GREEN INITIATIVES, EUROPEAN PRIMARILY. APRIL 2023

TERM OR NAME	WHAT IT IS	MANIFESTATION	AD IMPLICATIONS
GREEN DEAL			
GREEN DEAL https://climate.ec.europa.eu/eu- action/european-green-deal_en#european- green-deal Key commentaries Norton Rose April 2021 https://www.nortonrosefulbright.com/en/kno wledge/publications/c50c4cd9/the-eu-green- deal-explained Wikipedia https://en.wikipedia.org/wiki/European_Gree n_Deal#:~:text=The%20overarching%20aim% 20of%20the,%2C%20energy%2C%20transport %20and%20food.	'A package of measures ranging from ambitiously cutting greenhouse gas emissions, to investing in cutting-edge research and innovation, to preserving Europe's natural environment.' (From link l.h. column)	First climate action initiatives under the Green Deal include: European Climate Law to enshrine the 2050 climate-neutrality objective into EU law European Climate Pact to engage citizens and all parts of society in climate action 2030 Climate Target Plan to further reduce net greenhouse gas emissions by at least 55% by 2030 New EU Strategy on Climate Adaptation to make Europe a climate-resilient society by 2050.	See Green Deal link. There are no direct implications for advertising. This is included because the term 'Green Deal' flies around and needs to be understood amidst all the other terms.

EMPOWERING CONSUMERS FOR THE GREEN TRANSITION LEGISLATIVE INITIATIVE

Proposal for a Directive on empowering consumers for the green transition and annex

Published 30 March 2022. Link to background:

https://commission.europa.eu/publications/proposal-directive-empowering-consumersgreen-transition-and-annex_en

Link to the proposal:

https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A52022PC0143 &qid=1649327162410

Key commentary

Clifford Chance 6 January 2023

https://www.cliffordchance.com/insights/reso urces/blogs/business-and-human-rightsinsights/2023/01/the-eu-commissionintroduces-proposals-to-ban-greenwashingand-empower-consumers-for-the-greentransition.html#:~:text=On%2030%20March% 202022%2C%20the,and%20the%20Consumer %20Rights%20Directive. 'This proposal amends the Unfair Commercial Practices Directive and the Consumer Rights Directive to empower consumers for the green transition through better protection against unfair commercial practices and better information.'

It would include the following elements:

Consumers would have to be informed which products are more durable and reparable. Environmental and social impact, durability and reparability would be added to the list of product characteristics about which traders are forbidden to mislead consumers (Art. 6 UCPD);

Traders providing a service that compares sustainability of products would be required to disclose information on the method of comparison, products being compared & product suppliers (Art 7 UCPD);

Ten new commercial practices would be added to the list of commercial practices banned in all circumstances (Annex I UCPD), including displaying a sustainability label not based on a certification scheme or not established by public authorities; making generic environmental claims; presenting requirements imposed by law on all products as a distinctive feature of a trader's offer; omitting to inform the

The draft parliamentary report on Empowering Consumers for the green transition legislative initiative was adopted in the European Parliament's IMCO committee on 28 March 2023. The vote in plenary was postponed to the 8-11 May plenary.

Member States are still discussing the proposal at technical level. The latest publicly available draft compromise, from 28 March, contains some similarities with the Parliament's draft report, but also differences.

Ad implications are highly significant as the changes to the UCPD especially are likely to be followed through in self-

consumer about a feature of a product regulation and anyway that limits its durability; false claims about will be applied by durability of a product; false claims about consumer authorities in reparability of a product; persuading the member states. consumer to replace a product earlier than necessary for technical reasons; When buying products, consumers must be informed that the producer offers a commercial guarantee of durability longer than the current two-year legal guarantee, if that is the case. Consumers would also have to be provided with a reparability score, if a reparability score is already established for that product under EU law, or information about the availability of spare parts and user and repair manual, if the producer has made such information available (Arts. 6 & 7 CRD). PROPOSAL FOR A DIRECTIVE ON GREEN CLAIMS Proposal for a Directive on Green Claims The proposal on green claims To ensure consumers receive reliable. While this proposed comparable and verifiable environmental directive covers ground aims to: 22nd March 2023 information on products, the proposal in labeling and in - make green claims reliable, https://environment.ec.europa.eu/publication includes certification schemes comparable and verifiable s/proposal-directive-green-claims_en and the nature of across the EU - protect - clear criteria on how companies should evidence etc., clearly prove their environmental claims and consumers from Press release there will be impact in labels - requirements for these claims and greenwashing - contribute to advertising. Mayer

https://ec.europa.eu/commission/presscorne r/detail/en/ip_23_1692

Key commentary

GALA March 22nd, 2023

https://www.lexology.com/library/detail.aspx? g=aa58a205-b2de-46d4-a26f-27265fb606c2&utm_source=Lexology+Daily+ Newsfeed&utm_medium=HTML+email+-+Body+-

+General+section&utm_campaign=Lexology+ subscriber+daily+feed&utm_content=Lexolog y+Daily+Newsfeed+2023-03-28&utm_term= creating a circular and green EU economy by enabling consumers to make informed purchasing decisions - help establish a level playing field when it comes to environmental performance of products

The proposal complements and further operationalises the proposal for a Directive on empowering consumers in the green transition labels to be checked by an independent and accredited verifier and - new rules on governance of environmental labelling schemes to ensure they are solid, transparent and reliable

The proposal targets explicit claims that

- are made on a voluntary basis by businesses towards consumers - cover the environmental impacts, aspects or performance of a product or the trader itself - are not currently covered by other EU rules.

Some examples of green claims are:

"Packaging made of 30% recycled plastic"

"Company's environmental footprint reduced by 20% since 2015"

"CO2 emissions linked to this product halved as compared to 2020"

Brown state 'The Proposal on Green Claims should be read in the context of the UCPD framework. The UCPD Guidance document provides that 'vague and general statements of environmental benefits' cannot be made without 'appropriate substantiation'. The Proposal provides rules for substantiating claims that a product presents an environmental benefit (lex specialis). In the event of a conflict between the UCPD and requirements established by the Proposal, the latter should normally prevail.

Any explicit green claim, and any label, would have to be approved ex-ante by an independent accredited verifier, via a process to be set up in Member States. From the EASA newsletter April 2023

The EU Commission expects a timeline of four years for the Directive to apply. From Taylor Wessing April 2023 <a href="https://www.taylorwessing.com/en/interface/2023/greenwashing/green-claims-directive-eu-to-set-strict-minimum-criteria-for-communication#:~:text=The%20EU%20Commission%20expects%20a,in%20their%20advertising%20and%20marketing.

CORPORATE SUSTAINABILITY DUE DILIGENCE

Corporate sustainability due diligence

https://commission.europa.eu/businesseconomy-euro/doing-business-eu/corporatesustainability-due-diligence_en

Key commentaries:

KPMG. February 2023

https://kpmg.com/xx/en/home/insights/2023/ 02/the-eu-corporate-sustainability-duediligence-

directive.html#:~:text=The%20European%20Commission%2C%20via%20its,the%20environment%20and%20human%20rights.

Freshfields Bruckhaus Deringer. April 18, 2023

https://www.lexology.com/library/detail.aspx? g=a0c5e519-2372-4172-b631-715c643a626b&utm_source=Lexology+Daily+ Newsfeed&utm_medium=HTML+email+-+Body+-

+General+section&utm_campaign=Lexology+ subscriber+daily+feed&utm_content=Lexolog y+Daily+Newsfeed+2023-04-19&utm_term= The aim of this Directive is to foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance. The new rules will ensure that businesses address adverse impacts of their actions, including in their value chains inside and outside Europe.

The CSDDD would introduce requirements for companies to identify and prevent, bring to an end, or mitigate the actual and potential impacts of their activities on the environment and on human rights abuses. It would oblige them to conduct due diligence not just on their own operations, but also on the activities of their subsidiaries and other entities in their value chains with which they have direct and indirect established business relationships. They would need to develop and implement 'prevention action plans', obtain contractual assurances from their direct business partners that they will comply with the plans, and subsequently verify compliance.

No direct impact – here for context.

The CSDDD was proposed by the **European Commission** in February 2022 and is moving through the European Union legislative process. In December 2022, the **European Council** finalised its position (PDF 827 KB), materially amending the scope of the Commission's proposal and suggesting a less punitive approach to the enforcement measures. From KPMG commentary.

See also Freshfields commentary in the left hand column for timing

ECODESIGN FOR SUSTAINABLE PRODUCTS

Link to EC pages

https://commission.europa.eu/energyclimate-change-environment/standards-toolsand-labels/products-labelling-rules-andrequirements/sustainableproducts/ecodesign-sustainable-products_en

'The cornerstone of the Commission's approach to more environmentally sustainable and circular products.'

The proposal for a new Ecodesign for Sustainable Products Regulation, published on 30 March 2022, is the cornerstone of the Commission's approach to more environmentally sustainable and circular products. The proposal builds on the existing Ecodesign Directive, which currently only covers energy-related products.

The framework will allow for the setting of a wide range of requirements, including on:

- product durability, reusability, upgradability and reparability - presence of substances that inhibit circularity energy and resource efficiency - recycled content - remanufacturing and recycling carbon and environmental footprints information requirements, including a Digital Product Passport No direct impact on advertising. The proposal for a new Ecodesign for Sustainable Products Regulation was published on 30 March 2022,