manner. For instance, choosing indicators on the same environmental aspects but using a different formula for quantification of such indicators makes comparisons impossible, and therefore there is a risk of misleading consumers. In case two traders make an environmental claim on climate change, where one considered only direct environmental impacts, whilst the other considered both direct and indirect environmental impacts, these results are not comparable. Also, a decision to make the comparison only at certain stages of a products life cycle can lead to misleading claims, if not made transparent. A comparative **explicit** environmental claim **or comparative environmental label** needs to ensure that also for products with very different raw materials, uses and process chains, like bio-based plastics and fossil-based plastics **or animal-based products and plant-based products**, the most relevant stages of the life-cycle are taken into account for all products. For example, agriculture or forestry is relevant for bio-based plastics while raw oil extraction is relevant for fossil-based plastics and the question whether a relevant share of the product ends up in landfill is highly relevant to plastics that biodegrade well under landfill conditions but maybe less relevant for plastics that do not biodegrade under such conditions.

¹⁷ Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising (OJ L 376, 27.12.2006, p. 21).

- (28) When setting up the requirements for substantiation and communication of explicit environmental claims **and environmental labels**, including by delegated acts adopted by the Commission, the difficulties that traders may encounter in gathering information from actors throughout their value chain or on the product's overall life-cycle, especially for services or where there is insufficient scientific evidence, should be taken into account. This is important for example for services such as electronic communications services, for which it can be difficult to define the scope and system boundaries, e.g. where the life-cycle starts and where it finishes and even more where supply chains are complex and not stable, e.g. in cases where many equipment or components are manufactured by a multitude of enterprises outside the EU, and thus sustainability related information might not be easily accessible to EU traders concerned.
- (29) For some sectors or for certain products or traders, significant environmental impacts or environmental aspects could be suspected but there might not yet be a recognised scientific method to fully assess those environmental impacts and environmental aspects. For such cases and while efforts are made to develop methods and gather evidence to enable the assessment of the respective environmental impact or environmental aspect for those sectors, traders or products, traders should be able to promote their sustainability efforts through publication of company sustainability reporting, factual reporting on the company's performance metrics and work to reduce energy consumption, including on their websites. This flexibility would maintain and promote the incentives of those sectors or traders to continue their efforts to develop common environmental assessments pursuant to this Directive while providing for the necessary time to complete such work.
- ~~(30)~~ [...]

(31) In order to meet both the needs of traders regarding dynamic marketing strategies and the needs of consumers regarding more detailed, and more accurate, environmental information, the Commission may adopt delegated acts to supplement the provisions on substantiation of explicit environmental claims **and environmental labels** by further specifying the criteria for such substantiation with regard to certain claims (e.g. [...] recyclability and recycled content). The Commission should be empowered to further establish rules for measuring and calculating the environmental impacts, environmental aspects and environmental performance, by determining **the methods to substantiate certain [...] explicit environmental claims and environmental labels, such as the Environmental Footprint methods, with the aim of ensuring further harmonisation and comparability of environmental claims; by determining** which activities, processes, materials, emissions or use of a product or trader contribute significantly or cannot contribute to the relevant environmental impacts and environmental aspects; by determining for which environmental aspects and environmental impacts primary information should be used; and by determining the criteria to assess the accuracy of primary and secondary information. While in most cases the Commission would consider the need for adopting these rules only after having the results of the monitoring of the evolution of environmental claims on the Union market, for some types of claims it may be necessary for the Commission to adopt supplementary rules before the results of this monitoring are available. [...]

(32) The Commission Recommendation (EU) 2021/2279 contains guidance on how to measure the life cycle environmental performance of specific products or organisations and how to develop Product Environmental Footprint Category Rules (PEFCRs) and Organisation Environmental Footprint Sectorial Rules (OEFSRs) that allow comparison of products to a benchmark. Such category rules for specific products or traders can be used to support the substantiation of claims in line with the requirements of this Directive. Therefore, the Commission should be empowered to adopt delegated acts to establish product group or sector specific rules where this may have added value. However, in case the Product Environmental Footprint method does not yet cover an impact category, which is relevant for a product group, the adoption of PEFCR may take place only once these new relevant environmental impact categories have been added, **either to the respective PEFCR or to the EF Recommendation**. For example, as regards marine fisheries, the PEFCR should for example reflect the fisheries-specific environmental impact categories, in particular the sustainability of the targeted stock. Concerning space, the PEFCR should reflect defence and space-specific environmental impact categories, including the orbital space use. As regards food and agricultural products, biodiversity and nature protection, as well as farming practices, including positive externalities of extensive farming [...] should, for example, also be integrated before the adoption of PEFCR could be considered. As regards textiles, the PEFCR should for example reflect the microplastics release, before the adoption of PEFCR could be considered. **Explicit environmental claims or environmental labels substantiated by using the Environmental Footprint methods should be verified in accordance with Article 10. Before the Commission has adopted delegated acts, traders could already use the Environmental Footprint methods. Especially for products or sectors for which PEFCRS or OEFSRs are in place, traders are encouraged to use the Environmental Footprint methods to substantiate their environmental claims or environmental labels.**

- (33) Since Directive 2005/29/EC already applies to misleading environmental claims, it enables the national courts and administrative authorities to stop and prohibit such claims. For example, in order to comply with Directive 2005/29/EC, environmental claims should relate only to aspects that are significant in terms of the product's or trader's environmental impact. Environmental claims should also be clear and unambiguous regarding which aspects of the product or trader they refer to and should not omit or hide important information about the environmental performance of the product or trader that consumers need in order to make informed choices. The wording, imagery and overall product presentation, including the layout, choice of colours, images, pictures, sounds, symbols or labels, included in the environmental claim should provide a truthful and accurate representation of the scale of the environmental benefit achieved, and should not overstate the environmental benefit achieved.
- (34) Where the explicit environmental claim **or environmental label** concerns a final product and relevant environmental impacts or environmental aspects of such product occur at the use phase and consumers can influence such environmental impacts or environmental aspects via appropriate behaviour, such as, for example, correct waste sorting or impacts of use patterns on product's longevity, the claim should also include information explaining to consumers how their behaviour can positively contribute to the protection of the environment.

- (35) **Environmental claims, in particular climate-related claims, increasingly relate to future performance in the form of a transition to carbon or climate neutrality, or a similar objective, by a certain date. Article 6(2) of Directive 2005/29/EC as amended by Directive 2024/825 [...] prohibits such claims, following a case-by-case assessment, when they are not supported by clear, objective, publicly available and verifiable commitments and which include measurable and time-bound targets given by the trader and are not set out in a detailed and realistic implementation plan that shows how these commitments and targets will be achieved and allocates resources to this end. The implementation plan should include all the relevant elements necessary to fulfil the commitments, such as allocation of resources and technological developments, where appropriate and in accordance with Union law. In order to facilitate consumers' choices of more sustainable products and to incentivise efforts of traders to lower their environmental impacts, the trader should communicate, in the summary of the substantiation assessment, about the details of that implementation plan [...]. Article 6(2) of Directive 2005/29/EC also requires that such claims are verified by an independent third party expert, who should regularly monitor the progress of the trader with regard to the commitments and targets, including the milestones for achieving them. Traders should ensure that the regular findings of the third-party expert are available to consumers. In this regard, to complement Directive 2005/29/EC, as amended by Directive 2024/825 [...], the verification of the explicit environmental claim or environmental label related to future environmental performance referred to in Article 10 of this Directive that is undertaken before such environmental claim is made public should be additional, and thus not equivalent, to the third party regular verification required in Article 6 (2) (d) of Directive 2005/29/EC.**

(36) [...] The [...] content of the communication of explicit environmental claims and environmental labels is not subject to verification. However, the communication of these claims and labels should comply with the communication requirements set out in this Directive. For instance, consumers should have easy access to the information substantiating the explicit environmental claim about the product or trader or the environmental label. [...] It is important to ensure that the communication is clear and sufficient, ensuring that it neither over-informs consumers in a way that could have a negative impact on their understanding nor places an undue burden on business. To this end, there are a number of minimum requirements [...] all explicit environmental claims and environmental labels must comply with in this Directive, in addition to those established in Directive 2005/29/EC, as amended by Directive (EU) 2024/825. [...] For some cases there are specific communication requirements, such as for explicit environmental claims based on the use of carbon credits, [...] future performance-based environmental claims and environmental claims based on aggregated scores. In addition, a distinction is made between the obligations of traders and environmental labelling scheme owners [...] depending on whether the communication is about an explicit environmental [...] claim [...] or an environmental label [...].

The necessary information to provide to consumers related to the explicit environmental claim or environmental label shall be made available together with the claim, in a physical form or in a digital format via a data carrier or link. It shall for example be provided on the product's packaging, on accompanying product information or an online selling interface. In the case of explicit environmental claims made orally, such as via a radio or television spot, it shall be made clear where the required substantiation information can be found, f.e. on a website.

In order to facilitate the provision of information, the digital format has been favoured, so that traders should provide a web link or a data carrier, such as a QR code or equivalent, leading to a website where more detailed information on the basis of the explicit environmental claim or environmental label is available. [...] More technical and detailed information will only be provided by digital means on request.

There should be no multiplication of data carriers on products. To avoid this, where other Union legislation requires product information to be digitally available through a data carrier, the information required under this Directive should be accessible through the same data carrier. That data carrier should comply with the requirements laid down in this Directive or in other applicable Union legislation. In particular, where the product is covered by the [Sustainable Product Ecodesign] Regulation or other Union legislation requiring a digital product passport, that digital product passport should also be used to provide the relevant information under this Directive.

~~(37)~~ [...]

- (38) When the Commission adopts delegated acts to supplement the provisions on substantiation of explicit environmental claims **and environmental labels** it may be necessary to also supplement the provisions on communication of such **environmental** claims. For example, in case specific life-cycle-based rules on substantiation of explicit environmental claims for certain products group or sector are established, it may be necessary to add supplementary rules on presentation of environmental impacts assessed based on these rules by requiring that three main environmental impacts are presented next to the aggregated indicator of overall environmental performance. To this end the Commission should be empowered to adopt delegated acts to supplement the provisions on communication of explicit environmental claims **and environmental labels**.

- (39) Currently, more than 200 environmental labels are used on the Union market. They present important differences in how they operate as regards for example the transparency and comprehensiveness of the standards or methods used, the frequency of revisions, or the level of auditing or verification. These differences have an impact on how reliable the information communicated on the environmental labels is. While claims based on the EU Ecolabel or its national equivalents follow a solid scientific basis, have a transparent development of criteria, require testing and third-party verification and foresee regular monitoring, evidence suggests that many environmental labels currently on the EU market are misleading. In particular, many environmental labels lack sufficient verification procedures [...].
- (40) In cases where an environmental label involves a commercial communication to consumers that suggests or creates the impression that a product has a positive or no impact on the environment, or is less damaging to the environment than competing products without the label, that environmental label [...] **should be substantiated and communicated according to the requirements of this Directive. [...]. Considering that the criteria of the environmental label voice the message, in terms of environmental characteristics of the product or trader, that the environmental label conveys to consumers, these criteria should be trustworthy. Hence, the environmental labelling scheme owner should ensure that the criteria of the environmental labelling scheme to award the respective environmental label [...] meet the substantiation requirements of this Directive.**

(41) The environmental labels often aim at providing consumers with an aggregated scoring presenting a cumulative environmental impact of products or traders to allow for direct comparisons between products or traders. Such aggregated scoring however presents risks of misleading consumers as the aggregated indicator may dilute negative environmental impacts of certain aspects of the product with more positive environmental impacts of other aspects of the product. In addition, when developed by different operators, such labels usually differ in terms of specific methodology underlying the aggregated score such as the environmental impacts considered or the weighting attributed to these environmental impacts. This may result in the same product receiving **a** different score or rating depending on the **methodology underlying the environmental label** [...]. This concern arises in relation to **environmental labels used and explicit environmental claims made** [...] in the Union [...]. This is contributing to the fragmentation of the internal market, risks putting smaller companies at a disadvantage, and is likely to further mislead consumers and undermine their trust in environmental labels. In order to avoid this risk and ensure better harmonisation within the single market, the explicit environmental claims **and** [...] environmental labels, based on an aggregated score representing a cumulative environmental impact of products or traders should not be deemed to be sufficiently substantiated, unless those aggregated scores stem from Union rules, including the delegated acts that the Commission is empowered to adopt under this Directive, resulting in Union-wide harmonised schemes for all products or per specific product group based on a single methodology to ensure coherence and comparability. **If no such methodology or rules exist yet at Union level, explicit environmental claims [...] and environmental labels, based on an aggregated score could be based on an aggregation methodology stemming from national law** [...].

- (42) In accordance with the [...] Directive on empowering consumers for the green transition, which amends Directive 2005/29/EC, displaying a sustainability label which is not based on a certification scheme or not established by public authorities constitutes an unfair commercial practice in all circumstances. [...] [...] **An environmental label is a sub-type of a sustainability label, as defined in the Directive 2024/825 on empowering consumers for the green transition which amends Directive 2005/29/EC, where the majority or all of the characteristics covered by the label are environmental characteristics. The environmental characteristics are the prevailing or the most significant characteristics to consider in the label. Environmental labels thus cover only or predominantly environmental characteristics [...], emphasizing the environmental character of the labels. Only where environmental characteristics are secondary to the label and not relevant to set apart and promote a product, the environmental label would be subject solely to the general provisions for sustainability labels as outlined in Directive 2024/825. Moreover, in contrast to sustainability labels, environmental labels established by public authorities should also be based on a certification scheme.**
- (43) In order to combat misleading [...] environmental labels and increase consumer trust in environmental labels, **all environmental labels [...], should be based on [...]** **environmental labelling schemes, either established by private operators or by public authorities.** This Directive should establish governance criteria that all environmental labelling schemes are to comply with, complementing thus the requirements set in the said proposal amending Directive 2005/29/EC.

(43a-1) Environmental labelling schemes established by public authorities, whether national or regional, are usually subject to certain procedures, principles or provisions of EU law or national law that ensure that certain procedural or substantial requirements are met, such as the application of the principle of equal treatment when implementing Union law. Environmental labelling schemes established by public authorities are usually regulated under public law and pursue a certain policy objective in the interest of the public, such as consumer or environmental protection. Therefore, Member States can choose to [...] exempt such schemes from [...] the verification by a third party if the applicable rules and verification procedures fulfil certain criteria, including equivalence. These procedures should be reliable, they should result in comparable conclusions, and they shall demonstrate equivalence to the verification procedure set out in this Directive. Accordingly, these equivalent procedures should be carried out by a National Accreditation Body or a public body independent of the body setting up the environmental labelling scheme associated with the environmental label, which operate with the highest degree of professional integrity, impartiality and the requisite technical competence. The equivalent verification procedure should ensure that the national or regional labelling schemes meet the requirements of this Directive.

(43a) In order to avoid further proliferation of environmental labels and to ensure more harmonisation in the internal market, it is necessary to limit the approval of new environmental labelling schemes to such that provide added value compared to existing Union, national or regional environmental labelling schemes. Added value shall be evaluated in terms of coverage of environmental characteristics of the environmental label, the product group(s) or sector(s) covered by the labelling scheme, the ability to support the green transition for SMEs or the geographical location of the environmental labelling scheme. To ensure legal certainty, existing environmental labelling schemes may continue to award environmental labels in accordance with this Directive.

- (44) In order to avoid further proliferation of [...] **public** environmental labelling schemes **from inside the Union**, and to ensure more harmonisation in the internal market, new national or regional environmental labelling schemes **shall only be allowed on the Union market, if they can prove added value as compared to the existing Union, national or regional schemes [...] and if they meet the requirements of this Directive. [...]**.
- (45) In order not to create unnecessary barriers to international trade and to ensure equal treatment with the public schemes established in the Union, the public authorities outside of the Union setting up new labelling schemes should be allowed to request approval from the Commission for use of the label on the Union market. This approval should be conditional on the scheme **meeting the requirements [...]** of this Directive and provided that the schemes demonstrate added value **as compared to the existing Union, national or regional schemes [...]**.
- (46) Environmental labelling schemes established by private operators, if too many and overlapping in terms of scope, may create confusion in consumers or undermine their trust in environmental labels. Therefore, Member States should only allow that new environmental labelling schemes are established by private operators provided that they offer significant added value as compared to the existing **Union**, national or regional schemes [...], and **meet all the requirements of this Directive. [...]**. Member States should set up a procedure for the approval of new environmental labelling schemes [...]. This should apply to schemes established in the Union and outside of the Union.
- (47) In order to provide legal certainty and facilitate enforcement of the provisions on new national and regional officially recognised environmental labelling schemes and new private labelling schemes, the Commission should publish a list of such schemes that may either continue to apply on the Union market or enter the Union market.

(47a) National or regional EN ISO 14024 type I ecolabelling schemes that are officially recognised in the Member States [...] should be informed to the Commission in order to be exempted from the verification procedure in accordance with Article 10 of this Directive, provided they comply with [...] the requirements of this Directive. Member States should set up a procedure to officially recognise such type of labelling schemes. Recognition by one Member State should be sufficient for the whole Union market. The Commission should include the notified EN ISO 14024 type I ecolabelling schemes in this list of compliant environmental labelling schemes. Member States should inform the Commission in case those labels no longer meet the criteria for recognition. Those labelling schemes should [...] also comply with the requirements of Directive 2005/29/EC as amended by Empowering Consumers for the Green Transition Directive. As per article 2, point (s) of Directive 2005/29/EG environmental claims based on these EN ISO 14024 type I labels shall be deemed to have recognised excellent performance [...].

(48) In order to ensure a harmonised approach by the Member States to the assessment and approval of environmental labelling schemes developed by private operators, and to establish an approval procedure by the Commission for proposed schemes established by public authorities [...], implementing powers should be conferred on the Commission to adopt common rules specifying detailed requirements for approval of such environmental labelling schemes, in particular on how added value should be assessed, the format and content of supporting documents and rules of procedure to approve such schemes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹⁸. If the new environmental labelling scheme has received an approval and has been verified accordance to Article 10 resulting in a certificate of conformity, it can award environmental labels which are to be used on the Union market.

¹⁸ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (49) It is essential that explicit environmental claims **and environmental labels** reflect correctly **the environmental characteristics** [...] covered by the claim **or label**, and consider the latest scientific evidence, **technical information or international standards**. Member States should therefore ensure that the trader **generating** [...] the **explicit environmental claim or the environmental labelling scheme owner awarding the environmental label** reviews and updates, **where necessary**, the substantiation [...] of the claim **or label** at least every 5 years to ensure compliance with the requirements of this Directive.
- (50) To ensure that explicit environmental claims **and environmental labels** are reliable, it is necessary that Member States set up procedures for verifying that [...] explicit environmental claims [...], or [...] environmental labelling schemes **and the corresponding environmental labels**, comply with the requirements set out in this Directive. **Traders shall submit their explicit environmental claims for verification of the substantiation requirements, while environmental labelling scheme owners shall submit their environmental labelling scheme and the corresponding environmental label for verification of the substantiation requirements and the environmental labelling scheme requirements. Traders may use the labels awarded to them by [...] compliant labelling schemes, without having to go through the verification procedure under this Directive.**

(51) In order to allow the competent authorities to control more efficiently the implementation of the provisions of this Directive and to prevent as much as possible unsubstantiated explicit environmental claims, [...] **and** environmental labels, from appearing on the market, verifiers complying with the harmonised requirements set up by the Directive should check that [...] explicit environmental claims **and environmental labelling schemes and the corresponding environmental labels** meet the requirements of this Directive. In order to avoid misleading consumers, the verification should in any case take place before the **explicit** environmental claims are made public or **environmental labelling schemes and the corresponding environmental labels are made available** [...]. The verifier can, if appropriate, indicate several ways of communicating the explicit environmental claim **or environmental label** that comply with the requirements of this Directive [...]. To facilitate the traders' **or environmental labelling scheme owners'** compliance with the rules on substantiation [...] of explicit environmental claims, [...] **and** environmental labels, the verification should take into account the nature and content of the claim or the environmental label, including whether they appear to be unfair in the light of Directive 2005/29/EC.

- (52) In order to provide traders with legal certainty across the internal market as regards compliance of the explicit environmental claims **or environmental labelling schemes and the corresponding environmental labels** with the requirements of this Directive, the certificate of conformity should be recognised by the competent authorities across the Union. [...]. The certificate of conformity should however not prejudice the assessment of the environmental claim by the public authorities or courts which enforce Directive 2005/29/EC.
- (53) In order to ensure uniform conditions for the provisions on verification of explicit environmental claims and environmental labelling schemes **and the corresponding environmental labels** and to facilitate the enforcement of the provisions on verification of this Directive, implementing powers should be conferred on the Commission to adopt a common form for certificates of conformity and the technical means for issuing such certificates. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹⁹.

¹⁹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

(53a) The verifier should be an independent third-party conformity assessment body and should be accredited in accordance with Regulation (EC) No 765/2008²⁰ or an environmental verifier as defined in Article 2 No. 20 of Regulation (EC) No. 1221/2009. Thus, the provisions of Regulation 765/2008, including of Chapter II, apply to the accredited verifiers. [...] Furthermore, the verifier should carry out its activities in an impartial and objective manner. The policies and procedures under which the verifier operates, and the administration of them, shall be non-discriminatory. The accredited verifier should comply with EN ISO/IEC 17029 ‘Conformity assessment – General principles and requirements for validation and verification bodies’ [...].

(53b) The Internal Market Information System (‘IMI’) established by Regulation (EU) No 1024/2012 is an online software application developed by the Commission, in cooperation with the Member States. It provides a centralised communication mechanism to facilitate the cross-border exchange of information and mutual assistance between Member States authorities. Member States should notify the information on accreditation or licensing of a verifier via the IMI and may choose if this is done by the accreditation or licensing bodies, or by the competent authorities. The national competent authorities designated by the Member States for the application and the enforcement of this Directive should be able to mutually assist each other when performing regular checks and exchange information between themselves by using IMI as a secure platform. In addition, in order to support the national competent authorities in the enforcement of this Directive, the competent authorities should have direct access to the certificates of conformity which should be submitted to IMI and kept up to date by the verifiers via the public interface connected to IMI.

²⁰ Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93 (OJ L 218, 13.8.2008, p. 30).

- (53c) **In order to ensure good functioning of the internal market and to allow citizens and businesses to have easy access to clear, reliable, user-friendly and multilingual information on ways to comply with the requirements of this Directive, including an up-to-date list of the accredited verifiers, as well as a list of the certificates of conformity submitted by those verifiers to IMI via the public interface connected to the system, the Commission shall make this information publicly available. The Single Digital Gateway established in Regulation (EU) 2018/1724 of the European Parliament and the Council , with its user interface Your Europe and its associated national portals, is an appropriate tool to meet this objective.**
- (54) **Microenterprises**, small and medium-sized enterprises (SMEs) should be able to benefit from the opportunities provided by the market for more sustainable products but they could face proportionately higher costs and difficulties with some of the requirements on substantiation and verification of explicit environmental claims. The Member States **and the Commission** should provide adequate information and raise awareness of the ways to comply with the requirements of this Directive. **Supporting measures by the Commision [...] and by the Member States could entail [...]** targeted and specialised training, and provide specific assistance and support, including financial, to SMEs, **in particular to microenterprises**, wishing to make explicit environmental claims on their products or as regards their activities. **Member States may consult organisations that represent SMEs on the kind of measures SMEs consider useful. Due to the important role of life cycle assesment in the assessment of the substantiation of explicit environmental claims, the Commission should provide for life cycle assessment calculation tools including relevant data inventories.** Member States [...] actions should be taken in respect of applicable State aid rules.

- (54a) In order to ensure that the impacts on the smallest companies are proportionate while ensuring that eventually all traders have to comply with the respective obligations laid down in this Directive, microenterprises should benefit from a later application date for certain obligations, so that they have sufficient time to adapt their behaviour and processes accordingly.**
- (55) In order to ensure a level-playing field on the Union market, where **explicit environmental claims or environmental labels** about the **environmental characteristics** [...] of a product or a trader are based on reliable, comparable and verifiable information, it is necessary to establish common rules on enforcement and compliance.
- (56) In order to ensure that the objectives of this Directive are achieved and the requirements are enforced effectively, Member States should designate their own competent authorities responsible for the application and enforcement of this Directive. However, in view of the close complementarity of Articles 5 and 6 of this Directive with the provisions of Directive 2005/29/EC, Member States should also be allowed to designate for their enforcement the same competent authorities as those responsible for the enforcement of Directive 2005/29/EC. For the sake of consistency, when Member States make that choice, they should be able to rely on the means and powers of enforcement that they have established in accordance with Article 11 of Directive 2005/29/EC, in derogation from the rules on enforcement laid down in this Directive. **Member States may also designate the same competent authorities as those responsible for the enforcement of Directive 2005/29/EC, for the application and enforcement of the provisions of this Directive. Nevertheless, for the enforcement of the other Articles than Articles 5 and 6 of this Directive, Member States may not derogate from the rules on enforcement laid down in this Directive.** In cases where there is more than one designated competent authority in their territory and to ensure effective exercise of the duties of the competent authorities, Member State should ensure a close cooperation between all designated competent authorities.

- (56a) This Directive respects fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union and present in the constitutional traditions of the Member States. Accordingly, this Directive should be interpreted and applied in accordance with those rights and principles. When exercising the powers foreseen in this Directive, the competent authorities should strike an appropriate balance between the interests protected by fundamental rights.**
- (57) Without prejudice to the powers already conferred by Regulation (EU) 2017/2394²¹ to consumer protection authorities, competent authorities should have a minimum set of investigation and enforcement powers in order to ensure compliance with this Directive **by traders [...]** and **environmental labelling scheme owners**, to cooperate with each other more quickly and more efficiently, and to deter market actors from infringing this Directive. Those powers should be sufficient to tackle the enforcement challenges of e-commerce and the digital environment effectively and to prevent non-compliant market actors from exploiting gaps in the enforcement system by relocating to Member States whose competent authorities may be less equipped to tackle unlawful practices.
- (58) Competent authorities should be able to use all facts and circumstances of the case as evidence for the purpose of their investigation.
- (59) In order to prevent the occurrence of misleading and unsubstantiated explicit environmental claims **and environmental labels** on the Union market, competent authorities should carry out regular checks of explicit environmental claims made, and the environmental labelling schemes applied, to verify that the requirements laid down in this Directive are fulfilled.

²¹ Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004 (OJ L 345, 27.12.2017, p. 1).

- (60) When competent authorities detect an infringement of requirements of this Directive they should carry out an evaluation and based on its results notify the trader **or the environmental labelling scheme owner** about the infringement detected and require that corrective actions are taken by the trader **or the environmental labelling scheme owner, where the competent authority considers this is [...] necessary and appropriate.** To minimise the misleading effect on consumers of the non-compliant explicit environmental claim or non-compliant environmental labelling scheme, the trader **or the environmental labelling scheme owner** should be required by the competent authorities to take an effective and rapid action to remediate that infringement. The corrective action **required by the competent authority** should be proportionate to the infringement detected and its expected harmful effects on the consumers. **Examples of corrective measures could be modifications to advertising, relabelling of products or corrections on a website or in the media.** When the trader **generating an explicit environmental claim, the environmental labelling scheme owner or the trader displaying an environmental label would fail to take corrective action or where the non-compliance persists, competent authorities may require the distributor of a product with a non-compliant explicit environmental claim or environmental label which they made available on the market to take corrective measures.** Moreover, such a corrective action does not prevent the imposition of penalties, as the corrective action is aimed to resolve the non-compliance, whereas a penalty is a punitive measure.
- (61) Where an infringement is not restricted to their national territory, and the explicit environmental claim **or the environmental label** has been advanced between traders, competent authorities should inform the other Member States of the results of evaluation they have carried out and of any action that they have required the trader responsible to take.
- (62) Competent authorities should also carry out checks of explicit environmental claims **and environmental labelling schemes and the corresponding environmental labels** on the Union market when in possession of and based on relevant information, including substantiated concerns submitted by third parties. Third parties submitting a concern should be able to demonstrate a sufficient interest or maintain the impairment of a right.

- (63) In order to ensure that traders **and environmental labelling scheme owners** are effectively dissuaded from non-compliance with the requirements of this Directive, Member States should lay down rules on penalties applicable to infringements of this Directive and ensure that those rules are implemented. The penalties provided for should be effective, proportionate and dissuasive. To facilitate a more consistent application of penalties, it is necessary to establish common **indicative** non-exhaustive criteria for determining the types and levels of penalties to be imposed in case of infringements. That criteria should include, *inter alia*, the nature and gravity of the infringement as well as the economic benefits derived from the infringement [...].
- ~~(64)~~ [...]
- (65) When adopting delegated acts pursuant to Article 290 TFEU, it is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making²². In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (66) In order to assess the performance of the legislation against the objectives that it pursues, the Commission should carry out an evaluation of this Directive and present a report on the main findings to the European Parliament and the Council. In order to inform an evaluation of this Directive, Member States should regularly collect information on the application of this Directive and provide it to the Commission on an annual basis.

²² OJ L 123, 12.5.2016, p. 1.

- (67) Where based on the results of the monitoring and evaluation of this Directive the Commission finds it appropriate to propose a review of this Directive, the feasibility and appropriateness of further provisions on mandating the use of common method for substantiation of explicit environmental claims **or environmental labels**, the extension of prohibition of environmental claims for products containing **certain** hazardous substances [...], or further harmonisation as regards requirements on the substantiation of specific environmental claims on environmental **characteristics** [...] should also be considered.
- (68) The use of the most harmful substances should ultimately be phased-out in the Union to avoid and prevent significant harm to human health and the environment, in particular their use in consumer products. Regulation (EC) 1272/2008 of the European Parliament and of the Council²³ prohibits the labelling of mixtures and substances that contain hazardous chemicals as ‘non-toxic’, ‘non-harmful’, ‘non-polluting’, ‘ecological’ or any other statements indicating that the substance or mixture is not hazardous or statements that are inconsistent with the classification of that substance or mixture. Member States are required to ensure that such obligation is fulfilled. As committed in the Chemicals Strategy for Sustainability the Commission [...] **has [...] published a Communication on the Guiding criteria and principles for the essential use concept in EU legislation dealing with chemicals.**²⁴

²³ Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1).

²⁴ **Communication from the Commission – Guiding criteria and principles for the essential use concept in EU legislation dealing with chemicals (OJ C, C/2024/2894, 26.4.2024)**

- (69) Since the objectives of this Directive, namely to improve the functioning of the internal market for economic actors operating in the internal market and consumers relying on environmental claims **and environmental labels**, cannot be sufficiently achieved by the Member States, but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go beyond what is necessary in order to achieve those objectives.
- (70) In accordance with the Joint Political Declaration of 28 September 2011 of Member States and the Commission on explanatory documents²⁵, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.
- (71) The Annex to Regulation (EU) 1024/2012 of the European Parliament and of the Council²⁶ should be amended to include a reference to this Directive so as to facilitate the administrative cooperation between the competent authorities through the Internal Market Information System.
- (72) The Annex to Regulation (EU) 2017/2394 of the European Parliament and of the Council²⁷ should be amended to include a reference to this Directive so as to facilitate cross-border cooperation on enforcement of this Directive.

²⁵ OJ C 369, 17.12.2011, p. 14.

²⁶ Regulation (EU) No 1024/2012 of the European Parliament and of the Council of 25 October 2012 on administrative cooperation through the Internal Market Information System and repealing Commission Decision 2008/49/EC (‘the IMI Regulation’) (OJ L 316, 14.11.2012, p. 1).

²⁷ OJ L 345, 27.12.2017, p. 1

(73) Annex I of Directive (EU) 2020/1828 of the European Parliament and of the Council²⁸ should be amended to include a reference to this Directive so as to ensure that the collective interests of consumers laid down in this Directive are protected.

(73a) Annex I of Regulation (EU) 2018/1724 of the European Parliament and of the Council²⁹ should be amended to include a reference to this Directive so as to facilitate transparent dissemination of information about the requirements of this Directive and ways to comply. For businesses, several pieces of legislation exist at EU level that regulate, including without limitation those that require them to carry out corporate sustainability due diligence, as well as those that require the disclosure of sustainability-related information to investors, consumers, or to other stakeholders. To facilitate this, Regulation (EU) 2018/1724 should allow for the dissemination of relevant information in a sufficiently coherent and comprehensive manner, based on applicable Union law, in accordance with its provisions, and as set forth herein.

²⁸ Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC (OJ L 409, 4.12.2020, p. 1).

²⁹ **Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1)**

HAVE ADOPTED THIS DIRECTIVE:

Article 1

Scope

1. This Directive applies to explicit environmental claims made **voluntarily** by traders about products or **about** traders, [...], **and to environmental labelling schemes that allow for the use of the corresponding environmental labels, in business-to-consumer commercial practices.**
2. This Directive does not apply [...] to explicit environmental claims, **environmental labels or to environmental labelling schemes** regulated by or substantiated by rules established in:
 - (a) Regulation (EC) No 66/2010 of the European Parliament and of the Council³⁰ [...];
 - (b) Regulation (EU) 2018/848 of the European Parliament and of the Council³¹,
 - (c) Regulation (EU) 2017/1369 of the European Parliament and of the Council³²;
 - (d) Directive 2009/125/EC of the European Parliament and of the Council³³,

³⁰ Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel (OJ L 27, 30.1.2010, p. 1).

³¹ Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1).

³² Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU (OJ L 198, 28.7.2017, p. 1).

³³ Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products (recast) (OJ L 285, 31.10.2009, p. 10).

- (e) Regulation (EU) No 305/2011 of the European Parliament and of the Council³⁴ **and Regulation (EU) [No to be published] of the European Parliament and of the Council (future updated Construction Products Regulation);**
- ~~(f)~~ [...]
- (g) Regulation (EC) No 1221/2009 of the European Parliament and of the Council³⁵;
- (h) Directive 1999/94/EC of the European Parliament and of the Council³⁶;
- ~~(i)~~ [...];
- (j) **Regulation (EU) 2023/1542 of the European Parliament and of the Council³⁷ [...];**
- (k) Directive 94/62/EC of the European Parliament and of the Council³⁸;
- (l) Regulation (EU) 2020/852 of the European Parliament and of the Council³⁹
- ~~(m)~~ [...];
- (n) Directive 2012/27/EU of the European Parliament and of the Council⁴⁰;

³⁴ Regulation (EU) No 305/2011 of the European Parliament and of the Council of 9 March 2011 laying down harmonised conditions for the marketing of construction products and repealing Council Directive 89/106/EEC (OJ L 88, 4.4.2011, p. 5).

³⁵ Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

³⁶ Directive 1999/94/EC of the European Parliament and of the Council of 13 December 1999 relating to the availability of consumer information on fuel economy and CO₂ emissions in respect of the marketing of new passenger cars (OJ L 12, 18.1.2000, p. 16).

³⁷ **Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC**

³⁸ Directive 94/62/EC of the European Parliament and of the Council of 20 December 1994 on packaging and packaging waste (OJ L 365, 31.12.1994, p. 10).

³⁹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

⁴⁰ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

- (o) Directive 2013/34/EU of the European Parliament and of the Council⁴¹ and other Union, national or international rules, standards or guidelines for financial services, financial instruments, and financial products;
- (oa) **Council Directive 92/43/EEC⁴²;**
- (ob) **Regulation (EU) [No to be published] of the European Parliament and of the Council (Refuel EU Aviation) [...]**
- (oc) **Regulation (EC) 2020/740 of the European Parliament and of the Council⁴³**
- (od) **Directive (EU) 2023/2413 of the European Parliament and of the Council⁴⁴**
- (p) other [...] Union **legislative acts** [...] setting out the conditions under which certain explicit environmental claims about certain products or traders may be or are to be made or Union rules laying down requirements on the assessment or communication of environmental impacts, environmental aspects or environmental performance of certain products or traders or conditions for **environmental labels or environmental labelling schemes, unless provided otherwise in those other Union legislative acts.**

3. [...]

⁴¹ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

⁴² **Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora**

⁴³ **Regulation (EU) 2020/740 of the European Parliament and of the Council of 25 May 2020 on the labelling of tyres with respect to fuel efficiency and other parameters, amending Regulation (EU) 2017/1369 and repealing Regulation (EC) No 1222/2009 (OJ L, L 177, 5.6.2020, p. 1–31)**

⁴⁴ **Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652 (OJ L, 2023/2413, 31.10.2023)**

Article 2

Definitions

For the purposes of this Directive, the following definitions shall apply:

- (1) ‘environmental claim’ means environmental claim as defined in Article 2, point (o), of Directive 2005/29/EC;
- (2) ‘explicit environmental claim’ means an environmental claim **made in written form or orally, including through audiovisual media,** [...] **excluding** environmental labels;
- (3) ‘trader’ means trader as defined in Article 2, point (b), of Directive 2005/29/EC;
- (4) ‘product’ means product as defined in Article 2, point (c), of Directive 2005/29/EC;
- (5) ‘consumer’ means consumer as defined in Article 2, point (a), of Directive 2005/29/EC;
- (6) ‘business-to-consumer commercial practices’ means business-to-consumer commercial practices as defined in Article 2, point (d), of Directive 2005/29/EC;
- (6a) ‘[...] **generating an explicit environmental claim**’ means [...] **introducing an explicit environmental claim [...] in a business-to-consumer commercial practice towards a consumer in the Union [...] or its subsequent replication in a business-to-consumer commercial practice by the same trader who had introduced the claim;**
- (7) ‘sustainability label’ means sustainability label as defined in Article 2, point (q), of Directive 2005/29/EC;
- (8) ‘environmental label’ means a sustainability label covering only or predominantly environmental **characteristics** [...] of a product, a process or a trader [...];

- (8a) **‘environmental labelling scheme’ means a certification scheme that [...] certifies that a product, a process or a trader complies with [...] certain requirements and that allows for the use of a corresponding [...] environmental label;**
- (8b) **‘aggregated environmental label’ means an environmental label that displays a cumulative or aggregated environmental rating or score of two or more environmental impacts of a product or a trader;**
- (8c) **‘environmental labelling scheme owner’ means a natural or legal person, public authority, agency or other body [...] responsible for developing and maintaining a specific environmental labelling scheme;**
- (9) ‘product group’ means a set of products that serve similar purposes or are similar in terms of use or have similar functional properties;
- (10) ‘certification scheme’ means a certification scheme as defined in Article 2, point (r), of Directive 2005/29/EC;
- (11) ‘verification’ means the conformity assessment process carried out by a verifier to verify whether the substantiation [...] of the explicit environmental claims [...] **is** in compliance with the requirements set out in this Directive or whether environmental labelling schemes **and the corresponding environmental labels** comply with this Directive;
- (12) ‘value chain’ means all activities and processes that are part of the life cycle of a product or activity of a trader, including remanufacturing;
- (13) ‘life cycle’ means the consecutive and interlinked stages of a product’s life, consisting of raw material acquisition or generation from natural resources, pre-processing, manufacturing, storage, distribution, installation, use, maintenance, repair, upgrading, refurbishment as well as re-use, and end-of-life;
- (14) ‘primary information’ means information that is directly measured or collected by the trader from one or more facilities that are representative for the activities of the trader;

- (15) ‘secondary information’ means information that is based on other sources than primary information including literature studies, engineering studies and patents;
- (16) ‘public’ means one or more natural or legal persons and their associations, traders or groups;
- (17) ‘environmental performance’ means the performance of a certain product or product group or trader or sector related to the environmental aspects or environmental impacts of that product or product group or the activities of that trader or sector;
- (18) ‘environmental aspect’ means an element of a trader’s or sector’s activities or of products or product groups that interact or can interact with the environment;
- (19) ‘environmental impact’ means any change to the environment, whether positive or negative, that wholly or partially results from a trader’s or sector’s activities or from a product or product group during its life cycle;

~~(19a)~~ [...]

(19b) ‘making available on the market’ means making available on the market as defined under Article 3, point (1), of Regulation (EU) 2019/1020;

(19c) ‘environmental characteristic’ means an environmental aspect, environmental impact or environmental performance;

(19d) ‘contribution claim’ means an explicit environmental claim related to climate, where the trader claims to have contributed to [...] climate action by purchasing carbon credits, but without using those carbon credits for balancing out a share of its emissions;

(19e) ‘[...] offset claim’ means an explicit environmental claim [...] related to climate, where the trader claims to have balanced out [...] a share [...] of its emissions by purchasing carbon credits; [...]

(19f) ‘total greenhouse gas emissions’ means a trader’s scope 1, 2, and 3 emissions in tCO₂eq calculated pursuant to Disclosure Requirements on Gross Scopes 1, 2, 3 and Total GHG Emissions, and related Application Requirements in accordance with Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards;

(19g) ‘SME’ means a small and medium-sized enterprise within the meaning of Article 2(1) of the Annex to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.

Article 3

*Substantiation of explicit environmental claims **and** environmental labels*

1. Member States shall ensure that **the** trader [...] **generating an explicit environmental claim carries** out an assessment to substantiate **that** explicit environmental claim. This assessment shall:
 - (a) specify if the claim is related to the whole product, part of a product or certain aspects of a product, or to all activities of a trader or a certain part or aspect of these activities, as relevant to the claim;
 - (b) rely on widely recognised scientific evidence, use accurate information and take into account relevant **methods and** international standards **as defined in Article 2 paragraph 1 of Regulation (EU) No 1025/2012**⁴⁵;

⁴⁵ **Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation, amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/23/EC and 2009/105/EC of the European Parliament and of the Council and repealing Council Decision 87/95/EEC and Decision No 1673/2006/EC of the European Parliament and of the Council**

- (c) **demonstrate** [...] **that** environmental **characteristics** [...] that are subject to the claim are **relevant and significant in particular** from a life-cycle perspective [...];
- (d) where a claim is made on environmental performance, take into account all environmental aspects or environmental impacts which are significant to assess the environmental performance;
- (e) demonstrate that the claim is not equivalent to requirements imposed by law on products within the product group, or traders within the sector;
- (f) [...]
- (g) **demonstrate that** [...] improving environmental **characteristics** [...] subject to the claim, **does not** lead to significant harm **to any of the environmental objectives as set out in Article 17 of Regulation (EU) 2020/852**⁴⁶ [...];
- (h) [...]
- (i) include primary information available to the trader for environmental **characteristics** [...], which are subject to the claim;
- (j) include relevant secondary information for environmental **characteristics** [...], which is representative of the specific value chain of the product or the trader on which a claim is made, in cases where no primary information is available.

1a. When an explicit environmental claim regarding the trader is related to climate, including claims based on the use of carbon credits, the assessment shall, in addition to the requirements set out in paragraph 1 of this Article, take into account the specific nature and aspects of that claim, to ensure that consumers are well informed about the use of the carbon credits and their effects. This assessment shall, as applicable, include but not be limited to:

⁴⁶ **Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13)**

~~(a-1)~~ [...]

(a) [...] **identification of** [...] the trader's total greenhouse gas emissions, as well as their reductions, [...] future performance regarding the emissions, and [...] any [...] carbon credits used, including the quantity of credits acquired in tCO₂eq, each presented separately, indicating the relevant time period;

(b) [...] **specification of whether** [...] carbon credits used relate to emission reductions or [...] carbon removals, whether or not the associated emission reductions or carbon removals represent a contribution to the reduction of greenhouse gas emissions in the host country, whether removals [...] are permanent or temporary [...], [...] under which scheme [...] the credits were verified and certified, and by which registry they were issued;

~~(e)~~ [...]

~~(e)~~ [...]

~~(d)~~ [...]

~~(d)~~ [...]

(e) if the explicit environmental claim is an offset claim, claiming that a trader has a neutral, reduced or positive impact on the environment in terms of greenhouse gas emissions, the assessment shall as well:

- (i) demonstrate that the trader has set a net zero target as set out in [...] Directive 2013/34/EU as regards sustainability reporting standards, and is on a decarbonisation pathway to meet the target;
- (ii) disclose [...] the percentage of total greenhouse gas emissions [...] [...] balanced out using carbon credits, for a specific time period.

[...] By way of derogation from point (a), (b) and (e) [...], traders that are [...] micro undertakings and small or medium-sized undertakings as defined in Article 3 paragraphs 1, 2 and 3 of Directive 2013/34/EU that are not public-interest entities as defined in point (a) of point (1) of Article 2 of Directive 2013/34/EU, are obliged [...] to apply the obligations laid down in point (a), (b) and (e) [...] only in relation to scope 1 and scope 2 emissions.

To ensure uniform conditions for the implementation of paragraph 1a, the Commission shall adopt implementing acts by 31 December 2027 laying down more detailed rules on the assessment to be carried out by the trader when generating an explicit environmental claim that is related to climate, including claims based on the use of carbon credits, to substantiate that claim, including on how to demonstrate the quality and integrity of the credits used. The Commission shall, where relevant, consider the following:

- a. The different types of environmental claims related to climate made by traders, including contribution claims and offset claims, while recognising that different requirements are appropriate for different types of claims related to climate;**
- b. Sectoral decarbonisation pathways referenced in Art. 3.1a(e)(i), in line with Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards;**
- c. Ease of access to information and data for the assessment and use of this information and data by SMEs.**

When adopting the implementing acts, the Commission shall take into account scientific or other available technical information, including relevant international standards, and where relevant, ensure consistency with relevant Union law.

The implementing acts referred to in this Article shall be adopted in accordance with the examination procedure referred to in Article 19(2).

[...]

[...]

1aa. The environmental labelling scheme owner shall apply *mutatis mutandis* the requirements applicable to explicit environmental claims [...] laid down in accordance with paragraphs 1, 1a, and 2 [...] for the criteria of the environmental labelling scheme to award the respective environmental label.

2. Where it is demonstrated that **negative** significant environmental impacts that are not subject to the claim exist but there is no widely recognised scientific evidence to perform the assessment referred to in point (c) of paragraph 1, the trader making the claim on another **environmental characteristic** [...] shall take account of available information and, if necessary, update the assessment in accordance with paragraph 1 once widely recognised scientific evidence is available.
- ~~3.~~ [...]
4. **In order to foster greater harmonisation and ensure a level playing field in the single market, the Commission shall adopt delegated acts in accordance with Article 18 to supplement this Article, incorporating the EU Environmental Footprint methods, including PEFCRs and OEFSRs. Their use shall be presumed to meet the requirements for substantiation established in paragraph 1, when the method is suitable for the explicit environmental claim or the environmental label. Where the Commission identifies the need to promote other benchmarking methods in order to foster greater harmonisation and ensure a level playing field in the single market or when the regular monitoring of the evolution of explicit environmental claims or environmental labels referred to in Article 20 reveals differences in the application of the requirements laid down in paragraph 1 [...] and 1aa for [...] certain explicit environmental claims or environmental labels and such differences create obstacles for the functioning of the internal market, or where the Commission identifies that the absence of requirements for [...] certain explicit environmental claims or environmental labels leads to widespread misleading of consumers, the Commission [...] is empowered to adopt delegated acts in accordance with Article 18 to supplement the requirements for substantiation of explicit environmental claims laid down in paragraph 1 and 1aa by:**

- (a) determining the rules for assessing the environmental **characteristics** [...], including by determining **methods for substantiating explicit environmental claims and environmental labels, and** the activities, processes, materials, emissions or **the** use of a product, which contribute significantly or cannot contribute to the relevant environmental **characteristics** [...];
 - (b) determining for which environmental aspects or environmental impacts primary information shall be provided and determining criteria based on which the accuracy of the primary information and secondary information can be assessed; or
 - (c) establishing specific life-cycle-based rules on substantiation of explicit environmental claims for certain product groups and sectors.
5. When specifying further the requirements for substantiation of explicit environmental claims **or environmental labels** in accordance with previous paragraph, the Commission shall take into account scientific or other available technical information, including relevant international standards, and where relevant consider the following:
- (a) the specificities of the sectors and products that require a specific methodological approach;
 - (b) the potential contribution of specific product groups or sectors to achieving Union climate and environmental objectives;
 - (c) any relevant information derived from Union **law** [...];
 - (d) ease of access to information and data for the assessment and use of this information and data by [...] SMEs [...].

- 6. Explicit environmental claims on the cumulative environmental impacts of a product or trader by a single environmental score based on an aggregated indicator of environmental impacts can be made only on the basis of rules to calculate such aggregated indicator that are established in [...] Union law. [...] Aggregated environmental labels may only be awarded [...] when the aggregation methodology underlying the rating or score [...] is established under Union law. In the case and as long as such aggregation methodology does not yet exist at the Union level, Member States may introduce or maintain an aggregation methodology [...] in national [...] law that can be used either to make such an explicit environmental claim based on an aggregated indicator or score of environmental impacts [...] or as the basis for an aggregated environmental label, provided those explicit environmental claims and environmental labels comply with the requirements of this Directive.**

Article 3a

[...] Simplified procedure for the substantiation of explicit environmental claims

[...]

- 1. In derogation from Articles 3 and 10, when a trader generates an explicit environmental claim stating that an environmental characteristic of a product or a trader exceeds minimum requirements set out in another Union act, and if the claim is based on the substantiation methodology as required in that Union act, the trader shall demonstrate compliance with the substantiation requirements of that other Union act via the Specific Technical Documentation pursuant to paragraph 4.**
- 2. In derogation from Articles 3 and 10, when a trader that has been awarded an environmental label generates an explicit environmental claim regarding environmental characteristics certified by that label, the trader shall demonstrate that the explicit environmental claim corresponds to the criteria certified by the environmental label via the Specific Technical Documentation pursuant to paragraph 4.**
- 2a In derogation from Articles 3 and 10, when a trader is a beneficiary of one or more eco-schemes established by a Member State in its Common Agricultural Policy Strategic Plan, in accordance with Article 31 of Regulation (EU) 2021/2115, and generates an explicit environmental claim regarding the observation of agricultural practices beneficial for the climate and the environment, the trader shall demonstrate that the claim corresponds to the commitments and actions envisaged in the relevant eco-scheme in the Specific Technical Documentation pursuant to paragraph 4.**

- 2aa. In derogation from Articles 3 and 10, when a trader is a beneficiary of an intervention established by a Member State in its Common Agricultural Policy Strategic Plan, in accordance with Article 70 or 72 of Regulation (EU) 2021/2115, and generates an explicit environmental claim that is directly linked to compliance with this intervention, the trader shall demonstrate that the claim corresponds to the relevant commitments in the Specific Technical Documentation pursuant to paragraph 4.**
- 3. In derogation from Articles 3 and 10, a trader generating an explicit environmental claim that falls within the scope of claims defined by [...] implementing acts adopted pursuant to the second subparagraph shall comply with the substantiation requirements laid down in these implementing acts [...] and [...] demonstrate compliance via the Specific Technical Documentation pursuant to paragraph 4. This derogation shall not apply to comparative explicit environmental claims, explicit environmental claims related to climate [...] or explicit environmental claims about future environmental performance.**

The Commission shall adopt implementing acts defining the types of explicit environmental claims that given their nature typically do not require a complete assessment pursuant to Article 3 and a verification pursuant to Article 10 to achieve the objectives of this Directive and where such claims fulfil all of the following criteria:

- 1. No full life-cycle [...] assessment [...] is deemed necessary to substantiate the claim;**
- 2. The claim is related to a single environmental characteristic;**
- 3. The claim does not concern an environmental characteristic that leads to significant trade-offs between different environmental impact categories.**

The implementing acts referred to in the second subparagraph shall for each type of explicit environmental claim [...] lay down the required substantiation assessment that should be complied with by the trader generating the explicit environmental claim when applying the derogation referred to in the first subparagraph [...]. Such substantiation requirements shall be less burdensome for the trader than those under Article 3.

By ... [*18 months after the date of entry into force of this Directive*], the Commission shall adopt an implementing act as set out in the second and third subparagraph specifying certain type(s) of explicit environmental claim(s) that can make use of the derogation described in the first subparagraph, prioritising [...] the explicit environmental claims based on relevance, simplicity, and frequency of use [...]. [...]

4. When a trader generates an explicit environmental claim pursuant to paragraphs 1, 2, 2a, 2aa or 3, [...] this trader shall demonstrate compliance of the explicit environmental claim with the requirements referred to therein [...] by means of a Specific Technical Documentation. The Specific Technical Documentation shall be completed and made available to competent authorities, before the explicit environmental claim is made public [...].

In order to ensure a uniform application across the Union, the Commission shall by ... [*18 months after the date of entry into force of this Directive*], adopt an implementing act to specify further the format and content of the respective Specific Technical Documentation [...], at least containing the following elements:

- a. the type(s) of explicit environmental claim(s), the definition of the type(s) of product(s) or activities covered, and the environmental characteristics subject to the claim(s);
- b. where applicable, the substantiation requirements related to the type(s) of claim(s) concerned, referred to in paragraph 3, and where applicable, related to the type(s) of product(s) or activities;

- c. where applicable, the test, measurement, calculation or other methods to be used to determine the values to be declared in the Specific Technical Documentation;
- d. where relevant, the transitional methods, the harmonised standards or parts thereof or the common specifications to be used;
- e. the information to be provided by operators in the Specific Technical Documentation [...] necessary to enable the verification of compliance of the declared claim with the substantiation requirements, including the format and the order;
- f. [...]
- g. [...]
- h. [...]
- i. the date for the evaluation and possible revision of the implementing measure, taking into account technological progress and market trends.

5. The implementing acts referred to in this Article shall be adopted in accordance with the examination procedure referred to in Article 19(2).

5a. The assessment in the Specific Technical Documentation shall not prejudice the assessment of the environmental claim by national authorities or courts in accordance with Directive 2005/29/EC.

~~6.~~ [...] [...]

Article 4

*Substantiation of comparative explicit environmental claims **and comparative environmental labels***

1. The substantiation of explicit environmental claims **and environmental labels** that state or imply that a product or trader has less environmental impacts or a better environmental performance than other products or traders [...] shall, in addition to the requirements set out in Article 3, comply with the following requirements:

- (a-1) the product or trader subject to the comparative explicit environmental claim or comparative environmental label belongs to the same product group or sector as the product or trader against which the comparison is made. Comparative explicit environmental claims or comparative environmental labels must relate to products that serve a similar purpose or are similar in terms of use or have similar functional properties as the products against which the comparison is made.**
- (a) the information **and** [...] data [...] used for assessing the environmental **characteristics** [...] of the products or traders against which the comparison is made, are equivalent **and generated or sourced in an equivalent manner** to the information, [...] data [...] used for assessing the environmental **characteristics** [...] of the product or trader which is subject to the claim. **The method used for assessing the environmental characteristics shall be the same;**
 - (b) [...]
 - (c) the coverage of the stages along the value chain is equivalent for the products and traders compared and ensures that the most significant stages are taken into account for all products and traders **compared;**
 - (d) the coverage of environmental **characteristics** [...] is equivalent for the products and traders compared and ensures that the [...] environmental **characteristics** [...] **subject to the environmental claim are significant** for all products **or** [...] traders **compared or for the product group that the products belong to;**

(e) assumptions used for the comparison are set in an equivalent manner for the products and traders compared.

2. **Comparative environmental claims shall not relate to an improvement of the environmental [...] characteristics of the product that is the subject of the claim compared to the environmental [...] characteristics of another product from the same trader; or from a competing trader that is no longer active on the market; or from a trader that no longer sells to consumers, unless they are based on evidence proving that the improvement is significant and achieved in the last five years. [...] In such cases, the substantiation of the explicit environmental claim or the environmental label shall explain how that improvement affects other relevant environmental characteristics [...] of the product subject to the claim and shall clearly state the baseline year for the comparison.**

3. [...]

~~Article 4a~~

[...]

Article 5

[...] *Communication of explicit environmental claims and environmental labels*

1. Member States shall ensure that [...] traders **and environmental labelling scheme owners** [...] **are** required to communicate **to consumers** any explicit environmental claim **or environmental label in a clear and comprehensible manner and** in accordance with the requirements set out in this Article **and, where applicable, in Article [...] 6.**

2. Explicit environmental claims **and environmental labels** [...] **shall** only cover environmental characteristics [...] **identified as significant for the product or trader concerned in accordance with Article 3 paragraph (1) point (c) or (d)** and [...] substantiated in accordance with the requirements laid down in Articles 3, and 4 [...].
3. Where the explicit environmental claim **or environmental label** is related to a final product, and the use phase is among the most relevant life-cycle stages of that product, the **explicit environmental claim or the environmental label** shall **also** include information on how the consumer should use the product in order to achieve the expected environmental performance of that product. [...].
4. [...]
- ~~5.4.~~ [...]
- ~~6.~~ [...]
- 6a. [...]

For explicit environmental claims based on the use of [...] carbon credits, traders shall in the [...] summary of the substantiation assessment referred to in paragraph 6d indicate that the claim is based on the use of carbon credits and explain whether the explicit environmental claim concerns [...] emission reductions and/or carbon removals, as well as whether it concerns a contribution or an offset [...] claim. If an environmental label is based on the use of carbon credits, it shall provide this information in the summary of the assessment referred to paragraph 6f.

56-6b. [...] Where the explicit environmental claim or environmental label is related to future environmental performance of a product or trader, the trader shall in the summary of the substantiation assessment referred to in [...] paragraph 6d or the summary of the substantiation assessment referred to in [...] paragraph 6f include the details of the implementation plan pursuant to paragraph 2, point (d) of Article 6 of Directive 2005/29 EC.

a) [...]

b) [...]

e) [...]

6c. When communicating an explicit environmental claim based on an aggregated indicator or score of environmental impacts or when displaying an aggregated environmental label, this aggregated indicator or score shall be communicated in a transparent and comprehensible way to consumers. Information about the ranges and available classes or levels and the relevant class or level shall be provided with the explicit environmental claim or aggregated environmental label.

6d. The trader shall provide [...] a summary of the substantiation assessment carried out in accordance with Article 3 or, if applicable, Article 3a, [...] free of charge together with the claim in a physical form or in a digital format via a data carrier or link or when the explicit environmental claim is made in the trader premises [...]. This summary shall be presented in a clear and easy to understand manner to consumers, in a language determined by the Member State in which the claim is made; it shall indicate the environmental characteristics [...] covered by the claim; and it shall, if applicable, include the certificate of conformity referred to in Article 10 regarding the substantiation of the claim and the contact information, excluding personal data, of the verifier that drew up the certificate of conformity. [...]

- 6e. [...] When traders display an environmental label, [...] the website of the environmental labelling scheme shall be made accessible [...] via a data carrier or link together with the environmental label.
- a) [...]
 - b) [...]
 - e)[...]
- 6f. Environmental labelling scheme owners shall provide a summary of the substantiation assessment of the environmental label carried out in accordance with Article 3 on their website. This summary shall be presented in a clear and easy to understand manner to consumers. It shall indicate the environmental characteristics covered by the label. It shall include the certificate of conformity of the environmental labelling scheme and the corresponding label referred to in Article 10 and the contact information, excluding personal data, of the verifier that drew up the certificate of conformity, and, where applicable, the document of approval of the environmental labelling scheme.
7. Additional information related to the substantiation and to the compliance with the obligations of the trader or the environmental labelling scheme owner shall be provided in a digital format at the request of consumers, public authorities or other parties having a legitimate interest in protecting consumers' interests as provided for in EU law. This information shall include [...] the following:
- i. the relevant Union or the relevant international standards, where appropriate;
 - ii. the underlying studies or calculations used to assess, measure and monitor the environmental characteristics [...] covered by the explicit environmental claim or environmental label, without omitting the results of such studies or calculations and, explanations of their scope, assumptions and limitations, unless the information is a trade secret in line with Article 2 paragraph 1 of Directive (EU) 2016/943⁴⁷.

⁴⁷ Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (Text with EEA relevance)

8. For products covered by Regulation .../... [the Ecodesign for Sustainable Products Regulation] or other Union legislation requiring a digital product passport, the information set out in Article 5 [...] shall be included in that product passport. [...] In any case, the data carrier or link shall be clearly visible next to the claim. Furthermore, the data carriers and links between physical product and digital representation shall be made using harmonised standards on the Digital Product Passport, the reference numbers of which have been published in the Official Journal of the European Union.

~~7.9.~~ [...]

10. Where the substantiation of certain environmental **characteristics** [...] is subject to the rules established in delegated acts referred to in Article 3, paragraph 4(a) and paragraph 4(c), the Commission may adopt delegated acts in accordance with Article 18 to supplement the requirements for communication of explicit environmental claims **or environmental labels** set out in **this Article** [...] by **further** specifying [...] the information that can be or shall be communicated regarding such environmental **characteristics** [...], so as to make sure that the consumers are not misled.

Article 5a

[...]

Article 5b

[...]

Article 6

*Communication of comparative **explicit** environmental claims and comparative environmental labels*

[...]

Together with the information on the products or the traders which are compared, the following information shall in addition be included [...] in the summary of the substantiation assessment of explicit environmental claims referred to in Article 5 paragraph 6d or the summary of the substantiation assessment of environmental labels referred to in Article 5 paragraph 6f [...]:

- (1) The information and data used for assessing the environmental characteristics [...] of the products or traders subject to comparison, including how they have been generated or sourced.**
- (2) The methodology used for assessing and comparing the products or traders, including a reasoned justification of their comparability.**
- (3) The baseline year for the comparison.**

[...]

~~Article 7~~

[...]

Article 8

*Requirements for **environmental labels and environmental labelling schemes***

~~1.~~ [...]

~~1a.~~ [...]

- 1a. Environmental labelling scheme owners shall submit their environmental labelling scheme and the corresponding environmental label for verification according to Article 10. Traders, that have been awarded an environmental label for their products or organisation by a compliant environmental labelling scheme, may display [...] that environmental label, without having to go through the verification procedure referred to in [...] Article 10.**
- 1b. By way of derogation from the previous subparagraph and without prejudice to paragraph 6a of this Article, Member States may choose to exempt national or regional environmental labelling schemes established by public authorities [...] from verification in accordance with Article 10 provided that they undergo equivalent procedures for verifying that they meet the requirements laid down in this Directive.**

These procedures shall ensure that the verification is carried out by the National Accreditation Body as defined in Article 2, point 11 of Regulation (EC) No 765/2008 or a public body independent of the body setting up the environmental labelling scheme associated with the environmental label, which shall operate with the highest degree of professional integrity, impartiality and the requisite technical competence.

Public authorities shall inform the Commission of such environmental labelling schemes.

2. **An environmental label shall be based on an environmental labelling scheme.** [...] An environmental labelling scheme shall comply with the following requirements:

- (a) information about the ownership and the decision-making bodies of the environmental labelling scheme is transparent, accessible free of charge, easy to understand and sufficiently detailed;
- (b) information about the objectives of the environmental labelling scheme and the requirements and procedures to monitor compliance of the environmental labelling scheme are transparent, accessible free of charge, easy to understand and sufficiently detailed;
- (c) the conditions for joining the environmental labelling schemes are proportionate to the size and turnover of the companies in order not to exclude small and medium enterprises;
- (d) the requirements for the environmental labelling scheme have been developed by **the environmental labelling scheme owner in consultation with relevant experts and stakeholders** that can ensure their scientific robustness [...] and [...] their relevance from a societal perspective;
- (e) the environmental labelling scheme has a complaint and dispute resolution mechanism in place;
- (f) [...]

3. From [OP: Please insert the date = *the date of* [...] **application of this Directive**] [...] new national or regional environmental labelling schemes [...] established by public authorities of the Member States, **shall be subject to approval by the Commission prior to entering the Union market with the aim of ensuring that these environmental labelling schemes [...] provide added value as defined in the implementing acts specified in paragraph 8 of this Article, as compared to the existing Union, national or regional environmental labelling schemes, and meet the requirements of this Directive.** [...] National or regional environmental labelling schemes established by public authorities of the Member States prior to that date may continue to award the environmental labels on the Union market, provided they meet the requirements of this Directive.

[...]

4. From [OP: Please insert the date = *the date of* [...] **application of this Directive**] any new environmental labelling schemes established by public authorities in third countries awarding environmental labels to be used on the Union market, shall be subject to approval by the Commission prior to entering the Union market with the aim of ensuring that these **environmental labelling schemes [...] provide added value as defined in the implementing acts specified in paragraph 8 of this Article [...], as compared to the existing Union, national or regional environmental labelling schemes [...], and meet the requirements of this Directive.** Environmental labelling schemes established by public authorities in third countries prior to that date may continue to award the environmental labels which are to be used on the Union market, provided they meet the requirements of this Directive.
5. Member States shall ensure that environmental labelling schemes established by private operators after [OP: Please insert the date = *the date of* [...] **application of this Directive**] are only approved if those **environmental labelling** schemes provide added value **as defined in the implementing acts specified in paragraph 8 of this Article [...], as compared to the existing Union, national or regional environmental labelling schemes [...], and meet the requirements of this Directive.**

This procedure for approval of new environmental labelling schemes shall apply to schemes established by private operators in the Union and in third countries.

Member States shall notify the Commission when new private schemes are approved.

Environmental labelling schemes established by private operators in the Union and in third countries prior to the date of application may continue to award the environmental labels which are to be used on the Union market, provided they meet the requirements of this Directive.

6. In order to receive the approvals referred to in paragraphs 3, 4 and 5, the **owners** [...] of new environmental labelling schemes shall provide supporting documents setting out the following:
- (a) the rationale underlying the development of the scheme
 - (b) the proposed scope of the scheme,
 - (c) the evidence the scheme will provide added value as set out in paragraphs 3, 4, 5 and 8 [...];
 - (d) a proposal for draft criteria and the methodology used to develop and award the environmental label and the expected impacts on the market;
 - (e) a detailed description of the ownership and the decision-making bodies of the environmental labelling scheme.

The documents referred to in the first subparagraph shall be submitted to the Commission in case of schemes referred to in paragraphs 3 and 4 or to the Member States' authorities in case of schemes referred to in paragraph 5 [...].

- 6a. **The national or regional EN ISO 14024 type I ecolabelling schemes officially recognised in the Member States are exempted from verification in accordance with Article 10 provided they [...] comply with the requirements of this Directive. Member States shall set up procedures for official recognition of such schemes. Member States shall [...] inform the Commission of such officially recognised EN ISO 14024 type I [...] ecolabelling schemes that can benefit from this exemption. Member States shall inform the Commission in case such schemes shall no longer be recognised based on the criteria above.**

Traders that have been awarded an officially recognised EN ISO 14024 type I ecolabel, generating an explicit environmental claim regarding environmental characteristics certified by that environmental label shall be exempted from the assessment in accordance with Article 3a, paragraph 2.

7. The Commission shall publish and keep-up-to date a list of officially recognised **national or regional EN ISO 14024 type I ecolabels that have been informed [...] to the Commission by the Member States pursuant to paragraph 6a, and other** environmental labels that are allowed to be used on the Union market [...] **from** [OP: Please insert the date = *the date of transposition of this Directive*] pursuant to paragraphs 3, 4 and 5.
8. In order to ensure a uniform application across the Union, the Commission shall **by ... [18 months after the date of entry into force of this Directive]** adopt implementing acts to:
 - (a) provide detailed requirements for approval of environmental labelling schemes pursuant to the criteria referred to in paragraphs 3, 4 and 5; **especially on how added value should be evaluated. The assessment of added value shall take into account the following criteria:**
 1. **The environmental ambition of the environmental labelling scheme;**
 2. **The coverage of environmental characteristics [...] of the environmental label [...];**
 3. **The product group(s) or sector(s) covered by the labelling scheme;**
 4. **The ability to support the green transition for SMEs; or**
 5. **[...] The geographic market in which the environmental labelling scheme operates.**
 - (b) specify further the format and content of supporting documents referred to in paragraph 6;

- (c) provide detailed rules on the procedure for the approval referred to in paragraphs 3, 4 and 5.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19 **paragraph 2**.

Article 9

*Review of the substantiation of explicit environmental claims **and environmental labels***

Member States shall ensure that the information used for substantiation of explicit environmental claims is reviewed and updated **accordingly by the trader [...] generating the explicit environmental claim** when there are circumstances that may affect the accuracy of a claim, and no later than 5 years from the date when the [...] **certificate of conformity** referred to in Article 10(6) is issued [...], **or where applicable, the date when the Specific Technical Documentation referred to in Article 3a is made available to competent authorities [...]**. In the review, the trader shall revise the used underlying information to ensure that the requirements of Articles 3 and 4, **and where applicable Article 3a**, are fully complied with.

The information used for substantiation of explicit environmental labels shall be reviewed and updated by the environmental labelling scheme owners when there are circumstances that may affect the accuracy of an environmental label, and no later than 5 years from the date when the certificate of conformity referred to in Article 10(6) is issued. In the review, the environmental labelling scheme owner shall revise the used underlying information to ensure that the requirements of Articles 3 and 4 are fully complied with.

The updated **substantiation of the explicit environmental claim or the environmental label** shall be subject to verification in accordance with Article 10. **If an explicit environmental claim falls under the scope of Article 3a, the trader generating the claim shall update the Specific Technical Documentation with the updated substantiation.**

[...]

Article 10

*Verification [...] of the substantiation [...] of **explicit** environmental claims, **environmental labels** and environmental labelling schemes*

1. Member States shall set up procedures for **verifying** [...] explicit environmental claims against the requirements set out in Articles 3 **and** 4 [...].
2. Member States shall set up procedures for verifying the compliance of environmental labelling schemes **and the corresponding environmental label** with the requirements set out in Articles 3, 4 **and** 8.
3. [...]
4. **Without prejudice to Article 8, paragraphs 1b and 6a**, the verification [...] shall be undertaken by a verifier fulfilling the requirements set out in Article 11, in accordance with the procedures referred to in paragraphs 1 and 2, before the **explicit** environmental claim is [...] **generated by the trader** or the environmental labelling scheme **and the corresponding environmental label** are [...] **made available by the environmental labelling scheme owner**.
5. For the purposes of the verification the verifier shall take into account the nature and content of the explicit environmental claim or the environmental labelling scheme **and the corresponding environmental label**.
6. Upon completion of the verification **and where compliance of an explicit environmental claim or an environmental labelling scheme and the corresponding environmental label with the requirements of this Directive has been demonstrated**, the verifier shall draw up [...] a certificate of conformity **declaring** [...] that the explicit environmental claim or the environmental labelling scheme **and the corresponding environmental label** comply with the requirements set out in this Directive. **Without prejudice to article 9, the certificate of conformity shall be valid for a maximum period of 5 years** [...].
7. The certificate of conformity shall be recognised by the competent authorities responsible for the application and enforcement of this Directive. [...]

7a. Verifiers shall submit and communicate:

- a) the certificates of conformity referred to in paragraph 6 with a validity period of maximum 5 years,**
- b) the certificates of conformity issued following the review of the substantiation of explicit environmental claims referred to in Article 9,**
- c) the withdrawal of, or other updates to, certificates of conformity including pursuant a decision by the competent authorities as per Article 15 paragraph 3b,**

to the national competent authorities using a multilingual standard form of the public interface connected to the Internal Market Information System established by Regulation (EU) No 1024/2012 (IMI).

Based on the certificates of conformity submitted to IMI, the Commission shall publish the up-to-date list of certificates of conformity on the Single Digital Gateway.

7b. The public interface connected to IMI shall provide, in particular, for the technical functionalities necessary to allow the verifiers to manage their access and activity in the interface and to perform the actions related to the communication and management of the certificates of conformity as well as any changes thereto, such as recording, submitting, updating them.

The public interface shall also allow for the deletion of all data stored in it, including the verifiers' accounts, when that data is no longer needed for the purposes for which they were collected and processed.

7c. Any information containing personal data recorded in or exchanged through IMI or the public interface connected to IMI shall be processed in IMI in accordance with Articles 14 to 17 of Regulation (EU) No 1024/2012.

7d. Competent authorities registered in IMI for the consumer protection cooperation under Regulation (EU) 2017/2394 should be provided access in the system to the submitted certificates of conformity.

8. The certificate of conformity shall not prejudice the assessment of the environmental claim by national authorities or courts in accordance with Directive 2005/29/EC.
9. **By ... [[...] 18 months from the date of entry into force of this Directive],** the Commission shall adopt implementing acts to set out details regarding the form of the certificate of conformity referred to in paragraph [...] **6, [...] the technical means and the procedure** for issuing **and notifying** such certificate of conformity. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 19 **paragraph 2**.

Article 11

Verifier

1. The verifier shall be a [...] conformity assessment body accredited in accordance with Regulation (EC) No 765/2008⁴⁸ **for verification [...] activities or [...] environmental verifier as defined in Art. 2 No. 20 of Regulation (EC) No. 1221/2009. [...]**
- 1a. **The accredited verifier [...] shall comply with EN ISO/IEC 17029 ‘Conformity assessment – General principles and requirements for validation and verification bodies’.**
2. The accreditation shall, in particular, include the evaluation of compliance with the requirements in paragraph 3.
3. The verifier shall comply with the following requirements:
 - (a) the verifier shall be **a third-party body** independent of the product bearing, or the trader associated to, the environmental claim, **or the environmental labelling scheme owner associated to the environmental label;**

⁴⁸ Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93 (OJ L 218, 13.8.2008, p. 30).

- (b) the verifier, its top-level management and the personnel responsible for carrying out the verification tasks shall not engage in any activity that may conflict with their independence of judgement or integrity in relation to the verification activities **for which they are accredited;**
- (c) the verifier and its personnel **shall operate in a non-discriminatory manner and** shall carry out the verification activities with the highest degree of professional integrity and the requisite technical competence and shall be free from all pressures and inducements, particularly financial, which might influence their judgement or the results of their verification activities. **The impartiality of the verifiers, their top-level management and of the personnel responsible for carrying out the verification tasks shall be guaranteed. [...].**
- (d) the verifier shall have the expertise, equipment and infrastructure required to perform the verification activities in relation to which it has been accredited;
- (e) the verifier shall have **adequate resources, the technical capabilities and a** sufficient number of suitably qualified and experienced personnel **with sufficient experience with working with environmental assessment methods, such as life-cycle assessment,** responsible for carrying out the verification tasks;
- (f) the personnel of a verifier shall observe professional secrecy with regard to all information obtained in carrying out the verification tasks;

(g) where a verifier subcontracts specific tasks connected with verification or has recourse to a subsidiary, it shall take full responsibility for the tasks performed by subcontractors or subsidiaries and shall assess and monitor the qualifications of the subcontractor or the subsidiary and the work carried out by them. **Only the tasks that fall in the scope of accreditation of the verifier may be performed by subcontractors or subsidiaries. Verifiers shall ensure that the activities of their subcontractors or subsidiaries do not affect the confidentiality, objectivity or impartiality of their verification activities.**

~~(h)~~ [...]

23a. National Accreditation Bodies, Licensing Bodies or competent authorities shall notify the accreditation or licensing, the withdrawal of the accreditation or licensing or other updates in the accreditation or licensing of a verifier via the Internal Market Information System ('IMI'). Based on the information notified in IMI, the Commission shall make public the up-to-date list of verifiers on the Single Digital Gateway.

Article 12

Micro, small and medium sized enterprises

The Commission shall take appropriate measures including at least making available digital tools, such as for life cycle assessment calculation including relevant data inventories, adopting guidelines, and taking awareness-raising measures for facilitating the application of this Directive by [...] SMEs, in particular by simplifying and easing the process of applying the requirements for microenterprises. The Commission shall consult Member States and organisations representing SMEs [...] in the drafting of the guidelines and other measures. The Commission shall adopt the guidelines referred to in this subparagraph at least by ... [48 months after the date of entry into force of this Directive].

Member States shall take appropriate measures to help [...] [...] **SMEs, in particular microenterprises**, apply the requirements set out in this Directive. Those measures shall at least include guidelines or similar mechanisms to raise awareness of ways to comply with the requirements on explicit environmental claims **and the use of environmental labels**. [...]

In addition, [...], such measures **taken by the Commission [...] or [...] the Member States, and without prejudice to applicable state aid rules**, may include:

- (a) financial support;
- (aa) guidance on financial support available through the existing EU programmes;**
- (b) access to finance;
- (c) specialised management and staff training;
- (d) organisational and technical assistance.

Article 13

Designation of competent authorities and coordination mechanism

1. Member States shall designate one or more competent authorities as responsible for the application and enforcement of this Directive.
2. **In the case that Member States designate the national authorities or courts responsible for the enforcement of Directive 2005/29/EC for the purpose of the enforcement of Articles 5 and 6, [...] those [...] Member States may derogate from Articles 14 to 17 of this Directive and apply the enforcement rules adopted in accordance with Articles 11 to 13 of Directive 2005/29/EC.**
3. Where there is more than one competent authority in their territory, Member States shall ensure that the respective duties of those authorities are clearly defined and that appropriate communication and coordination mechanisms are established.
4. Member States shall notify the Commission and other Member States without delay of the identity of the competent authorities in their Member State and the areas of competence of those authorities **via the Internal Market Information System.**

Article 14

Powers of the competent authorities

1. Member States shall confer on their competent authorities the powers of inspection and enforcement necessary to ensure compliance with this Directive.

2. The powers conferred on competent authorities under paragraph 1 shall include at least the following:
- (a) the power of access to any relevant documents, data or information related to an infringement of this Directive, in any form or format and irrespective of their storage medium, or the place where they are stored, and the power to take or obtain copies thereof;
 - (b) the power to require any natural or legal person to provide any relevant information, data or documents, in any form or format and irrespective of their storage medium or the place where they are stored, for the purposes of establishing whether an infringement of this Directive has occurred or is occurring and the details of such infringement;
 - (c) the power to start investigations or proceedings on their own initiative to bring about the cessation or prohibition of infringements of this Directive;
 - (d) the power to require traders **or environmental labelling scheme owners** to adopt adequate and effective remedies and take appropriate action to bring an infringement of this Directive to an end;
 - (e) the power to adopt, where appropriate, injunctive relief with regard to infringements of this Directive;
 - (f) the power to impose penalties for infringements of this Directive in accordance with Article 17.

3. Competent authorities may use any information, document, finding, statement or intelligence as evidence for the purpose of their investigations **under this Directive**, irrespective of the format in which or medium on which they are stored.
- 3a. **The implementation and the exercise of powers set out in this Article shall be proportionate and shall comply with Union and national law, including with applicable procedural safeguards and with the principles of the Charter of Fundamental Rights of the European Union. The investigation and enforcement measures adopted shall be appropriate to the nature and the overall actual or potential harm of the infringement.**

Article 15

*Compliance monitoring **and** corrective measures*

1. Competent authorities of the Member States designated in accordance with Article 13 shall undertake regular checks of the explicit environmental claims made and the environmental labelling schemes applied, on the Union market. The reports [...] **consolidating** the results of those checks shall be made available to the public online.
2. Where the competent authorities of a Member State detect an infringement of an obligation set out in this Directive, they shall carry out an evaluation covering all relevant requirements laid down in this Directive.

3. Where, further to the evaluation referred to in the [...] **second** [...] paragraph, the competent authorities find that the substantiation [...] of the explicit environmental claim [...] does not comply with the requirements laid down in this Directive, **and where the competent authority considers corrective measures [...] necessary and appropriate**, they shall notify the trader [...] **generating** the claim about the non-compliance and require that trader to take all appropriate corrective action **without delay** [...] to bring the explicit environmental claim [...] into compliance with this Directive or to cease the use of and references to the non-compliant explicit environmental claim. **Where the competent authorities find that a trader does not comply with the communication requirements laid down in this Directive, and where the competent authority considers corrective measures necessary and appropriate, they shall notify this trader about the non-compliance and require that trader to take all appropriate corrective action without delay to bring the [...] communication of the explicit environmental claim into compliance with this Directive.** Such actions shall be as effective and rapid as possible, while complying with the principle of proportionality and the right to be heard. [...].

- 3a. Where, further to the evaluation referred to in the [...] second paragraph, the competent authorities find that an environmental labelling scheme and the corresponding environmental label do not comply with the requirements laid down in this Directive, and where the competent authority considers corrective measures [...] necessary and appropriate, they shall notify the environmental labelling scheme owner about the non-compliance and require that labelling scheme owner to take all appropriate corrective action without delay to bring the environmental labelling scheme and the corresponding environmental label into compliance with this Directive or to cease to allow for the use of and references to the non-compliant environmental label. Such action shall be as effective and rapid as possible, while complying with the principle of proportionality and the right to be heard. Where the competent authorities find that a trader displaying an environmental label does not comply with the communication requirements laid down in this Directive, and where the competent authority considers corrective measures [...] necessary and appropriate, they shall notify this trader about the non-compliance and require that trader to take all appropriate corrective action without delay to bring the communication of the environmental label into compliance with this Directive. [...].**
- 3b Where, further to the evaluation referred to in the [...] second subparagraph, the competent authority decides that the certificate of conformity issued as per Article 10 is to be annulled or withdrawn, and the verifier does not take action in line with Article 10 paragraph 7a, point c) following notification of this decision, the competent authority shall be empowered to take the appropriate action in IMI.**
- 3c. Competent authorities shall mutually assist each other when performing compliance monitoring measures in the context of this Article and [...] use IMI for this purpose.**

Article 16

Complaint-handling and access to justice

1. Natural or legal persons or organisations regarded under Union or national law as having a [...] **sufficient** interest, **or when they maintain the impairment of a right, where administrative procedural law of a Member State requires this as a precondition**, shall be entitled to submit substantiated complaints to competent authorities when they deem, on the basis of objective circumstances, that a trader is failing to comply with the provisions of this Directive.
2. For the purposes of the first subparagraph, non-governmental entities or organisations promoting human health, environmental or consumer protection and meeting any requirements under national law shall be deemed to have sufficient interest.
3. Competent authorities shall assess the substantiated complaint referred to in paragraph 1 and, where necessary, take the necessary steps, including inspections and hearings of the person or organisation, with a view to verify those complaints. If confirmed, the competent authorities shall take the necessary actions in accordance with Article 15.
- ~~4.~~ [...]
- ~~5.~~ [...]
6. Member States shall ensure that practical information is made available to the public on access to the administrative and judicial review procedures referred to in this Article.

Article 17

Penalties

1. Without prejudice to the obligations of Member States under Directive 2008/99/EC⁴⁹, Member States shall lay down the rules on penalties applicable to infringements of national provisions adopted pursuant to this Directive and shall take all measures necessary to ensure that they are implemented. The penalties provided for shall be effective, proportionate and dissuasive.
2. When determining the type and level of penalties to be imposed in case of infringements, the competent authorities of the Member States shall give due regard to the following, **non-exhaustive and indicative criteria, where applicable**:
 - (a) the nature, gravity, extent and duration of the infringement;
 - (b) the intentional or negligent character of the infringement and any action taken by the trader, **or the environmental labelling scheme owner** [...]to mitigate or remedy the damage suffered by consumers, [...];
 - (c) **and at Member States' discretion**, the financial strength of the natural or legal person held responsible, as indicated for example by the total turnover of the legal person held responsible or the annual income of the natural person held responsible;
 - (d) the economic benefits derived from the infringement by those responsible, **insofar as it can be determined**;
 - (e) any previous infringements by the natural or legal person held responsible;
 - (f) any other aggravating or mitigating factor applicable to the circumstances of the case;

⁴⁹ Directive 2008/99/EC of the European Parliament and of the Council of 19 November 2008 on the protection of the environment through criminal law (OJ L 328, 6.12.2008, p. 28).

- (g) penalties imposed on the trader, **or the environmental labelling scheme owner** [...] for the same infringement in other Member States in cross-border cases where information about such penalties is available through the mechanism established by Regulation (EU) 2017/2394, [...];

~~3.~~ [...]

~~(b)~~ [...];

~~(e)~~ [...].

Article 18

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts as referred to in Article 3(4) and Article 5(8) shall be conferred on the Commission for a period of five years from [*OP please insert the date = the date of transposition of this Directive*]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.
3. The delegation of power referred to in Article 3(4) and Article 5(8) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council. A delegated act adopted pursuant to Article 3(4) and Article 5(8) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of [two months] of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [two months] at the initiative of the European Parliament or of the Council.

Article 19

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5[...] of Regulation (EU) No 182/2011 shall apply.

Where the committee delivers no opinion, the Commission shall not adopt the draft implementing act and Article 5(4), third subparagraph, of Regulation (EU) No 182/2011 shall apply.

Article 20

Monitoring

1. Member States shall regularly monitor the application of this Directive based on.
 - ~~(a)~~ [...]
 - ~~(b)~~ an overview of **the types of** explicit environmental claims and of environmental labelling schemes with regard to which competent authorities have required the trader **or the environmental labelling scheme owner** to take corrective action, in accordance with Article 15, or have imposed penalties in accordance with Article 17.
2. The information referred to in paragraph 1 shall specify the explicit environmental claim or environmental labelling scheme, the nature of the [...] infringement, the nature and duration of the corrective actions and, if applicable, the penalty imposed.
3. Member States shall provide the information referred to in paragraph 1[...] to the Commission on a **biennial** [...] basis.
4. Based on the information collected pursuant to paragraph 3 and the information made available by the Member States pursuant to Article 15(1), and, if necessary, additional consultations with competent authorities, the European Environmental Agency shall publish, every two years, a report containing an assessment of the evolution of explicit environmental claims and environmental labelling schemes in each Member State and for the Union as a whole. The report shall enable a differentiation according to the size of the trader making the claim and according to the quality of the substantiation.

Article 21

Evaluation and review

1. By [*OP please insert the date = 5 years after the date of transposition of this Directive*], the Commission shall carry out an evaluation of this Directive in light of the objectives that it pursues and present a report on the main findings to the European Parliament and the Council.
2. The report referred to in paragraph 1 shall assess whether this Directive has achieved its objective, in particular with regard to:
 - (a) ensuring that explicit environmental claims **and environmental labels** made about the environmental performance of a product or trader are based on reliable, comparable and verifiable information;
 - (aa) **ensuring the implementation and effectiveness of the simplified procedure set out in Article 3a;**
 - (b) ensuring that environment labelling schemes are based on certification schemes and meet the relevant requirements set out in Article 8;
 - (c) ensuring that new [...] environmental labelling schemes concerning products or traders already covered by existing schemes are approved by the Member States **or the Commission** only if they provide added value as compared to the existing **Union, national or regional environmental labelling** schemes;
 - (d) setting out the rules for communicating explicit environmental claims **and environmental labels** on the Union market, and avoiding duplication of costs when communicating such claims **or labels**;
 - (e) strengthening the functioning of the internal market

(ea) the appropriateness and the effectiveness of the support for SMEs, in particular microenterprises.

2a. In the context of the reporting of Directive (EU) 2024/825, the Commission shall assess the complementarity of and need for more congruence between the Directive (EU) 2024/825 and this Directive. In light of this assessment, the Commission shall submit, as part of the review of Directive (EU) 2024/825, a report to the European Parliament and the Council no later than 27 September 2031.

3. Where the Commission finds it appropriate, the report referred to in paragraph 1 shall be accompanied by a legislative proposal for amendment of the relevant provisions of this Directive, including considering further provisions on:

- (a) unlocking opportunities for the circular, bio and green economy by assessing the appropriateness and feasibility of mandating the use of common, and where relevant life-cycle based, methods for substantiation of **explicit** environmental claims **or environmental labels**;
- (b) facilitating **the** transition towards **a** toxic free environment by considering introducing a prohibition of **explicit** environmental claims **or environmental labels** for products [...] **containing substances [...] classified in Part 3 of Annex VI to [...] Regulation (EC) No 1272/2008 [...] in [...] any of the following hazard classes or hazard categories:**

- Carcinogenicity categories 1 and 2,

- Germ cell mutagenicity categories 1 and 2,

- Reproductive toxicity categories 1 and 2,

- *Endocrine disruption for human health categories 1 and 2,*
- *Endocrine disruption for the environment categories 1 and 2,*
- *Hazardous to the aquatic environment, acute category 1 or chronic category 1,*
- *Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties,*
- *Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties,*

except **under specified conditions** [...] to be developed by the Commission;

- (c) further harmonisation as regards requirements on the substantiation of **certain types of explicit** [...] environmental claims **or environmental labels** on environmental aspects or impacts such as durability, reusability, reparability, recyclability, recycled content, use of natural content, including fibers, environmental performance or sustainability, bio-based elements, biodegradability, biodiversity, **including the use of biodiversity credits**, waste prevention and reduction.

~~3a.~~ [...]

Article 22

Amendment to Regulation (EU) 1024/2012

In the Annex to Regulation (EU) 1024/2012, the following point is added:

‘X. [OP: Please insert the next consecutive number] Directive (EU) ... of the European Parliament and of the Council of ... on substantiation and communication of explicit environmental claims **and environmental labels** (OJ L ..., date, page: Articles 13(3) and 15)’.

Article 23

Amendments to Regulation (EU) 2017/2394

In the Annex to Regulation (EU) 2017/2394, the following point is added:

‘X. [OP: Please insert the next consecutive number] Directive (EU) ... of the European Parliament and of the Council of ... on substantiation and communication of explicit environmental claims **and environmental labels** (OJ L ..., date, page).’

Article 24

Amendment to Directive (EU) 2020/1828

In Annex I to Directive (EU) 2020/1828, the following point is added:

‘(X) [OP: Please insert the next consecutive number] Directive (EU) ... of the European Parliament and of the Council of ... on substantiation and communication of explicit environmental claims **and environmental labels** (OJ L ..., date, page).’

Article 24a

Amendments to Regulation (EU) No 2018/1724

Regulation (EU) 2018/1724 is amended as follows:

- (1) **In Annex I, in the second column, in the row “H. Consumer rights”, the following point is added:**

‘9. Substantiation and communication of environmental claims’

- (2) **In Annex I, in the second column, in the row “J. Starting, running and closing a business”, the following point is added:**

‘13. Corporate sustainability and responsibility’

Article 25

Transposition

1. Member States shall adopt and publish by [OP please insert the date = [...]] **24 months after the date of entry into force of this Directive** the laws, regulations and administrative provisions necessary to comply with this Directive. They shall immediately communicate the text of those measures to the Commission. **Subject to paragraph 1a**, they shall apply those measures from [OP please insert the date = [...]] **36 months after the date of entry into force of this Directive**].

When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

- 1a. Member States shall apply Article 3 paragraphs 1, 1a, 2 and 6 [...], Article 3a, Article 4 [...], Article 5 paragraphs 1, 2, 3, 6a, 6b, 6c, 6d, 7 and 8 [...], Article 6, Article 9, and Article 10 paragraph 4 from [OP please insert the date = 42 months after the date of entry into force of this Directive] to traders that are microenterprises within the meaning of Commission Recommendation 2003/361/EC.**

2. Member States shall communicate to the Commission the text of the main measures of national law which they adopt in the field covered by this Directive.

Article 26

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 27

Addresses

This Directive is addressed to the Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Green Claims: proposal for a Directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims

1.2. Policy area(s) concerned

09 - Environment & Climate Action⁵²

1.3. The proposal/initiative relates to:

☒ **a new action**

☐ **a new action following a pilot project/preparatory action**⁵³

☐ **the extension of an existing action**

☐ **a merger or redirection of one or more actions towards another/a new action**

1.4. Objective(s)

1.4.1. General objective(s)

The objective of this initiative is to increase the level of environmental protection and contribute to accelerating the green transition towards a circular, clean and climate neutral economy in the EU, protect consumers and companies from greenwashing and enable consumers to contribute to accelerating the green transition by making informed purchasing decisions based on credible environmental claims and labels, improve the legal certainty as regards environmental claims and the level playing fields on the internal market, boost the competitiveness of economic operators that make efforts to increase the environmental sustainability of their products and activities, and create cost saving opportunities for such operators that are trading across borders. It complements the proposed changes to the proposed Unfair Commercial Practices.

1.4.2. Specific objective(s)

Establish EU rules on voluntary green claims, applicable to traders operating in the European Union (with the exception of microenterprises for some provisions) on the substantiation, communication and verification of environmental claims/environmental labelling schemes.

⁵² For the Green Claims, the legal basis of the initiative is the Single Market but budgetary resources come from 09 – Environment and Climate Action.

⁵³ As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

1.4.3. *Expected result(s) and impact*

By reaching the specific objectives, more market operators would be able to integrate reliable environmental information into their decision-making (e.g. purchasing decisions, choice of suppliers or co-operation with suppliers and business partners, product design, procurement choices).

Consumers would be able to trust the environmental claims on the products they buy, enabling them to integrate environmental considerations more systematically in their purchasing decisions.

This would trigger more demand for greener products and solutions, driving growth in green markets. It would unlock opportunities in the supply chain for more efficiency and better environmental performance. This would then contribute to the general objective of unlocking opportunities for the circular and green economy. Establishing an EU approach to environmental claims would address the general objective of strengthening the functioning of the internal market, specifically of green markets.

A common EU approach answering the objective of reliability, comparability and verifiability would make it easier for enforcers to check claims, further enhancing their effect. This would further strengthen drivers for better environmental performance of products and traders, contributing to European Green Deal objectives.

1.4.4. *Indicators of performance*

Specify the indicators for monitoring progress and achievements.

1. Environmental claims on products and companies are reliable, comparable and verifiable: increasing share of reliable environmental claims, and correspondingly decreasing share of misleading environmental claims monitored through:

- o Number of environmental claims that respect (or not) the requirements of the green claims initiative;
- o Effective implementation of the green claims initiative;
- o Share of national authorities that consider that the Directive has made it easier to address greenwashing.

2. Users of information trust environmental information: increasing trust of users of information (consumers, businesses, investors, public administrations and NGOs) in environmental claims monitored through:

- o Level of consumer trust in environmental claims;
- o Level of consumer trust in sustainability labels;
- o Level of trust of other users of information (businesses, investors, public administrations, NGOs) in environmental claims in scope.

3. Environmental performance of products and organisations improves: positive evolution of benchmark values in Product Environmental Footprint Category Rules (PEFCRs) and Product Environmental Footprint (PEF) and Organization Environmental Footprint (OEF) profile results showing a trend that products and organisations are becoming greener; decreasing consumption footprint of EU (as per the [consumption footprint indicator developed by JRChttps://eplca.jrc.ec.europa.eu/sustainableConsumption.html](https://eplca.jrc.ec.europa.eu/sustainableConsumption.html)), covering all 16 environmental impacts of the Environmental Footprint methods. This will be monitored by the following indicators:

- o Evolution of benchmark values in PEFCRs;
- o Evolution of EF profile results on PEF and OEF over time;
- o Evolution of consumption footprint in the EU.

4. Obstacles on green markets are reduced: obstacles related to complying with multiple methods and to provide environmental information are reduced. This will be monitored by the following indicators:

- o Perception of businesses on the internal market of green products.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

Short-term requirements

The Member States will have two years to transpose the Directive. This proposal is closely linked with the review of Unfair Commercial Practices Directive, proposed by the Commission in March 2022, and it is expected that the two Directives may be transposed jointly.

In addition to the transposition of the rules on substantiation and communication of environmental claims, the Member States will have to set up a procedure for verifying the substantiation of environmental claims on products/traders put on the market, , and ecolabelling schemes, designate competent authorities and a coordination mechanism.

The proposal foresees that voluntary environmental claims have to be substantiated based on an assessment that meets specific requirements set out in Article 3. In cases where the Commission adopts delegated acts establishing life-cycle based rules for specific product groups or sectors, the economic operators will be able to substantiate specific claims on environmental impacts on their basis.

In support of the implementation of this Directive, and shortly after its entry into force, the Commission will adopt an implementing act to provide details regarding the form of certificate to be issued by the verifier of environmental claims as per Article 12.

On-going requirements

The competent authorities will be obliged to undertake regular checks of the environmental claims used on the EU market.

The Member States will be obliged to regularly monitor the application of the Directive based on an overview of environmental claims which have been notified to enforcement authorities; an overview of environmental claims with regard to whom enforcement authorities have required the organisation responsible to take corrective action, and, if applicable, have taken enforcement measures. Member States will supply this information to the Commission on an annual basis.

Five years after the date of entry into force of this Directive, the Commission shall carry out an evaluation of this Directive in light of the objectives that it pursues and present a report on the main findings and where appropriate a legislative proposal for amendment of the relevant provisions of this Directive.

The Commission will be empowered to adopt delegated acts according to Article 3(4) on further specifying the requirements for the substantiation of explicit environmental claims. This will be an ongoing process to develop further substantiation methods.

The Commission will also be empowered to adopt delegated and implementing acts to supplement the requirements for environmental labelling schemes in line with Article 8(8) and (9).

- 1.5.2. *Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention, which is additional to the value that would have been otherwise created by Member States alone.*

It is essential to ensure a level playing field for economic operators in terms of requirements to be met when making an environmental claim, including the requirements on the information and data to be used, by putting in place a common set of rules within the EU internal market.

Based on the status quo, and if Member States were to act individually, there is a high risk to end up with many competing different systems, based on different and uncomparable methods and approaches, leading to a fragmented internal market, especially for cross-border products traded on the internal market, increasing the risk of having uneven awareness and information levels on the environmental performance of products and organisations across EU, and additional costs for companies trading cross-border (especially if they have to use different methods or comply with different labelling schemes).

In the absence of EU-level action, the market operators will continue to be faced with misleading information on environmental aspects, while obstacles on the internal market would impede businesses to operate in equivalent conditions. In addition, certain aspects, like the development of methods to underpin specific claims and the establishment of related databases (if needed) cannot be achieved at national level, given their scope in terms of coverage of products, sectors or geographical regions.

There is a clear added value in setting common requirements at EU level, because a harmonised and well-functioning internal EU market would set a level playing field for businesses operating in the EU.

It is expected that following the action at EU level Member States will be prevented from introducing unilaterally specific measures and the Directive will to reduce the risk of legal fragmentation of the single market and will bring cost savings for governments and the private sector.

1.5.3. Lessons learned from similar experiences in the past

The initiative complements the proposed changes to the proposed Unfair Commercial Practices Directive (UCPD) made by the European Commission to the European Parliament and to the Council. It builds on the lessons learned on the implementation of the UCPD and the need for specific rules on the substantiation of explicit green claims, on communication and verification. It also draws the lessons on the proliferation of ecolabelling schemes. Other lessons learned are related to the development of the EU Ecolabel, EMAS, and the development of the environmental footprint methods.

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

The initiatives fall under the umbrella of the European Green Deal, which guides the EU's recovery strategy. The Green Deal recognises the advantages of investing in our competitive sustainability by building a fairer, greener and more digital Europe.

The initiative is financed under Heading 3 (Natural Resources and the Environment), Title 9 (Environment and Climate Action) of the Multiannual Financial Framework. As detailed below, the implementation will require additional human resources, spending under the LIFE programme and some supporting expenditure in the EEA. The corresponding increase of the EEA subsidy will be offset from the EU programme for the environment and climate action (LIFE).

Other policy areas could provide support to businesses for implementing the requirements for substantiating and communicating environmental claims, e.g. as laid down in delegated acts according to Art 3, in particular EU funding provided on innovation and investments to businesses, in particular to SMEs. The European Regional Development Fund, through smart specialisation, LIFE and Horizon Europe complements private innovation funding and support the whole innovation cycle with the aim to bring solutions to the market. The Digital Europe Programme launched in 2022 the Concerted Action CIRPASS with the objective to open up possibilities for innovative workflows, especially to further the circularity of the flow of tangible goods, but also for consumer information by defining a cross-sectoral product data model for the digital product passport with demonstrated usefulness for the Circular Economy.

The Innovation Fund is one of the world's largest funding programmes for the demonstration of innovative low-carbon technologies and solutions. It will provide around EUR 10 billion of support over 2020-2030, aiming to bring to the market industrial solutions to decarbonise Europe and support its transition to climate neutrality.

1.5.5. *Assessment of the different available financing options, including scope for redeployment*

Several options were assessed, including coverage by ENV services only with a mix of procuring services for datasets, to exploring cooperation with other services and agencies. The best option retained combines procuring services for datasets by DG ENV and a contribution to the EEA to seek expertise from their staff.

1.6. Duration and financial impact of the proposal/initiative

☐ **limited duration**

☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY

☐ Financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☒ **unlimited duration**

Implementation with a start-up period from 2024 to 2027,
followed by full-scale operation.

1.7. Management mode(s) planned⁵⁴

☒ **Direct management** by the Commission

☒ by its departments, including by its staff in the Union delegations;

☐ by the executive agencies

☐ **Shared management** with the Member States

☒ **Indirect management** by entrusting budget implementation tasks to:

☐ third countries or the bodies they have designated;

☐ international organisations and their agencies (to be specified);

☐ the EIB and the European Investment Fund;

☒ bodies referred to in Articles 70 and 71 of the Financial Regulation;

☐ public law bodies;

☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees;

☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees;

☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

⁵⁴ Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx>

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The initiatives involve procurement, administrative arrangement with the JRC, increase of the contribution to the EEA and impact on the COM HR. Standard rules for this type of expenditure apply.

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

N/A – cf. above.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

N/A – cf. above.

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

N/A – cf. above.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

N/A – cf. above.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. ⁵⁵	from EFTA countries ⁵⁶	from candidate countries and potential candidates ⁵⁷	from other third countries	other assigned revenue
3	09 02 02 Circular Economy and quality of life	Diff.	YES	NO	YES	NO
3	09 10 02 European Environment Agency	Diff.	YES	YES	NO	NO
7	20 01 02 01 – Remuneration and allowances	Non-diff.	NO	NO	NO	NO
7	20 02 01 03 – National civil servants temporarily assigned to the institution	Non-diff.	NO	NO	NO	NO
7	20 02 06 02 – Meetings, expert groups	Non-diff.	NO	NO	NO	NO

New budget lines requested

N/A

⁵⁵ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

⁵⁶ EFTA: European Free Trade Association.

⁵⁷ Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

☐ The proposal/initiative does not require the use of operational appropriations

☒ The proposal/initiative requires the use of operational appropriations, as explained below:

EUR million (to three decimal places)

Heading of multiannual financial framework	3	Natural resources and environment
---	----------	-----------------------------------

DG: ENV			2024	2025	2026	2027 and beyond	TOTAL
○ Operational appropriations							
09 02 02 Circular Economy and quality of life	Commitments	(1)	2,540	6,964	5,264	5,214	19,982
	Payments	(2)	2,540	6,964	5,264	5,214	19,982
TOTAL appropriations for DG ENV	Commitments	= (1)	2,540	6,964	5,264	5,214	19,982
	Payments	= (2)	2,540	6,964	5,264	5,214	19,982

The amount reported above will be needed to finance the following actions:

- The acquisition of the secondary Environmental Footprint (EF) datasets providing key average data on resource consumption and emissions for key processes that can be used by many companies to assess their value chains , the acquisition and development of data to fill possible data gaps, the development costs of an IT platform for the EF database as well as the maintenance of the database for the period 2026-2027 (EUR 10,095 million). The access to EF datasets will support companies, especially SMEs, in complying with the Green Claims Directive in a more cost efficient and less burdensome manner. The easy access to high quality data related to the environmental performance of products will be a key enabler for all companies, but especially for SMEs, to substantiate their environmental claims in a robust manner unrelated to the question if delegated acts based on Art 3 of this proposal on environmental claims are in place or not. The access to EF datasets will also support the implementation of other EU policies on environmental sustainability and helping consumers to make the right choices, such as the proposal for Ecodesign for Sustainable Products Regulation (ESPR) ⁵⁸. The ESPR introduces the possibility to set mandatory information requirements, which may also be linked with labelling requirements, and it will result in improved information flows through Digital Product Passports. The EF datasets will support the calculation and setting of information and performance requirements e.g. related to carbon and environmental footprint, as foreseen by the ESPR proposal, based on a harmonised set of high-quality secondary data.
- The procurement of studies and surveys regarding the use of methods used for substantiation by stakeholders and the evaluation of the Directive on Green Claims (EUR 0,150 million)
- JRC will play a key role in supporting the Commission with some of the technical work required. The Administrative Arrangement is expected to represent a cost around EUR 1,700 millions
- Administrative and technical support for the preparation of delegated acts according to Art 3(4) on further specifying the requirements for the substantiation of explicit environmental claims setting life-cycle based rules for specific product groups or sectors, will be also an important expenditure. This budget line accounts for the preparation of 6 such delegated acts (EUR 6,827 million)
- Flanking measures to help SMEs to adapt to this directive, including the development of calculation tools based on the requirements described in delegated acts according to Art 3(4) (EUR 1,210 million).

⁵⁸ Available at https://environment.ec.europa.eu/publications/proposal-ecodesign-sustainable-products-regulation_en

Agency: EEA			2025	2026	2027	TOTAL
Title 1: Staff expenditure	Commitments	(1a)	0,180	0,367	0,375	0,922
	Payments	(2a)	0,180	0,367	0,375	0,922
Title 2: Infrastructure	Commitments	(1b)				
	Payments	(2b)				
Title 3: Operational expenditure	Commitments	(1c)	0,095	0,065	0,065	0,225
	Payments	(2c)	0,095	0,065	0,065	0,225
TOTAL appropriations for agency EEA	Commitments	=1a+1b +1c	0,275	0,432	0,440	1,147
	Payments	=2a+2b +2c	0,275	0,432	0,440	1,147

EEA costs include costs for 2 additional FTE (1 TA and 1 CA), as well as operational expenditure, for the purpose of the monitoring of the environmental claims put on the EU market following the implementation of the directive as per Article 20(4). The Agency will be tasked with a detailed analysis of information reported by the Member States as per Article 20(1) – (3) and publish reports every two years with the assessment of the evolution of green claims across the EU. This estimate includes most evidence for the biannual reports to be compiled by the Member States and reported to the European level via questionnaires. EEA will propose these questionnaires in agreement with DG ENV and enable them by means of a standard electronic tool. The information reported by the Member States will be a combination of statistics around claims in their national markets and qualitative description of the nature of false claims and corrective actions implemented. The tasks of these staff will be of permanent nature to report from countries and produce the analytical report every two years as well as supporting tasks that are necessary in the background (administration, communication, IT development, business support, etc.).

<input type="checkbox"/> TOTAL operational appropriations			2024	2025	2026	2027	TOTAL
	Commitments	(4)	2,540	7,239	5,696	5,654	21,129
	Payments	(5)	2,540	7,239	5,696	5,654	21,129
TOTAL appropriations under HEADING 1 to 3 of the multiannual financial framework	Commitments	=4	2,540	7,239	5,696	5,654	21,129

Heading of multiannual financial framework	7	‘Administrative expenditure’
---	----------	------------------------------

This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the [Annex to the Legislative Financial Statement https://myintracomm.ec.europa.eu/corp/budget/financial-rules/legal-framework/internal-rules/Documents/2021-5-legislative-financial-statement-ann-en.docx](https://myintracomm.ec.europa.eu/corp/budget/financial-rules/legal-framework/internal-rules/Documents/2021-5-legislative-financial-statement-ann-en.docx) (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

EUR million (to three decimal places)

		2024	2025	2026	2027 and beyond	TOTAL
DG: ENV						
<input type="checkbox"/> Human resources		0,606	0,606	0,606	0,606	2,424
<input type="checkbox"/> Other administrative expenditure		0,180	0,180	0,180	0,180	0,720
TOTAL DG ENV	Appropriations	0,786	0,786	0,786	0,786	3,144

Current staff in DG ENV comprises 2 FTE officials (AD) dealing with policy-related matters and 2 FTE officials (AD) dealing with methodological issues. This staff will continue to be essential in the future and is expected to deal with the following tasks:

- Activities related to the green claim initiative such as policy coordination, green claim initiative’s work plan (including a partial coverage of development of further requirements related to specific claims), team coordination, monitoring, stakeholder relation. These activities need the resources of 2 FTE officials.
- Further development of the EF and other methods for substantiating green claims in line with Art 3: running expert groups, management of the transition phase PEFCRs/OEFSRs (including additional task of EC adoption if parts incorporated in delegated acts according to Art 3(4) on further specifying the requirements for the substantiation of explicit environmental claim in the future). These activities need the resources of 1 FTE official.

- Managing secondary EF data: management of contracts, data checks, building database, etc. These activities need the resources of 1 FTE official.

In general Life Cycle Assessment (LCA) related tasks (e.g. method and data development) and task related to method and data development for substantiating green claims requires specialised technical/scientific knowledge with scientific PhD-level education and years of experience in the field. Attracting such staff with contract agent conditions is not possible. Therefore, these tasks should be covered via official posts, which, if no specialised staff is available in-house, should be opened to temporary agent posts.

Therefore DG ENV requests additional staff (**3 AD and 1 EN** as per the distribution of the positions below) who will:

- prepare approximately 6-7 delegated acts according to Art 3(4) on further specifying the requirements for the substantiation of explicit environmental claims to regulate specific claims, e.g. on repairability, recyclability, durability or establishing specific life-cycle-based rules for certain product groups and sectors;
- prepare implementing acts setting out relevant procedures for approval of new private labelling schemes by the national authorities and the format of certificate of conformity of claims and labelling schemes;
- prepare delegated acts further specifying the criteria for approval of environmental labelling schemes referred to in Article 8 in order to ensure a uniform application across the Union;
- evaluate notified environmental labelling schemes established by public authorities in third countries aiming to operate on the Union market and prepare respective approval decisions by the Commission with the aim of ensuring that these schemes provide added value in terms of their environmental ambition, their coverage of environmental impacts, environmental aspects or environmental performance, or of a certain product group or sector, and meet the requirements of this Directive;
- supervise preparatory, review studies and other studies in preparation of delegated acts;
- develop and manage the EF database relevant for this and other policies such as ESPR, Batteries regulation or taxonomy;

In addition, there are 2 expert groups involved in this policy and the budget should cover three meetings/year per each expert group.

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	0,786	0,786	0,786	0,786	3,144
---	---	--------------	--------------	--------------	--------------	--------------

EUR million (to three decimal places)

		2024	2025	2026	2027 and beyond	TOTAL
TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework	Commitments	3,326	8,025	6,482	6,440	24,273
	Payments	3,326	8,025	6,482	6,440	24,273

3.2.2. Estimated output funded with operational appropriations

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year N		Year N+1		Year N+2		Year N+3		Enter as many years as necessary to show the duration of the impact (see point 1.6)						TOTAL	
	OUTPUTS																	
	Type ⁵⁹	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 ⁶⁰ ...																		

⁵⁹ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

⁶⁰ As described in point 1.4.2. ‘Specific objective(s)...’

- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
TOTALS																		

3.2.3. Estimated impact on the EEA and COM administrative appropriations

3.2.3.1. Estimated impact on EEA human resources

☐ The proposal/initiative does not require the use of appropriations of an administrative nature

☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	2025	2026	2027	TOTAL
--	------	------	------	-------

Temporary agents (AD Grades)	0,117	0,240	0,244	0,602
Temporary agents (AST grades)				
Contract staff	0,063	0,128	0,130	0,320
Seconded National Experts				

TOTAL	0,180	0,367	0,375	0,922
--------------	--------------	--------------	--------------	--------------

Staff requirements (FTE):

	2025	2026	2027	TOTAL
--	------	------	------	-------

Temporary agents (AD Grades)	1	1	1	
Temporary agents (AST grades)				
Contract staff	1	1	1	
Seconded National Experts				

TOTAL	2	2	2	
--------------	----------	----------	----------	--

3.2.3.2. Estimated requirements on administrative appropriations in the Commission

3.2.3.3. Summary of estimated impact on administrative appropriations

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	2024	2025	2026	2027 and beyond	TOTAL
--	------	------	------	-----------------	-------

HEADING 7 of the multiannual financial framework					
Human resources	0,606	0,606	0,606	0,606	2,424
Other administrative expenditure	0,180	0,180	0,180	0,180	0,720
Subtotal HEADING 7 of the multiannual financial framework	0,786	0,786	0,786	0,786	3,144

Outside HEADING 7 ⁶¹ of the multiannual financial framework	N/A	N/A	N/A	N/A	N/A
Human resources					
Other expenditure of an administrative nature					
Subtotal outside HEADING 7 of the multiannual financial framework	N/A	N/A	N/A	N/A	N/A

TOTAL	0,786	0,786	0,786	0,786	3,144
-------	-------	-------	-------	-------	-------

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

⁶¹ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former ‘BA’ lines), indirect research, direct research.

3.2.3.4. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources.
- ☒ The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

	2024	2025	2026	2027 and beyond
20 01 02 01 (Headquarters and Commission's Representation Offices)	3	3	3	3
20 01 02 03 (Delegations)				
01 01 01 01 (Indirect research)				
01 01 01 11 (Direct research)				
Other budget lines (specify)				
20 02 01 (AC, END, INT from the 'global envelope')	1	1	1	1
20 02 03 (AC, AL, END, INT and JPD in the delegations)				
XX 01 xx yy zz 62	- at Headquarters			
	- in Delegations			
01 01 01 02 (AC, END, INT - Indirect research)				
01 01 01 12 (AC, END, INT - Direct research)				
Other budget lines (specify)				
TOTAL	4	4	4	4

Description of tasks to be carried out:

Officials and temporary staff	Cf. explanation provided for H7 in section 3.2.1.
External staff	Cf. explanation provided for H7 in section 3.2.1.

⁶² Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.4. Compatibility with the current multiannual financial framework

The proposal/initiative:

☒ can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

The LIFE envelope (budget lines 09.02.02) will be used to offset the increase of the EEA subsidy.

☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

☐ requires a revision of the MFF.

3.2.5. Third-party contributions

The proposal/initiative:

☒ does not provide for co-financing by third parties

☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year N ¹	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

¹ Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

3.3. Estimated impact on revenue

☒ The proposal/initiative has no financial impact on revenue.

☐ The proposal/initiative has the following financial impact:

☐ on own resources

☐ on other revenue

please indicate, if the revenue is assigned to expenditure lines ☐

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ²						
		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article								

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

² As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.