

## REGULATING THE WILD WEST OF MISLEADING GREEN CLAIMS

Consumers increasingly want to take action to reduce their ecological footprint and look out for environmental information when purchasing. However, a survey<sup>1</sup> carried out by BEUC and ICRT in 16 countries clearly shows that **consumers cannot easily distinguish false from genuine claims and are increasingly frustrated with greenwashing.**

Misleading green claims reduce consumers' trust in environmental-related information and are detrimental to companies making genuine efforts to become more sustainable. Consumers expect policymakers to protect them against greenwashing through strict regulation. According to our survey, 3 in 4 consumers think that **green claims should only be authorised if independently verified** and 80% believe that companies found guilty of **greenwashing should be severely fined.**

The EU is working on important rules to protect consumers from unsubstantiated claims that inflate the market, with the Council and the European Parliament soon starting the negotiation of the Green Claims Directive.



This checklist provides BEUC recommendations for robust legislation enabling consumers' trust in environmental information.

### 1

#### PROTECTING CONSUMERS AGAINST GREENWASHING IN ALL SECTORS

The Green Claims Directive (GCD) must ensure robust protection by exempting environmental claims only when other EU laws provide equivalent safeguards on information disclosure, third-party verification, and enforcement. This is in line with the European Parliament's recommendation to shield consumers from misleading claims.

### 2

#### GETTING RID OF MISLEADING COMPENSATION CLAIMS

Offset-based compensation claims mislead consumers, with 90% believing that companies using these claims have a legal commitment to reduce their emissions. However, offsetting is not equivalent to reducing emissions, as highlighted by recital 12 of the recently adopted Directive on empowering consumers for the green transition.

Consumers need truthful information about the environmental impacts of products and traders so they can recognise which companies are truly committed to reducing emissions at the pace needed to meet the 1.5°C global warming limit. The GCD should be consistent with consumer law and not allow climate-neutrality claims based on offsetting in product marketing and advertising.

### 3

#### ENSURING THOROUGH VERIFICATION OF GREEN CLAIMS AND LABELS

Greenwashing is a widespread systemic problem, with half of green claims providing vague, misleading or unsubstantiated information. These claims can remain unchallenged in the market for many years. The EU must tackle the root of this problem by ensuring that green claims are independently verified before entering the market.

The process should be swift, manageable, and affordable helping to support credible environmental claims and labelling schemes. The European Parliament rightly proposes that only the assessment methodologies and independent governance of labels be verified, not the specific product requirements and tests, ensuring a more efficient process.



<sup>1</sup> BEUC and ICRT (2023): [The Great Green Maze. How advertising confuses consumers.](#)

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#### DISCLOSING THE EVIDENCE BACKING THE CLAIM

Companies should publicly disclose the evidence substantiating their green claims, to facilitate enforcement and consumer protection. This provision, as suggested by the Commission and supported by the Parliament, is a key strength of the Directive and doesn't impose additional burdens, as companies are already required to substantiate green claims under the Unfair Commercial Practices Directive (UCPD).

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#### ENSURING THAT CONSUMERS CAN RELY ON TRUSTWORTHY ENVIRONMENTAL LABELS

Consumers deserve reliable labels to guide their sustainable choices. The Directive must ensure that all labels comply with rigorous substantiation, communication, and independent governance standards. As proposed by the Parliament, the Directive should not block innovative and valuable initiatives for consumers by prohibiting labels aggregating environmental impacts, if not based on EU law or national legislation.

In addition, the definition of environmental labels should unambiguously exclude quality labels which do not promote the sustainability of products and for which the consideration of environmental aspects is marginal or secondary, as proposed by the Commission and the Council.

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#### STRENGTHENING ENFORCEMENT AND ENSURING THAT FAULTY COMPANIES ARE PENALISED

To tackle the widespread problem of greenwashing a strong enforcement mechanism is necessary, as proposed by the Commission and endorsed by the Parliament. It should be possible for consumers and organisations with a legitimate interest to take legal action against companies intentionally misleading consumers and engaging in unfair competition.

Moreover, authorities should impose dissuasive penalties to provide a level playing field for companies investing in sustainability and to actively deter those misleading consumers.

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#### ESTABLISHING STRONG GOVERNANCE FOR GREEN CLAIMS

To ensure credibility, the Commission should set up a Green Claims Forum that should bring together key stakeholders, including consumer organisations, to create reliable standards for substantiating and communicating green claims. Experience from the Ecodesign Consultation Forum and the EU Ecolabelling Board shows the importance of ensuring the balanced participation of all relevant actors to gather knowledge and motivate informed decision-making.

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#### RESTRICTING GREEN CLAIMS FROM MAJOR POLLUTING INDUSTRIES

Highly polluting industries, such as fossil fuel companies and airlines, should not be allowed to market themselves as "green" based on minor, isolated activities, as proposed by the European Parliament's amendments to the GCD. Public opinion strongly supports strict regulation in this area, with nearly 75% of consumers considering that "very polluting companies" should not be permitted to use any green claims at all, according to our survey.

