

Swedish Forest Industries Federation's (SFIF) comments on the Directive on substantiation and communication of explicit environmental claims (Green Claims Directive)

Summary:

SFIF welcomes the European Commission's objective to set a baseline for requirements for substantiation of environmental claims to mitigate greenwashing.

The proposal constitutes an important and needed piece of legislation which complements other legislation related to consumer protection. Even though the purpose of the proposal is commendable, SFIF would like to highlight some challenges we have identified, and which we see a need to address, to avoid counteracting the purpose of the proposed legislation.

1. Add a mechanism securing commercial stakeholders' input

Legislation related to products in the Single Market needs to be harmonized. By adding a mechanism on how national authorities and commercial stakeholders can contribute to the Commission's assessment process for determining the implementation and eventual need for delegated acts, harmonization would improve.

2. Clarify how to assess substantiation of environmental claims

The lack of clarity (or risk for arbitrary interpretation) risks inhibiting serious stakeholders from making green claims. It is decisive to address any uncertainty of the consequences of the evaluation of the environmental claims.

3. Assure industry involvement related to the development of delegated acts

The representation needs to cover the full width of the value chain, with a majority of stakeholders having knowledge about the actual product or the product group.

Main arguments:

1. Add a mechanism securing commercial stakeholder's input.

SFIF supports the aim of maintaining and strengthening consumer protection but would like to stress **the importance that rules affecting the functioning of the Single market are harmonized between all Member States**. A level playing field is decisive for many industries, including the Swedish forest-based industries, which has the Single market as its main (domestic) market. For example, the compliance monitoring measures needs to be similar in all Member States, and apply to all products, whether they are produced within the EU or imported. A fragmented implementation of the proposed legislation risks giving the opposite effect to consumer protection.

SFIF emphasizes that the proposed legislation needs to clarify how the implementation should take place in Member States to assure full harmonization. In connection with the proposed safety mechanism related to delegated acts issued by the Commission, it would be highly beneficial to the implementation of the proposed Directive to **define a mechanism for how input from national authorities and commercial stakeholders' contribute to the annual monitoring of the implementation** and to the subsequent determination of need for delegated acts.

2. Clarify how to assess substantiation of environmental claims.

SFIF acknowledges the Commission proposal in article 3, listing criteria on how to carry out assessment to substantiate explicit environmental claims. The proposed criteria are, however, formulated in too vague terms without delimitations and are thereby open for arbitrary interpretation. It is decisive that the whole value chain, but also the third-party conformity verifier and designated national authorities in the Member states, **share the same interpretation** of the requirements and the amount and quality of information which needs to be available as a basis for an environmental claim. **SFIF urge for clarification since we are concerned that lack of clarity risks preventing serious stakeholders from making green claims, particularly if the consequences of such arbitrary interpretation are severe and leads to unpredictable consequences.**

SFIF would therefore like to highlight that some of the proposed assessments to substantiate environmental claims needs to be further clarified in the legislation and in harmonized secondary legislation.

According to the proposal the assessment shall:

- “[...] *rely on widely recognized scientific evidence, use accurate information and take into account relevant international standards; [...]*”. SFIF acknowledge that environmental claims must be based on recognized scientific evidence, but what constitutes recognized scientific evidence needs to be specified in the proposal. **SFIF suggests that, as a starting point, recognized scientific evidence require a peer review process**, i.e the information, on which the claims rest, has been evaluated by independent experts in the appropriate field and that it fulfills scientific standards for publication.
- “[...] *demonstrate that environmental impacts, environmental aspects or environmental performance that are subject to the claim are significant from a life-cycle perspective [...]*”. The wording “significant from a life-cycle perspective” is open for interpretation, from the scale of life cycle *perspective* to a full life cycle analysis (LCA). There are a variety of LCA methods and there is currently no harmonized approach that is fully developed for the whole value chain. **SFIF emphasize that additional guidelines are decisive, such as clarifying specific product category rules for the whole value chain and the related data needed for the LCA evaluation.** The product category rules need to be developed in collaboration between the legislator and industry. Furthermore, there is a need of relatively high level of granularity, e.g regarding material specifications to facilitate comparison between alternatives.
- “[...] *take into account all environmental aspects or environmental impacts which are significant to assessing the environmental performance [...]*”. The proposed requirement is widely open for interpretation. There is some guidance in the proposal about the possibility to partly use product environmental footprint (PEF) as well as EU Ecolabel to evaluate the environmental performance, although the need to “take into account all environmental aspects” will require application of additional methods. Furthermore, in addition to providing relevant environmental performance on a preferred scenario, the alternative *possible* scenarios also need to be evaluated. **SFIF urge for clarification as to the extent of basic information needed to fulfill the requested scope “all environmental aspects/impacts”, particularly in relation to what is technically, practically and economically reasonable.**

3. Assure industry involvement related to the development of delegated acts

In the Commission's proposal, delegated acts may be adopted to establish product specific rules or to clarify life-cycle-based rules on substantiation of claims. SFIF would like to **emphasize that the development of delegated acts needs to assure adequate industry representation continuously in the process**. Additionally, the representation needs to cover the full width of relevant value chain with a majority of the stakeholders having knowledge about the actual product or the product group in scope. The involvement from industry will ensure an early understanding of the balance between potential outcome and the technical and economic consequences of additional legislation imposed via delegated acts, all in order to facilitate the implementation of such legislation.

THE SWEDISH FOREST INDUSTRY is an essential contributor in the green transition to a more circular and biobased economy. The industry refines wood resources to bio-based products, such as pulp, paper, board, packaging material, sawn timber, refined wood products, biobased electricity and heat and advanced biofuels. The core business is industrial activities based on wood sourced from sustainably managed forests, but among the industry are also some of the largest private forest holdings in Europe. Any forest, climate, environmental, energy and product related European Union policy is of high importance.