



## SBS Position Paper on the Green Claims directive

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### Key points

- Simplify Compliance: streamline regulations to make it easier for SMEs to substantiate green claims, reducing complexity and costs.
- Include a definition of “standards” for legal clarity and embrace European standards in addition to international ones for practical and accessible verification of compliance.
- Set up a simplified conformity assessment for SMEs to substantiate green claims, based on European harmonised standards.
- Increase Support measures: allocate funding, guidance, and create a user-friendly tool to help SMEs meet environmental claim requirements.

### Background

The European Commission’s [proposal for a Directive on Green Claims](#) aims at regulating environmental claims made by businesses and presents a significant step towards enhancing environmental responsibility and consumer trust. However, it is essential to acknowledge that the implementation of this Directive may pose certain challenges for Small and Medium-sized Enterprises (SMEs). Recent legislation imposes increased data collection, assessments, and reporting burdens on SMEs. The new [Ecodesign for Sustainable Products Regulation \(ESPR\)](#), [the Right to Repair Directive](#), [the Corporate Sustainability Reporting Directive \(CSRD\)](#), and other related regulations have led to a significant surge in requirements, which is particularly overwhelming for small enterprises. Consequently, many SMEs, despite offering green products and contributing to the green transformation, may struggle to meet these ever-expanding obligations. SBS welcomes the Green Claims Directive as a further step in achieving a sustainable transition. However, this policy must be crafted in a manner that is proportionate, effective, and balanced to guarantee practical implementation, promote transparency, and encourage sustainable consumer conduct.

This paper assesses the Directive and identifies the main obstacle for SMEs as the complex and costly verification and certification mechanisms required for substantiating green claims. To tailor this policy

proposal to European SMEs, we propose to include European standards in addition to international standards in the draft legal act, and to introduce simplified conformity assessment based on European harmonised standards for SMEs to substantiate their green claims. We also propose the set-up of special funding for SMEs and an EU-level guiding tool to comprehensively simplify the substantiation of green claims.

## **Simple, workable and proportionate requirements for SMEs**

The main obstacle for SMEs in complying with the Green Claims Directive is the intricate and costly verification and certification process required to substantiate their environmental claims. Although we welcome the exclusion of microenterprises from the scope of the Directive, this may not be sufficient. SMEs typically lack the financial and technical resources that larger corporations possess. As a result, the burdensome nature of these requirements can significantly hinder their ability to market themselves as environmentally responsible, which is a critical aspect of competitiveness in today's market.

There is the risk that a growing number of SMEs will remain silent on their green efforts due to legal uncertainties, financial limitations, or fear of potential fines and reputational damage. To guarantee the success of this Directive, it is paramount to adopt the "Think Small First principle". Green claims guidelines must offer transparency and ease of understanding. Simultaneously, these guidelines should prevent companies from hesitating to communicate their efforts to enhance product sustainability due to concerns about legal repercussions.

Furthermore, green claims prerequisites should not place an undue burden, complexity, or restrictions on SMEs. We recommend that the documentation requirements laid down in this Green Claims proposal will take into account the documentation already required by other EU legislation (e.g. the Corporate Sustainability Reporting Directive, the Ecodesign for Sustainable Products Regulation, the Right to Repair Directive). When these require a verification, companies should not be submitted for another verification, but rather count on "policy integrability" to speed up the process.

## **Inclusion of European Standards along with International Standards**

We support the use of well-established and transparent methods for green claims substantiation, relying on widely recognized scientific evidence and relevant international standards (Art. 3.1b). However, we strongly recommend revising the Directive to also include a clear reference to European in addition to international standards. There may be purely European Standards without an equivalent at international level, which could provide a solid basis for the substantiation of claims within the European Economic Area. For example, CEN/TC 411 'Biobased Products' has developed a set of standards under a Mandate or Standardisation request from the European Commission that serve to measure the bio-based content of a product, sustainability criteria and terminology that could help to substantiate claims. These standards include EN 16640 which provides a method for the determination of bio-based carbon content, EN 16751 on sustainability criteria and EN 16760 on life cycle assessment of bio-based products, among others. Another example is EN 15804 covering environmental Product Declarations related to construction works and services.

European standards are often more accessible and tailored to the specific needs of European SMEs. Moreover, European standards are a common reference in the different European countries since they require their adoption at national level and the withdrawal of conflicting national standards.

It is also important to note that although the Directive refers to international standards, there is not a clear definition of what should be understood as an international standard. From our perspective there is a need to include a reference to the definition of European and International standards from [Regulation 1025/2012 on European Standardisation](#).

## **Simplified conformity assessment mechanism relying on European harmonised Standards**

The Directive mandates that companies wishing to make green claims or use environmental labelling schemes must undergo periodic revisions and third-party assessments to validate these claims (Art. 9, Art. 10). In practice, this requirement will result in recurring administrative expenses for SMEs, which may disproportionately impact those that typically manufacture smaller product series than larger companies, potentially placing them at a competitive disadvantage.

Rather than opting for obligatory third-party verification, the Directive should establish a simplified conformity assessment method based on the use of harmonised standards or alternatively, a simplified third-party verification method tailored to the needs of SMEs, in addition to the exemption for microenterprises.

This simplified mechanism could rely on European harmonised standards which, when used, would enable a presumption of conformity in the substantiation of certain claims (e.g. amount of biobased content or recycled materials used). These standards could provide clear measurement, criteria and assessment methods tailored to specific sectors or products, simplifying compliance for SMEs and other businesses. The use of harmonised standards would remain voluntary, and businesses would remain free to use other means to substantiate their claims. Furthermore, the use of European harmonised standards would have the advantage of giving a presumption of conformity and in addition would help to ensure certain comparability and harmonisation of claims in the long run, helping consumers to be able to compare and make informed decisions.

In order to do so, the Directive should include an article providing a legal basis for the development of harmonised standards following a Standardisation Request from the European Commission and establishing that these standards would provide presumption of conformity based on self-declaration and eventually an ex-post verification of technical documentation carried out by market surveillance authorities. SBS also strongly advises the assumption of conformity for small-scale marketing and unique handcrafted items.

## **Funding, guidance and a simplified tool for SMEs to substantiate green claims**

We support the exemption of microenterprises from the Directive's obligations (Art. 3.3, 4.6, 5.7). However, SMEs often lack the appropriate tools and resources to substantiate their environmental claims and support their reporting obligations. We advise ensuring that SMEs are able to implement the Directive through supporting actions taken at the European and national levels to aid SMEs in fulfilling the requirements concerning green claims. We propose that the Commission facilitates businesses, especially SMEs, by allocating funding for gathering and generating accurate data that substantiates credible claims and crafting calculation tools tailored to SMEs.

We strongly recommend the development of an EU-level guiding tool for SMEs to comprehensively simplify the substantiation of green claims. The tool should cover a wide range of relevant topics, providing SMEs with a comprehensive guide to substantiating green claims. It should offer practical, actionable guidance that SMEs can implement efficiently. This tool should be intuitive, contain up-to-date information, and include at least:

- A comprehensive list of the requirements and clear and precise definitions, with reference to relevant international and European standards, and a detailed explanation of how to comply with the requirements of the directive, divided per product groups where relevant,
- A section guiding SMEs on how to conduct self-assessments of the environmental impact of their products or services and which methods to apply. Clear guidance on collecting and verifying data to substantiate green claims is also essential, including harmonised methods for life cycle assessment, carbon footprint analysis, and data sources, etc.,
- Information on all different environmental labelling and certification schemes and how SMEs can use them to validate their claims. This would improve transparency for consumers and legal clarity for companies,
- Guidance on how to effectively communicate green claims to consumers, including through marketing and labelling, with practical examples and case studies illustrating how other SMEs have successfully substantiated their green claims.
- A section with answers to common questions SMEs might have about substantiating green claims and information on how SMEs can access expert advice or consulting services when necessary.

## **Conclusion**

While the Green Claims Directive is a pivotal step towards environmental responsibility and consumer trust, it is vital to address the unique challenges faced by SMEs in complying with its requirements. The main obstacle for SMEs lies in the complex and costly verification and certification process. By incorporating European harmonised standards enabling presumption of conformity as basis for self-assessment, along with a guiding tool for SMEs, we can create a more inclusive and supportive framework for SMEs to substantiate green claims. This will not only foster environmental responsibility

among SMEs but also ensure a level playing field in the marketplace, ultimately benefiting both businesses and consumers.

**Small Business Standards (SBS) is the European association representing and supporting small and medium-sized companies (SMEs) in the standardisation process, both at European and international levels.**

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