Europe's Green Transition in the Textile Sector – Tackling Greenwashing: The Directive to Empower Consumers for the Green Transition and the Green Claims Directive

6 March 2024

This online seminar is the first one of a 6-month seminar series co-organized between Partnership for Sustainable Textiles (PST) and the Green Button. Each seminar will focus on a topic that is part of the EU textile strategy.

The European Textile Strategy and the European Green Deal will impact the textile sector heavily not only from the legislative process but also on what companies have to do. As part of the EU Textile Strategy, Empowering Consumers for the Green Transition Directive (ECGT) and Green Claims Directive (GCD) tackle most misleading areas in Greenwashing, aiming to empower consumers, support sustainable businesses, and support the transition towards a greener economy.

The three invited panel members walked us through the landscape of legislation and shared their insights on how to cope with the challenges.



Miriam Thiemann

A Policy Officer for Sustainable Consumption at the European Environmental Bureau (EEB). With a focus on the circular economy, she works on issues related to eco-labels, green claims, and combating greenwashing.



Alexander Sustal

As a Senior Associate at Redeker Sellner Dahs since 2021, Alexander focuses on product law, environmental law, sustainable business models, ESG reporting & compliance, and corporate sustainability due diligence. His expertise lies in areas such as eco-design and labeling schemes.



Pascal Göpner

Senior Associate at Redeker Sellner Dahs since 2020, Pascal advises on sustainable products from a contract and consumer perspective, as well as unfair competition law with a focus on litigation and Green Claims. His specialties include labeling schemes and sustainable advertising.



Robert Suter

Robert has been responsible for Stakeholder Engagement at ISEAL since 2023. With previous experience in various roles at the intersection of trade, finance, and public policy at a Swiss government agency, Robert brings valuable insights into sustainability standards and label landscapes.

The online seminar comprised a lengthy panel discussion, followed by a Q&A.

By addressing the problem of Greenwashing, Miriam provides a comprehensive overview of the two directives and how sustainable businesses could comply with the two directives.

- There is systemic greenwashing in the market, where many products make vague or unsubstantiated environmental claims. She highlights the lack of reliable verification for a significant portion of ecolabels.
- Both directives aim to empower consumers by providing consumers with credible information when making purchasing decisions and to support companies investing in sustainable products. Both directives also seek to create a more level playing field in the market.
- However, ECGT (Empowering Consumers for the Green Transition Directive) is with consumers in mind and provides minimum protection against greenwashing & misleading practices – "tell companies what they cannot do". While GCD (Green Claims Directive) is more technical by providing more detailed rules on how to substantiate and communicate green claims & labels - "tell companies how to do it"
- The directives establish processes for verifying compliance with green claims, including ex-ante verification before claims are used in the market. Private, independent verifiers will issue certificates of conformity to ensure compliance.

• The directives adopt an approach emphasizing that better information leads to better sustainable choices, ultimately driving the transition towards a greener economy.

Alexander Sustal and Pascal Göpner provide valuable guidance for textile brands seeking to navigate the legal and regulatory landscape around green claims, emphasizing the importance of compliance and data-driven substantiation in preparing for the upcoming directives.

- The directives will modify the "unfair commercial practices directive," bringing clarity to what constitutes a substantial claim and how green claims should be used. Verification processes will occur before products are marketed.
- It is important for textile companies to understand whether they fall within the scope of the directives and to review their customer groups to ensure compliance with applicable claims. While some exemptions remain unclear.
- It is essential to carefully for textile companies to collect data very carefully and integrate it into compliance systems to meet substantiation requirements.
- The steps companies should take to substantiate green claims include specifying the claim's relation to environmental performance, aspects, and impacts. It is advocated for the use of scientific and evidence-based information, avoiding reliance on secondary data.
- While challenges exist in understanding the scope and requirements, opportunities arise for companies to demonstrate their commitment to sustainability through accurate and substantiated green claims.

Robert shares his insights on the challenges and opportunities facing sustainability labels in the wake of the directives. By advocating for flexibility, robustness, and continuous improvement, he underscores the importance of maintaining credibility and effectiveness in sustainability systems.

- The directives affect the label landscape by emphasizing the need for credibility and robustness in sustainability systems.
- There is need for some flexibility in the methodology for substantiating environmental claims and needs for treating individual issues appropriately, as well as enabling innovation and improvement in methods.
- labels' preparation for the changes brought about by the directives involves ensuring that their systems meet the robust criteria set forth in the directives while it's needed to advocate for continuous improvement in sustainability standards.
- It is very important for labels to provide credible and reliable information to consumers and businesses alike, thereby fostering trust and transparency in the marketplace.

In conclusion, panelists agree:

- It is important for textile companies to understand whether they fall within the scope of the directives and to review their customer groups to ensure compliance with applicable claims. While some exemptions remain unclear.
- It is critical for textile businesses to have compliance and data-driven substantiation in preparing for the upcoming directives.
- Textile businesses need to collect data carefully and use scientific and evidence-based information, avoiding reliance on secondary data.

To learn more, watch the <u>recording of the Seminar</u>. The slides presented in this seminar are attached below. For more online seminars on similar topics, check out the <u>Asian</u> Dialogues Series.

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