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Green claims should continue as drivers for sustainable innovation

Brussels, 22 March 2023 - **To succeed in its bid to stamp out greenwashing and help EU consumers make well-informed purchasing decisions, the proposed Substantiating Green Claims initiative unveiled today by the European Commission should avoid falling into the paradox of halting business investments in sustainability.**

With over half of EU consumers shopping with sustainability in mind, the home appliance industry fully supports the Commission's objective to fight greenwashing and make sense of the existing environmental claims.

Green claims are today a driver of innovation for brands and should continue to foster consumer choice for sustainable products," said Paolo Falcioni, APPLiA Director General. Competition over more sustainable products results in new market opportunities, more sustainable product lines, increased market share and growth potential. The economic incentive to develop greener products has a positive effect, not only for the environment, but also for the overall performance of products for consumers and the manufacturers themselves. Over the last ten years, the European Commission has been working on the development of a methodology mandating companies to substantiate their green claims, with an eye to tackle greenwashing and help consumers make better informed choices when buying a product. To this extent, the EU has already developed robust rules to protect consumers against unfair commercial practices, provide remedies and empower them to make more sustainable choices. In an overflowing policy landscape, "it is key to avoid overlaps between different legislation," said Korrina Hegarty, APPLiA Environment Policy Director. In transposing environmental and consumer legislation, respectively dealt with in the Green Claims and Empowering Consumers proposals, "requirements should be kept separate, in order to best contribute to the ultimate climate neutrality target."

The introduction of a third-party verification would add an extra layer to placing products on the market, with no added value for consumers. According to the proposal, Member States would be asked to set up procedures for verifying the substantiation and communication of claims or the sustainability label complies against the requirements of the Directive. The verifier should be a third-party conformity assessment body. Experience shows that legislation, in combination with standards, already ensures environmental information is at the same time relevant, measurable, verifiable and enforceable. Market surveillance authorities need to be able to check that products conform to their environmental claim, thus ensuring a level playing field. In this sense, Life Cycle Assessment (LCA) methodologies are essential to assess the environmental impact of a product but they may not be the right tool to back up all types of environmental claims nor to prove compliance. Claims, such as those related to repairability, durability or energy efficiency among others, should be

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considered as part of the ongoing efforts to expand the energy labelling and ecodesign framework towards material efficiency. Requirements on circularity of products need other tools for determination and proof, such as standards.

Circular economy can only be achieved if sustainability becomes an integral part of every company's business model and competition, including in the realm of sustainability, leading to further progress and improvement. The proposal features a provision for future assessment tackling the extension of prohibition of environmental claims for products containing hazardous substances, except where their use is considered "essential" for the society. Considering the long lead times to design electrical and electronic devices, it would be difficult to design appliances in a way that guarantees the absence of the listed substances at the moment of placing them on the market. The exemption for substances in products proven to be "essential" for the society does not address the issue, as the concept of essential use is not defined in European Union law. "If home appliance manufacturers would be ineligible to make substantiated environmental claims, despite significant investments in sustainability, such a requirement would have adverse consequences," explained Falcioni.

The Green Claims Directive is a cornerstone of the broader Sustainable Product Initiative presented by the Commission about one year ago and is a complement to the Ecodesign for Sustainable Products Regulation (ESPR) and Empowering Consumers proposals.

APPLiA - Home Appliance Europe represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 53 billion, investing over EUR 1.6 billion in R&D activities and creating nearly 1 million jobs.

