

5 June 2025

Urgent call for reassessment of the proposed EU Directive on substantiation and communication of explicit Environmental Claims - "Green Claims Directive"

On behalf of the <u>International Chamber of Commerce</u> (ICC), we are writing to express our concerns regarding the current trajectory of the Green Claims Directive (GCD). While we support the overarching goal of enhancing consumer trust and promoting responsible environmental marketing, we believe that the Directive, as currently drafted, risks undermining these objectives by introducing disproportionate burdens, legal uncertainty, and regulatory overlap.

With a final agreement expected at the concluding trilogue meeting on 23 June, we respectfully urge that the legislative process be paused until a comprehensive, data-driven impact assessment is conducted - one that fully considers the economic, legal, and practical implications of the proposed framework.

In this context, we would like to highlight several key concerns and recommendations:

Regulatory overload and misalignment with EU simplification goals

While the Green Claims Directive aims to combat greenwashing and improve consumer trust, the way it is currently designed risks undermining the very goals it seeks to achieve. By introducing mandatory ex-ante verification and additional compliance layers, the GCD imposes disproportionate burdens on businesses at a time when the European Commission has committed to reducing regulatory complexity and enhancing competitiveness.

This contradiction is especially stark when viewed alongside the European Commission's own Green Deal Omnibus initiative and the Competitiveness Agenda, which explicitly target a 25% reduction in reporting requirements for companies and a 35% cut for SMEs. Rather than streamlining the regulatory landscape, the GCD adds a new layer of obligations that overlap with existing EU legislation such as the Unfair Commercial Practices Directive and the Empowering Consumers Directive.

To align with the European Commission's stated goals, we urge policymakers to reconsider the GCD's current *raison d'être*. A more effective and proportionate approach would be to strengthen enforcement of existing rules and formally recognise robust self-regulatory frameworks which already provide clear, science-based standards for substantiating environmental claims.

Avoiding duplication: allow recent legislation to take effect

Since the Green Claims Directive was first proposed, the EU co-legislators have adopted related

legislation - most notably the Directive on Empowering Consumers for the Green Transition (2024/825) - which entered into force in March 2024 and must be implemented by Member States by 2026. This Directive introduces new obligations to strengthen consumer protection against greenwashing and will directly impact how environmental claims are regulated across the single market. Introducing overlapping rules through the Green Claims Directive at this stage risks creating confusion, legal uncertainty, and unnecessary duplication.

We therefore strongly recommend pausing the GCD legislative process until these new measures have been implemented and evaluated, to determine whether any further regulation is necessary, proportionate, and coherent with the EU's broader framework.

Enforcement, not expansion: existing tools are effective when used

The key challenge in addressing misleading environmental claims lies not in a lack of regulation, but in the enforcement and consistent application of existing frameworks - particularly the Unfair Commercial Practices Directive (UCPD), the Consumer Rights Directive, and the Empowering Consumers Directive. These instruments already provide comprehensive and effective tools to combat greenwashing and protect consumers.

Recent coordinated enforcement actions across the EU have demonstrated that consumer protection authorities already possess the tools to effectively tackle greenwashing. For example, joint actions have successfully addressed the misuse of vague "sustainability" labels on digital platforms and led to the removal of unsubstantiated "climate-friendly" claims by major consumer brands. These cases illustrate that robust mechanisms are already in place and can be used effectively - without the need for new, burdensome regulation.

What is needed now is clearer guidance and stronger enforcement, not legislative duplication.

The role of self-regulation: leveraging existing industry standards for smarter regulation

The Green Claims Directive does not sufficiently acknowledge the role of effective and fast-working self-regulatory systems - such as those based on the ICC Advertising and Marketing
Communications Code (ICC Code) - which already support consumer protection across Europe. These systems offer a more proportionate and agile alternative to rigid pre-verification mechanisms, enabling businesses to communicate responsibly while maintaining flexibility and innovation.

The ICC Code, globally recognised since 1937, underwent a major revision in 2024 to reflect the evolving landscape of sustainability communication. It provides detailed guidance on how environmental claims should be communicated in marketing, grounded in globally accepted principles of legality, decency, honesty, and truthfulness. Crucially, the ICC Code is not tied to any single legal system, making it a universally applicable framework that adapts to diverse and evolving regulatory environments. Furthermore, the ICC Code constitutes a practical tool for companies to responsibly communicate their environmental impact clearly and credibly, supporting meaningful engagement with today's conscious consumers.

A call for pause and GCD reassessment

In light of the concerns outlined above, we respectfully urge the co-legislators to suspend the trilogue process and request a comprehensive, dedicated, and data-driven impact assessment. Such an assessment should fully consider the economic, legal, and practical implications of the

Directive and be explicitly aligned with the European Commission's broader agenda on competitiveness and regulatory simplification - including the Green Deal Omnibus initiative.

This request is also aligned with the formal call made by shadow rapporteurs from the European People's Party (EPP), who have urged the Commission to provide a comprehensive and independent written impact assessment of the proposed pre-verification procedures. A robust and objective evaluation is essential to ensure that the Directive's framework is not only effective in protecting consumers, but also legally sound, proportionate, and coherent with existing EU legislation.

We remain committed to supporting a balanced and effective regulatory environment: one that empowers consumers, fosters innovation, and enables businesses to communicate their sustainability efforts responsibly and transparently.

Thank you for your attention to this matter. We remain available for further discussion and look forward to continued collaboration.