

SWEDEN GREEN BUILDING COUNCIL

# SWEDEN GREEN BUILDING COUNCIL

We future-ready Sweden's built environment

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## WHO WE ARE..

We are a non-profit membership and interest organization that drives sustainability work in the built environment sector, with the vision of a resource-positive society that insures a resilient and good living environment for all.





## WHAT WE DO...

#### Certification

Makes it easier for the industry's players by developing and implementing solutions together with our members. Our certification systems are important tools in future-ready our built environment. To certify is to verify, and in this way our certification systems strengthen the sector's environmental and climate work

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#### Competence

We accelerate the transition through education, membership meetings, lectures and conferences. We create opportunities for skills exchange and collaboration between organizations that all want to work for a climate-positive built environment industry.

#### Influence

We work with advocay to influence decisionmakers and create good conditions for the built environment industry's sustainability work.

#### **OUR CERTIFICATIONSYSTEMS**









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# EU's "Green Claims" (miljöpåstående) directive & sister directive "Empower Consumers" (konsumentmakt)

The directives on environmental claims and consumer power in the green transition aim to regulate and ensure that claims between **traders and customers** (B2C, not B2B) are correct, reliable, and verifiable.

information



transparency

EU, with vastly different levels of

"A Trojan horse" in that green claims increase sales, but no voluntary environmental claims are allowed unless they are proven to be based on the EU's environmental and climate legislation and make improvements - this increases the chances that businesses will voluntarily and genuinely contribute to the green transition.

### **Green Claims & Empower consumers directive**

The EU's "Green Claims" Directive and its sister directive "Empower consumers for the green transition" aim to prevent greenwashing and protect consumers from misleading environmental claims in marketing and labelling.

Green Claims is the Commission's proposal for a new directive, which means that independent verifiers must ensure that a green claim meets the directive's requirements before traders make the claim to consumers.

- The proposal with amendments was voted through in the European Parliament on 12 March 2024. Voting now remains in the EU Council (in 2024). After that, there are 18 months until implementation, during which time the directive must be implemented in national law.
- The update was adopted by the EU Council on 20 February 2024 and will apply as soon as it is published in the EU Journal.

# EU's "more consumer power in the green transition" update of Directive 2005/29/EC

BESLUTAT jan 2024 (implementerat i svensk lag ~hösten 2025)

- The trader ensures that the eco-label used meets the minimum conditions of transparency and reliability, including objective third-party verification of the label's requirements.
- Verification is carried out by a third party whose competence and independence in relation to both the owner of the system and the trader is ensured through national accreditation (SWEDAC) – separation model.
- Forbidden to make a general environmental claim as "green" or "environmentally friendly" for which the trader cannot prove recognized excellent environmental performance through the EU Ecolabel or the equivalent EN ISO 14024 Type I "symbol" label (Nordic Swan, Requirements, Good Environmental Choice classified as Type 1).
- It is prohibited to claim, based on greenhouse gas offsets, that a product has a neutral, reduced or positive environmental impact in terms of greenhouse gas emissions, unless offsetting is explicitly done in its own life cycle.



Konsumentmakt-texterna är en utökning av Direktiv 2005/29/EG som är implementerat i <u>Marknadsföringslag (2008:486)</u>: produkter är alla typer av varor och tjänster, även digitala tjänster, digitalt innehåll, **fast egendom** och rättigheter och skyldigheter.

### EU's Green claims directive- "Ja" röst med tillägg i Parlamentets kommittéer 14/2 2024



The communication proposal requires Member States to **fine companies up to 4% of their profits** – and prevent them from public procurement contracts (!) – if they make unjustified environmental claims.

- This proposal imposes several requirements on for example operators of certification schemes, which emphasise the need for *transparency, reliability and substantiation* of environmental claims:
- Users of certifications and those who make general environmental claims must substantiate their environmental claims (via the certification or themselves) through scientific evidence or other forms of reliable verification. Must prove excellent environmental performance, that the product is better than average in terms of claimed environmental performance.
  - Claims should be verified by <u>independent accredited third parties</u> to ensure objectivity and reduce the risk of misleading consumers.
  - Existing schedules may continue to be used <u>IF they meet the</u> requirements of the directive, which is checked by the state's designated authority, no new schedules may be developed without government approval.

#### **Green Claims & Empower consumers directive**

So the proposals require that:

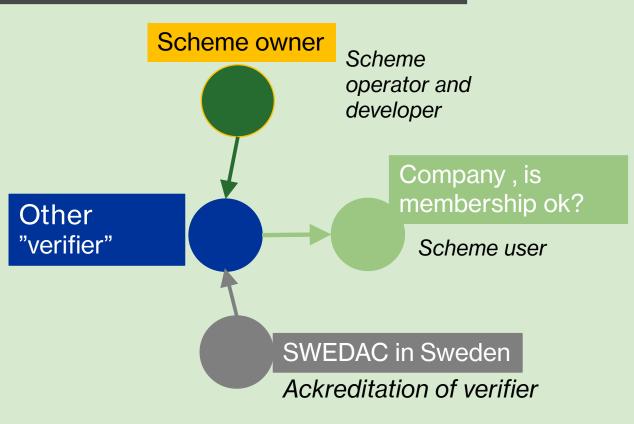
- It shall be possible to verify its life-cycle-based transparent environmental claims using scientific and/or standardised methods.
- A certification is an environmental claim in itself and has special requirements in the Green Claims Directive – the owner of the certification ensures that it is approved by an independent and accredited verifier/verifier.

A certification approved in accordance with the Green Claims Directive is registered by the verifier's Member State's designated authority and can then be used in all EU Member States, which means that e.g. BRE can apply for approval for BREEAM in any Member State.

The proposal aims to create uniform and reliable rules for eco-labelling schemes across the EU, where each Member State will have to fully implement the Directives into national law and apply them fully.

## How it could work

The three roles of scheme owner, verifier, and company must be completely independent, financially and organizationally, which is accredited by Swedac.



### **Requirements, Approval, and Control Process**

Article 8 of the Green Claims Directive – requirements for eco-labelling schemes are particularly important formulations for a Scheme owner :

- 8.2(a): The decision-making body of the Eco-label is free from conflicts of interest and independent of traders using the label.
- 8.2(c): The conditions for joining eco-labelling schemes are proportionate to the size and turnover of enterprises in order not to exclude micro, small and medium-sized enterprises, including by setting reasonable and non-discriminatory fees.
- 8.2(d): The requirements for the eco-label scheme have been **developed by experts who can ensure their scientific robustness** and have been submitted for **transparent consultation** to a **heterogeneous group of stakeholders or stakeholders' representatives** who have reviewed them and ensured their societal **relevance**. Stakeholders shall be free from any conflict of interest, including by being independent of the owner of the eco-label scheme, and shall include, as a minimum, relevant experts.
- 8.8 In order to ensure uniform application throughout the Union, the Commission shall, no later than 12 months from the date of entry into force of the Directive, adopt delegated acts in accordance with Article 18 to:
  - provide detailed requirements for the approval and verification of eco-label schemes in accordance with the criteria referred to in paragraphs 4 and 5.
  - further specify the format and content of the supporting documents referred to in paragraph 6.
  - lay down more detailed rules on the procedure for the approval referred to in section 4

### **Requirements, Approval, and Control Process**

- Article 10 paragraph 2: Member States shall establish procedures to verify the compliance of eco-labelling schemes with the requirements set out in Article 8.
- Article 15. The designated competent authorities of the Member States shall carry out regular checks on the ecolabelling schemes applied. If non-compliance with the directive is detected, the merchant is notified and given 30 days to remedy. Should the trader claim that the scheme is approved and registered in another Member State, the Member State where the approval and registration of the eco-label scheme has been made is notified. If a verifier finds that a verifier has repeatedly approved a system/statement that is non-compliant, the verifier's accreditation is withdrawn.
- Article 16. Natural or legal persons or organisations considered to have a sufficient interest shall have the right to
  lodge reasoned complaints with competent authorities when they consider, on the basis of objective evidence, that
  one or more traders or inspectors are not complying with the provisions of this Directive ... Judicial review procedures
  should be fair, timely and free of charge or not prohibitively expensive.

## **Could the directives inhibit sustainability?**

Yes, the Green Claims Directives can potentially inhibit sustainable initiatives in a few ways:

**1. Increased Compliance Costs:** The need to substantiate and verify environmental claims can be costly and time-consuming for businesses. Smaller companies, in particular, might find these costs prohibitive, potentially discouraging them from pursuing or communicating their sustainability efforts.

**2. Risk of Green Hushing:** To avoid the scrutiny and costs associated with verifying environmental claims, some companies might choose not to make any claims at all, even if they are engaging in sustainable practices. This phenomenon, known as "green hushing," can reduce transparency and hinder the promotion of genuine sustainability efforts.

**3. Complexity and Uncertainty:** The detailed requirements for proving environmental claims can create a complex regulatory environment. Companies might struggle to navigate these complexities, leading to hesitation in implementing or communicating new sustainable initiatives.

However, it's important to note that the directives also aim to create a more transparent and trustworthy market, which can ultimately support sustainable initiatives by building consumer trust and encouraging informed choices.