Greenwashing: how EU firms can validate their green claims

- New rules for companies to comply with EU ban on greenwashing of products
- Companies to submit environmental marketing claims for verification before using them
- Simpler and common types of claims to benefit from easier or faster verification
- Penalties include exclusion from procurements, confiscation of revenues and a fine of 4% of the annual turnover

The Internal Market and Environment committees adopted on Wednesday their position on the rules on how firms can validate their environmental marketing claims.

The so-called green claims directive complements the already-approved EU ban on greenwashing. It defines what kind of information companies have to provide to justify their environmental marketing claims in the future. It also creates a framework and deadlines for checking evidence and approving claims, and specifies what happens to companies who break the law.

Verification system and penalties

MEPs agreed with the Commission that companies should submit any future environmental marketing claims for approval before using them. The claims would be assessed by accredited verifiers within 30 days, according to adopted text. Companies who break the rules may be excluded from procurements, lose their revenues and face a fine of at least at 4% of their annual turnover.
The Commission should draw up a list of less complex claims and products that could benefit from faster or simpler verification, MEPs say. It should also decide whether green claims about products containing hazardous substances should remain possible. MEPs also agreed that micro enterprises should be excluded from the new obligations and SMEs should get one extra year before applying the rules.

**Carbon offsetting and comparative claims**

MEPs confirmed the recent EU ban on green claims based solely on the so-called carbon offsetting schemes. They now specify that companies could still mention offsetting schemes if they have already reduced their emissions as much as possible and use these schemes for residual emissions only. The carbon credits of the schemes must be certified, as established under the [Carbon Removals Certification Framework](#).

Special rules would also apply to comparative claims (i.e. ads comparing two different goods), including if the two products are made by the same producer. Among other provisions, companies should demonstrate they have used the same methods to compare relevant aspects of the products. Also, claims that products have been improved cannot be based on data that are more than five years old.

**Quote**

Parliament’s rapporteur Andrus Ansip (Renew, EE) for the Internal Market Committee said: “Studies show that 50% of companies' environmental claims are misleading. Consumers and entrepreneurs deserve transparency, legal clarity and equal conditions of competition. Traders are willing to pay for it, but not more than they gain from it. I am pleased that the solution proposed by the committees is balanced, brings more clarity to consumers and at the same time is, in many cases, less burdensome for businesses than the solution originally proposed by the Commission.”

Parliament’s rapporteur Cyrus Engerer (S&D, MT) for the Environment Committee said: “It is time to put an end to greenwashing. Our agreement on this text ends the proliferation of deceitful green claims which have tricked consumers for far too long. It also ensures that businesses have the right tools to embrace genuine sustainability practices. European consumers want to make environmental and sustainable choices and all those offering products or services must guarantee that their green claims are scientifically verified.”

**Next steps**

The draft report was adopted with 85 votes to 2 and 14 abstentions. It will now be put to a vote at an upcoming plenary session and will constitute Parliament’s position at first reading (most likely in March). The file will be followed up by the new Parliament after the European elections on 6-9 June.
Further information

Procedure file
Compromise amendments put to the vote
Rapporteur Andrus Ansip (Renew, EE)
Rapporteur Cyrus Engerer (S&D, MT)
European Parliament’s Research Service briefing on the draft law and its aims (05.10.2023)

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