

Leading European Brands call for a clear, robust and EU-harmonised framework for carbon neutrality claims to empower consumers in the green transition and to incentivise companies to invest and innovate

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Brand owners are committed to innovating and transitioning towards more sustainable production and products. As leading manufacturers, we are making significant investments in terms of human and financial resources to achieve EU climate and environmental goals, including those of carbon neutrality and net zero by 2050. Carbon and climate neutrality claims are a strong incentive for manufacturers to invest in greenhouse gas reduction plans and quality offsets programmes, and are an important differentiator for consumers to purchase products from companies choosing to make such investments. We acknowledge that today there are unsubstantiated carbon neutrality claims, but a full ban on such claims could have unintended consequences. As leading manufacturers of branded consumer goods in Europe, we thus call on EU policymakers to establish a harmonised, clear and robust framework for carbon neutrality claims to eliminate greenwashing practices, truly empower consumers in the green transition, whilst keeping the incentive for companies to invest.

Consumers need trusted information to make the right sustainable decision:

The ongoing discussion on the European Commission's proposal on Empowering Consumers for the Green Transition is critical to ensure that consumers are provided with trusted, transparent and relevant sustainability information at the point of purchase. This includes the provision of information on the sustainability journey of a brand and its products, as well as its commitments to improve the future environmental performance of a product.

The current discussion on a potential ban on climate and carbon neutrality claims raises concerns among manufacturers of branded consumer goods, as it does not represent a solution but risks creating unintended consequences for companies and consumers. Brands that are investing to achieve carbon neutrality and net zero should be allowed to communicate these efforts to their consumers, who then have the appropriate information to choose more sustainable products. On one hand, this truly empowers consumers to select the more sustainable product options, on the other hand, it is an incentive for manufacturers to innovate and invest in their sustainability objectives even more.

However, we acknowledge that unsubstantiated carbon neutrality claims, which may even solely rely on carbon offsetting schemes, are misleading for the consumer. We believe it is important there is a set of guidelines established, which clearly outlines the criteria a brand must meet in order to be able to claim carbon neutrality. For the correct use of a carbon neutrality claim, the entity shall reduce its greenhouse gas (GHG) emissions, and then undertake GHG removals within the subject's boundaries before offsetting unabated GHG emissions in line with a carbon reduction roadmap.

Furthermore, the European Commission's proposal on Carbon Removals Certification will contribute to strengthening the requirements for carbon removal credits. We believe this framework will ensure the robustness of the carbon credits that will be used. Additionally, we agree that **claims on carbon neutrality solely based on carbon offsetting should not be allowed.**

Use internationally recognised standards & methodologies:

It is therefore necessary to **establish “carbon neutrality” via a standard and transparent audit process.** A product claiming to be carbon neutral in the EU must meet set standards/requirements. Today, there are **international standards that provide the methodology** to measure the carbon footprint of a product (e.g. EU PEF, ISO 14067, Greenhouse Gas Protocol Standards, UK PAS 2050) **and labelling** (e.g. ISO 14021, UK PAS 2060) **requirements for ‘carbon neutrality’ claims of a product.** All these standards in summary indicate that to achieve carbon neutrality for a product, the greenhouse gas (GHG) emissions should primarily be avoided, then reduced and removed (i.e. within the operations and value chain) and just then finally compensated through high-quality carbon credits/offsetting. Claims should thus be permitted if using these internationally recognised standards.

Furthermore, other EU Member States like France, have already adopted national legislation (see AGECLaw) which regulates how companies can substantiate their carbon neutrality claims on products. Such rules could be used for inspiration to set a clear EU framework.

Substantiation of claims through feasible implementation plans and verifiable targets:

Moreover, in alignment with the provisions laid down in the European Commission’s proposal on Empowering Consumers for the Green Transition, we support that carbon neutrality claims must be substantiated by a feasible implementation plan and verifiable targets, backed by sufficient budget and resources, with a monitoring system to track the progress of the implementation plan. Additionally, the European Commission’s proposal on Substantiating Green Claims provides the opportunity to set out clear criteria for the substantiation of these claims.

Ensure legal certainty, for consumers and for EU businesses:

In light of the above, **we call for a clear, robust and harmonised legal framework for carbon neutrality claims. This will enable companies to have the necessary legal certainty on how to make and substantiate such claims. Likewise, it will contribute to building trust in the consumers, who will be able to understand what is behind the claim and rely on the claim to make more sustainable choices.**