

Climate Disclosure Standards Board's (CDSB) response to the consultation on a potential legislative proposal on substantiating green claims

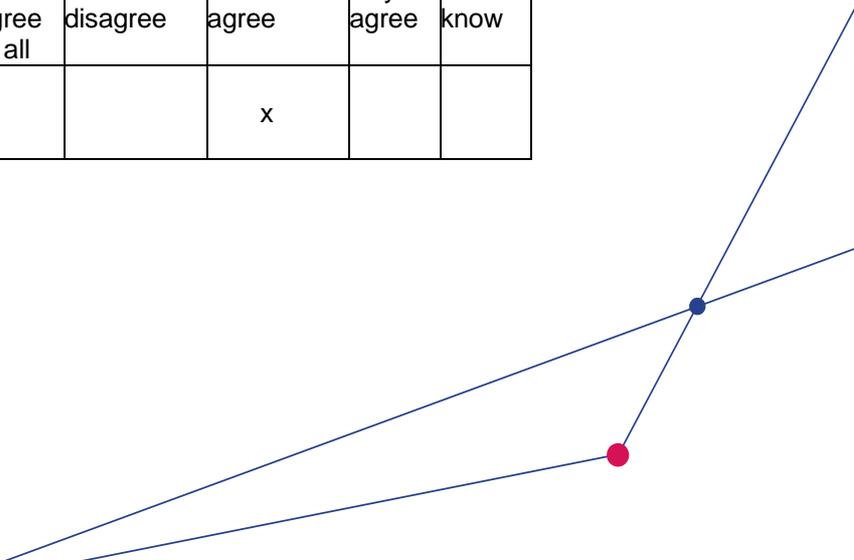
Questions for experts:

1. What is your opinion on the following statements on environmental information on products and services?

	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
There are too many methods for measuring the environmental performance of products					x
There are too many labels on the environmental performance of products					x
Not enough information is available on the environmental performance of products				x	
The proliferation of methods to quantify the environmental performance of products hinders the cross-border trade of green products					x
Different requirements imposed by national legislation or private initiatives on environmental information on products (including labelling) increases the costs for companies when trading cross-border (as they need to comply with different methods in each country)					x
The proliferation of methods on the environmental performance of products/could hinder fair competition between companies					x

2. What is your opinion on the following statements on environmental information on organisations (companies)?

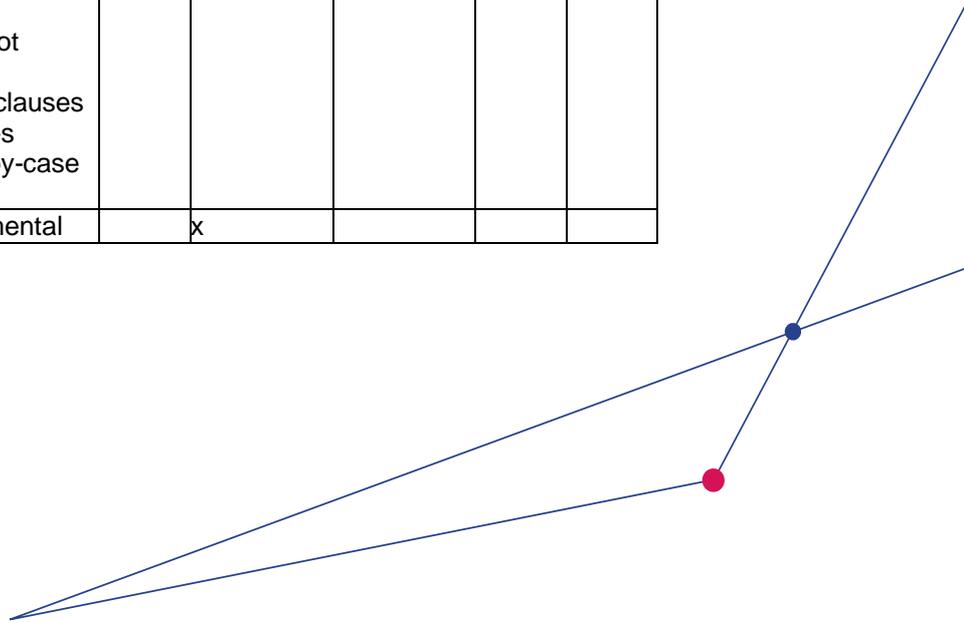
	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
There are too many methods to quantify organisations' (including companies')			x		



environmental performance					
There are too many reporting initiatives on the environmental performance of organisations (including companies)			x		
Not enough information is available on the environmental performance of organisations (including companies)				x	
Having multiple methods and initiatives makes it more difficult to understand the environmental performance of organisations (including companies)			x		
The proliferation of methods and initiatives on the environmental performance of organisations (including companies) doesn't allow market actors to decide for greener options (e.g. investments, choice of suppliers, etc.)					x
Different requirements imposed by national legislation or private initiatives on environmental reporting increases the costs for companies when trading cross-border (as they need to comply with different methods in each country)					x
The proliferation of methods on the environmental performance of organisations could hinder fair competition between companies					x

3. The list below lists different options to tackle the proliferation of methods and labels and misleading claims. What is your opinion on the options below in view of the objective to provide reliable, comparable and verifiable information for products (goods and services) offered on the EU market?

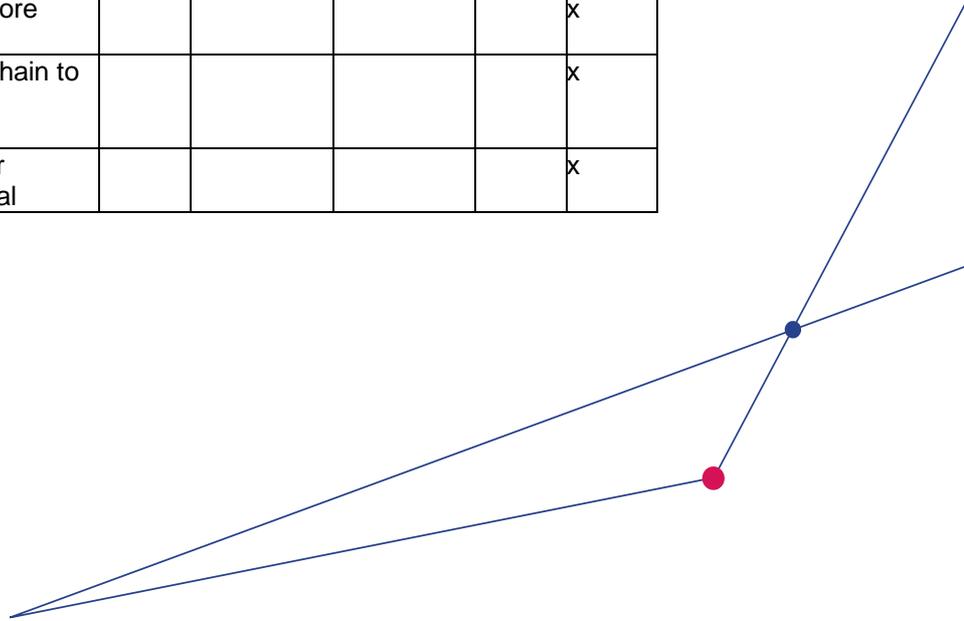
	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
The current situation is satisfactory: market actors can prove environmental claims through the method of their choice, and Member States' competent authorities can prohibit misleading claims towards consumers (e.g. claims that are not specific, clear, accurate and substantiated) under the general clauses of the Unfair Commercial Practices Directive 2005/29/EC on a case-by-case basis		x			
Market actors can prove environmental		x			



claims with the method of their choice, but they should comply with certain minimum requirements in order to avoid greenwashing					
Market operators can prove environmental claims with the method of their choice, if methods, labels or initiatives integrate the Environmental Footprint methods (e.g. labelling scheme setting criteria by hotspots identified by running a Product Environmental Footprint (PEF) study; a product declaration scheme implementing a Product Environmental Footprint Category Rule			x		
If market actors decide to make an environmental claim on a product related to the impacts covered by the PEF method, they have to prove their environmental claims through the PEF method (including any developed Product Environmental Footprint Category Rule), whenever claims are related to the impacts covered by the method				x	
If market actors decide to make an environmental claim on a product related to the impacts covered by the PEF method, they have to use a EU logo or label based on the PEF method					x
Other					x

4. In your opinion, using the PEF method to substantiate green claims on products...

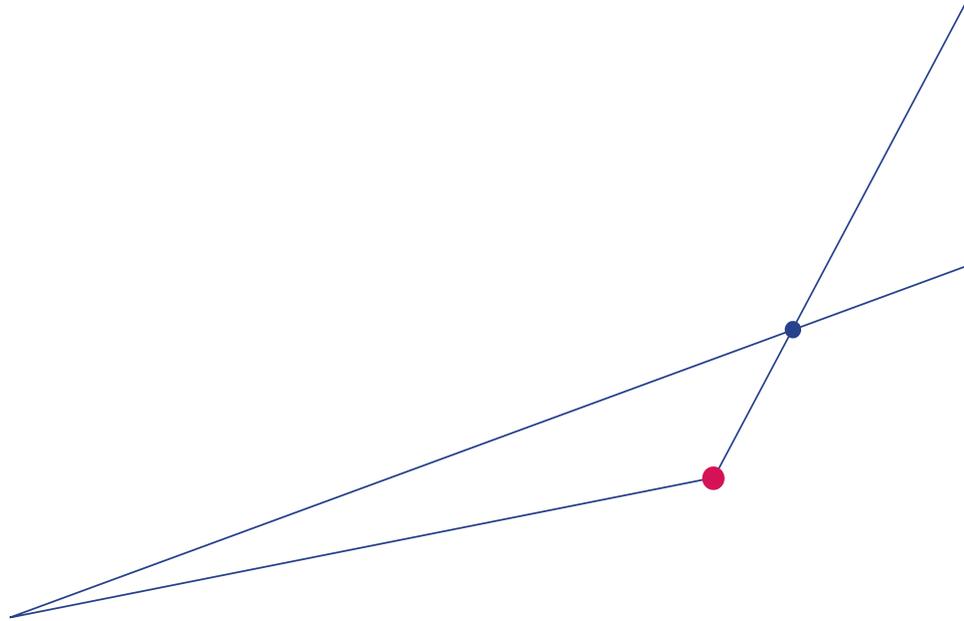
	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
will make environmental claims more reliable			x		
will make environmental claims more comparable			x		
will make environmental claims more verifiable					x
will help actors along the supply chain to share environmental performance information					x
will provide a level playing field for competing based on environmental					x



performance for all products sold on the EU market					
will help market actors (e.g. consumers, business partners, public authorities) to make informed, greener purchasing choices			x		
will reduce costs for companies					x
will decrease costs for public administrations as certain tasks would be performed at EU level (e.g. preparatory work, criteria setting)					x
will increase prices for green products					x
other					x

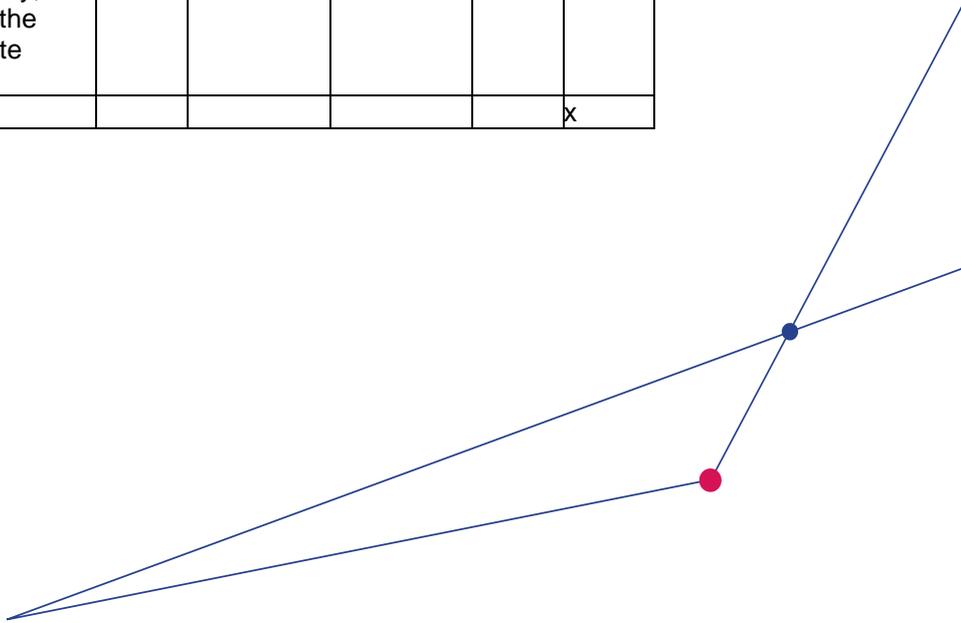
5, In your opinion, using the PEF method to substantiate green claims on products...

	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
should be complementary to existing "best-in-class" labels (ISO 14024 type I labels such as the EU Ecolabel, Blue Angel, Nordic Swan etc., awarded to products and services meeting high environmental standards throughout their life-cycle) by making visible the environmental impacts of products not covered by the schemes or providing additional environmental information on them					x
should be used as a basis for identifying criteria for existing "best-in-class" labels			x		
PEFCR benchmarks should be used as thresholds for accessing existing "best-in-class" labels					x
should not be required if the product is already covered by an existing "best-in-class" label					x
other					x



6. The list below sets out options to tackle the proliferation of methods and initiatives, and misleading claims. Please express your opinion on the options below in view of the objective to provide reliable, comparable and verifiable information for organisations (including companies) active on the EU market?

	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
The current situation is satisfactory: market actors can prove environmental claims or report on their environmental performance through the method of their choice; and Member States' competent authorities can prohibit misleading claims towards consumers (e.g. claims that are not specific, clear, accurate and substantiated) under the general clauses of the Unfair Commercial Practices Directive 2005/29/EC on a case-by-case basis)		x			
Market actors can prove their environmental claims or report on their environmental performance using approaches promoted under the Non-financial reporting directive (e.g. UN Global Compact, ISO 26000; please note that a review of the directive is ongoing)			x		
Market actors have to prove their environmental claims or report on their environmental performance using the Organisation Environmental Footprint (OEF) method (including any developed Organisation Environmental Footprint Sector Rule), whenever they are related to the impacts covered by the method			x		
If market actors decide to make an environmental claim on the company, related to the impacts covered by the OEF method they have to use a specific reporting format based on the OEF method					x
If market actors decide to make an environmental claim on the company, related to the impacts covered by the OEF method, they have to integrate results into their financial report				x	
Other					x

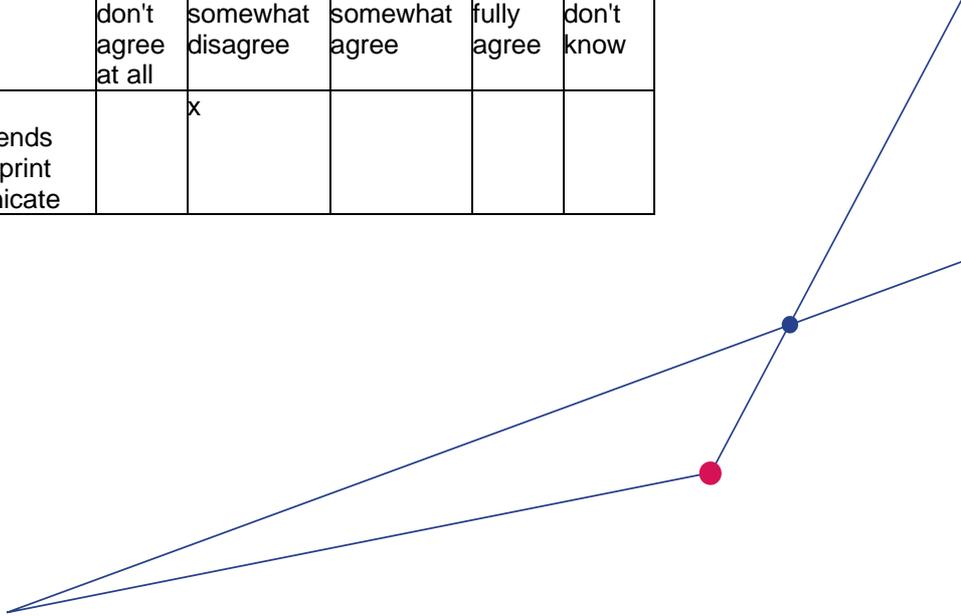


7. In your opinion, using the OEF method to substantiate green claims on organisations (including companies)...

	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
will make environmental claims more reliable			x		
will make environmental claims more comparable			x		
will make environmental claims more verifiable					x
will help actors along the supply chain to share environmental performance information					x
will provide a level playing field for competing based on environmental performance for all products sold on the EU market					x
will help market actors to make informed, greener purchasing choices (e.g. choice of suppliers, investment decisions)			x		
will be appropriate to inform sustainable finance tools (e.g. input to sustainability ratings, indicators for non-financial reporting)			x		
will reduce costs for companies					x
will decrease costs for public administrations as certain tasks would be performed at EU level (e.g. preparatory work, OEFSR development)					x
is appropriate for reporting on environmental performance			x		
other					x

8. Please express your opinion on the effectiveness of options for EU action on substantiating green claims on products via the Product Environmental Footprint method. We consider a measure effective in case it contributes to reducing the proliferation of methods and initiatives, and it contributes to reducing misleading claims. (Please note that below options are not necessarily mutually exclusive.)

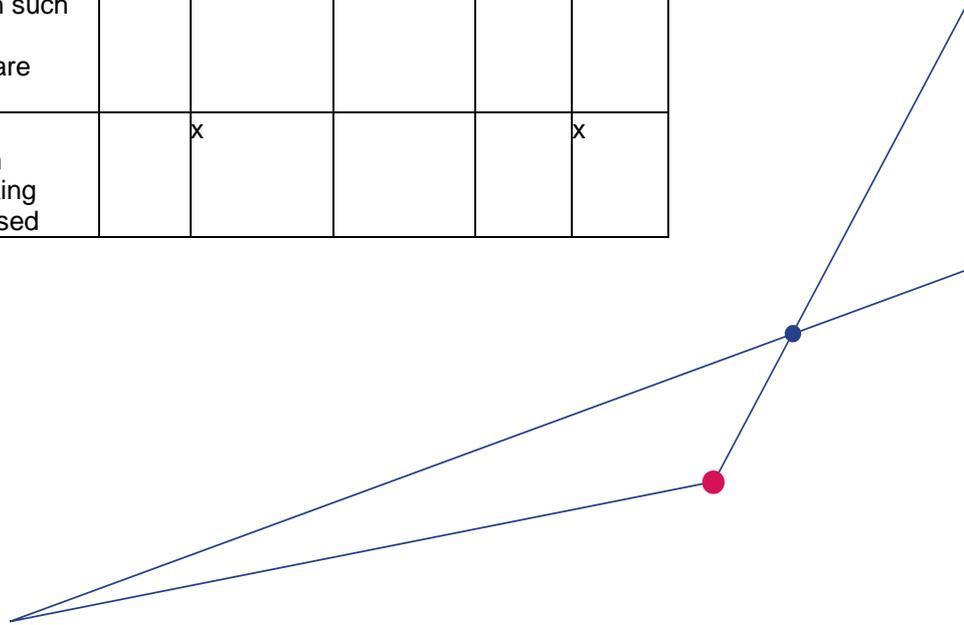
	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
Revise the 2013 Commission Recommendation, which recommends the use of the Environmental Footprint methods to measure and communicate		x			



life cycle environmental performance					
Establish new EU legislation (for instance, EU regulation) putting in place a voluntary scheme for making product-related green claims based on the Product Environmental Footprint method		x			
Establish new EU legislation (for instance, EU regulation) requiring companies to substantiate green claims based on the PEF method. Claims will have to use Product Environmental Footprint Category Rules (PEFCRs), if they exist; if they don't, the PEF method applies. The requirement would apply to claims that are covered by the method			x		
Provide stronger protection against greenwashing (i.e. claims on environmental qualities of products or services that are exaggerated, too vague, false or impossible to prove) through EU consumer law (in this case, only claims towards consumers are covered)					x
Other					x

9. Please express your opinion on the effectiveness of options for EU action on substantiating green claims on organisations (including companies) via the Organisation Environmental Footprint method. Please note that below options are not necessarily mutually exclusive.

	don't agree at all	somewhat disagree	somewhat agree	fully agree	don't know
Revise the 2013 Commission Recommendation, which recommends the use of the Environmental Footprint methods to measure and communicate life cycle environmental performance		x			
Reinforce requirements on providing environmental information on companies via the revision of the Nonfinancial reporting directive (in such a case, only company-level claims are covered)				x	
Establish new EU legislation (for instance, EU regulation) putting in place a voluntary scheme for making company-related green claims based		x			x



on the OEF method					
Establish new EU legislation (for instance, EU regulation) requiring companies to substantiate green claims based on the OEF method. Claims would have to be based on Organisation Environmental Footprint Sector Rules (OEFSRs), if they exist – if they don't, the OEF method applies. The requirement would apply to claims that are covered by the method			x		
Provide stronger protection against greenwashing (i.e. claims on environmental qualities of companies that are exaggerated, too vague, false or impossible to prove) through EU consumer law (in this case, only claims towards consumers are covered)					x
Other					x

10. How much is the company currently spending on using environmental labels/logos, methods and initiatives related to their products? (if you are not a company, please write "not applicable")

Not applicable.

11. Please indicate the number of labels/ logos, methods and initiatives used (if you are not a company, please write "not applicable"):

Not applicable.

12. If the PEF method were required to substantiate environmental claims, would you expect the cost related to using environmental labels/ logos, method and initiatives to

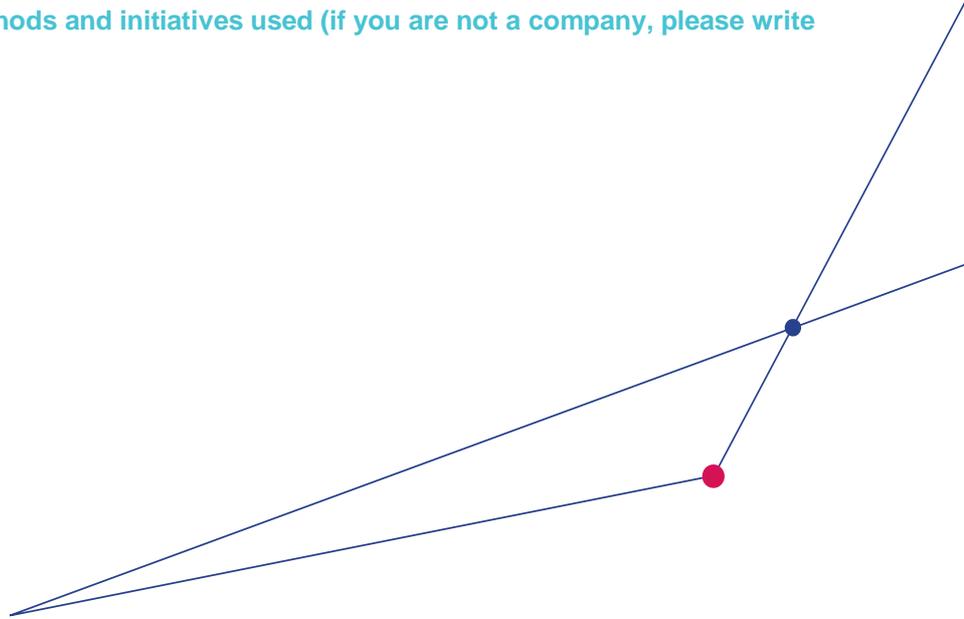
Do not know.

13. How much is the company currently spending on using environmental methods and initiatives related to the company (e.g. reporting initiatives, method for calculating the carbon/ environmental performance of the company, investor questionnaires) (if you are not a company, please write "not applicable")?

Not applicable.

14. Please indicate the number of methods and initiatives used (if you are not a company, please write "not applicable"):

Not applicable.



15. If the OEF method were required to substantiate environmental claims, would you expect the cost related to using environmental method and initiatives to

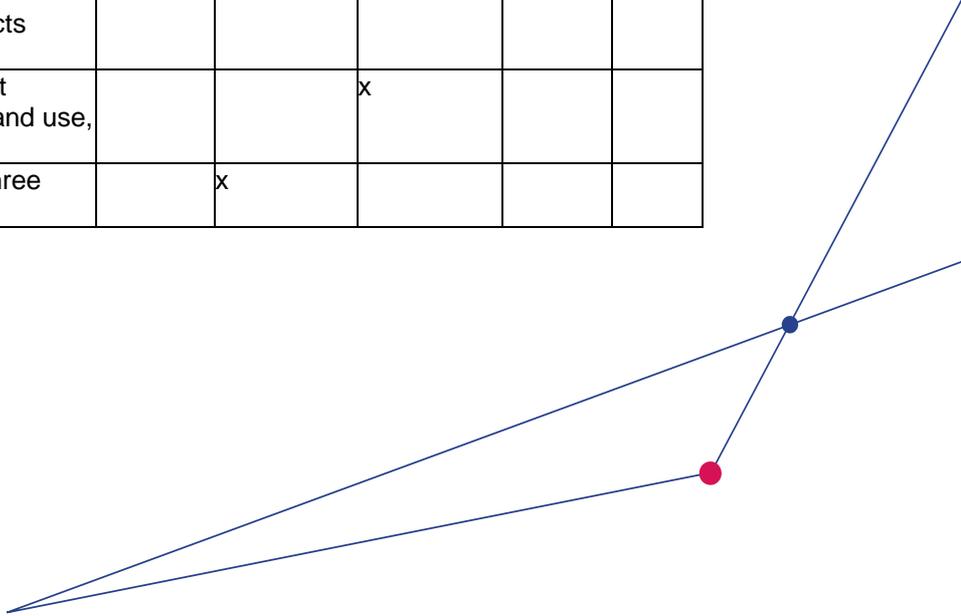
Do not know.

16. If the Commission proposes requirements on substantiating voluntary green claims via the Environmental Footprint methods, the initiative should:

	Not effective at all	Somewhat ineffective	Somewhat effective	Very effective	I don't know
Not establish any requirement on how the information is communicated	x				
Establish general principles on the way the information is communicated (e.g. transparency, availability & accessibility, reliability, completeness, comparability and clarity)			x		
Define minimum content of the information to be communicated (for instance overall environmental performance, listing the most relevant impacts, information on third party verification)			x		
Define a common EU label/logo based on the PEF method					x
Define a common reporting format based on the OEF method					x

17. If market actors communicate on their PEF profile based on a PEFCR, the following minimum content should be available:

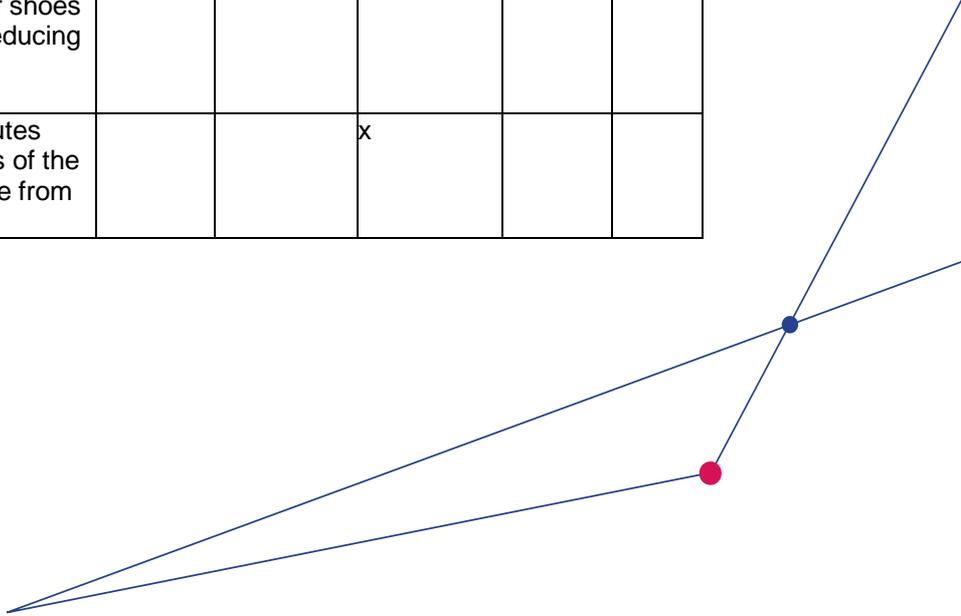
	Not relevant at all	Low priority	Somewhat relevant	High priority	don't know
Single score on a 3-point scale (e.g. average corresponding to the benchmark, better and worse)					x
Single score on a 5 level scale (e.g. classes of performance on an A-E scale)					x
Single score on a 5 level scale, where top performance is reserved to products awarded with an EU Ecolabel					x
List the three most relevant impact categories (e.g. climate change, land use, water use)			x		
Provide the performance on the three most relevant impact categories		x			



(e.g. better than average on climate change, average on water use, worse than average on eutrophication – freshwater)					
Percentage by which performance is better or worse than average on the single score					x
Absolute results (e.g. 15t CO2 equivalents on climate change)			x		
Other					x

18. In case market actors communicate on their PEF profile for a product for which there is no PEFCR available (calculations are based on the PEF method), the initiative shall

	Not relevant at all	Low priority	Somewhat relevant	High priority	don't know
Prohibit the use of absolute values to avoid that consumers or other stakeholders are misled into comparing performances of similar products					x
Allow the use of absolute values with specific conditions (e.g. a clear communication that results are not comparable)			x		
Prohibit the communication of % of improvement on the same product to avoid that products with high improvement figures are unfairly judged as better respectively to where only incremental improvements are possible					x
Allow the communication of % of improvement on the same product with specific conditions (e.g. that absolute values are displayed alongside with the % of improvement)				x	
Allow statements on the environmental performance of the product (e.g. "Did you know that the materials used for the upper part of a shoe are responsible for 41% of its impact on climate change? Our shoes are made of recycled materials, reducing greenhouse gas emissions.")					x
Allow information on what contributes most to the environmental impacts of the product (e.g. 60% of impacts come from growing ingredients; 15% from			x		



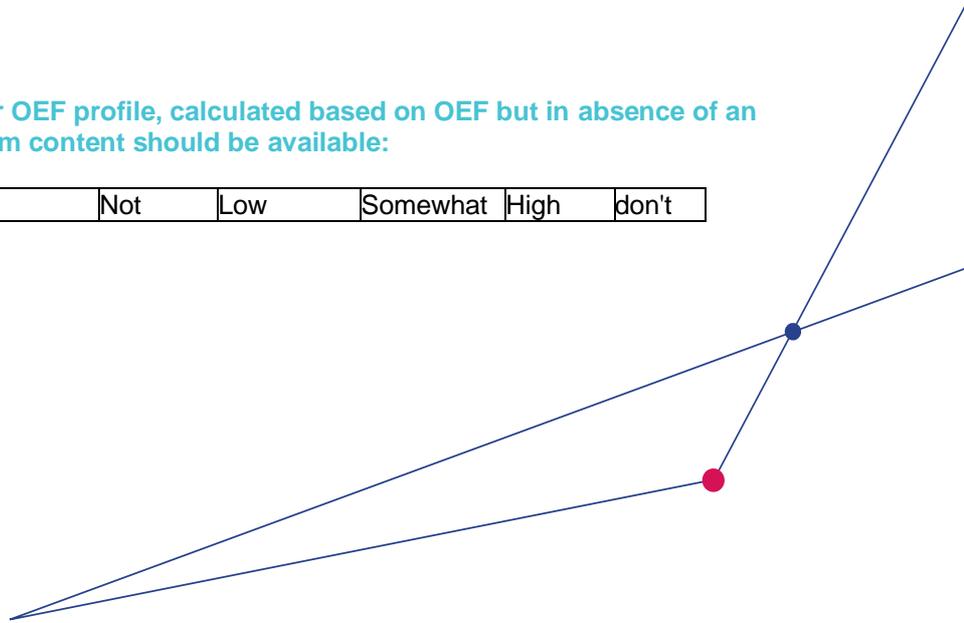
manufacturing, 15% from transport, 5% from the use of the product and 5% from disposal)					
Other					x

19. If market actors communicate their OEF profile, calculated based on an OEFSR, the following minimum content should be available:

	Not relevant at all	Low priority	Somewhat relevant	High priority	don't know
Scope of the analysis (e.g. which business units are included in the analysis)				x	
Characterised results per impact category (results for the full life cycle, per impact category, e.g. climate change)			x		
Characterised results per impact category, divided by turnover				x	
Normalised results per impact category (characterised results divided by normalisation factors defined based on yearly emissions of an average global citizen)					x
Weighted results and single score (weights applied to each impact category and the sum of impacts in points. Weights were defined based on expert judgement, consider planetary boundaries and the robustness of indicators);					x
Single score divided by turnover					x
Most relevant impacts, processes and life cycle stages (based on OEFSR)				x	
Results on additional environmental information required/ recommended by OEFSR					x
Information on verification				x	
Link to full report				x	
Other					x

20. If market actors communicate their OEF profile, calculated based on OEF but in absence of an existing OEFSR, the following minimum content should be available:

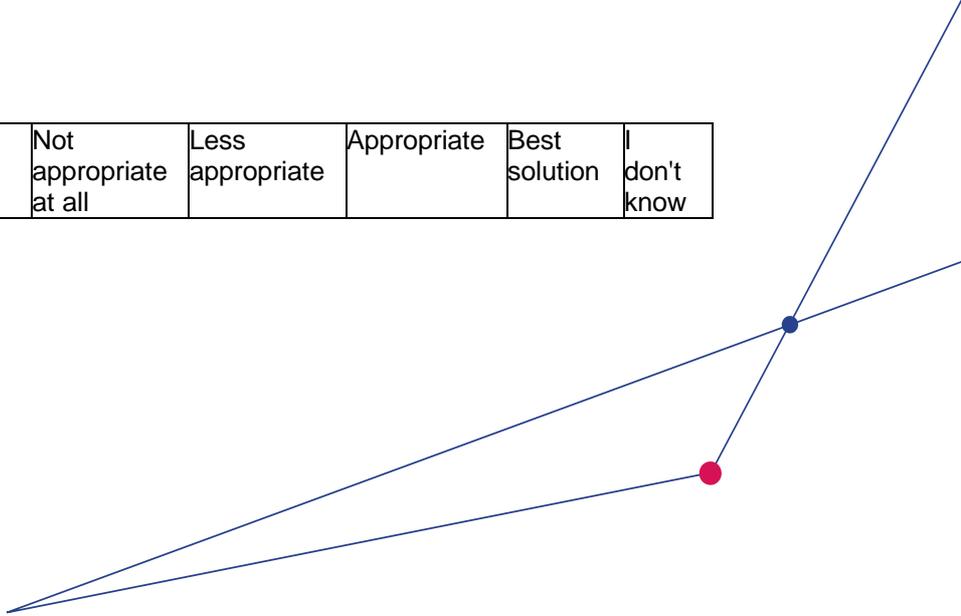
	Not	Low	Somewhat	High	don't



	relevant at all	priority	relevant	priority	know
Scope of the analysis (e.g. which business units are included in the analysis)				x	
Statement on the comparability of information, to avoid that users of the information are misled into comparing performances where this is not possible				x	
Characterised results per impact category (results for the full life cycle, per impact category, e.g. climate change)				x	
Characterised results per impact category, divided by turnover				x	
Normalised results per impact category (characterised results divided by normalisation factors defined based on yearly emissions of an average global citizen)					x
Weighted results and single score (weights applied to each impact category and the sum of impacts in points. Weights were defined based on expert judgement, consider planetary boundaries and the robustness of indicators);					x
Single score divided by turnover					x
Most relevant impacts, processes and life cycle stages as calculated based on the OEF				x	
Results on additional environmental information deemed relevant by the user of the method					x
Information on verification				x	
Link to full report				x	
Other					x

21. Verification should be done by:

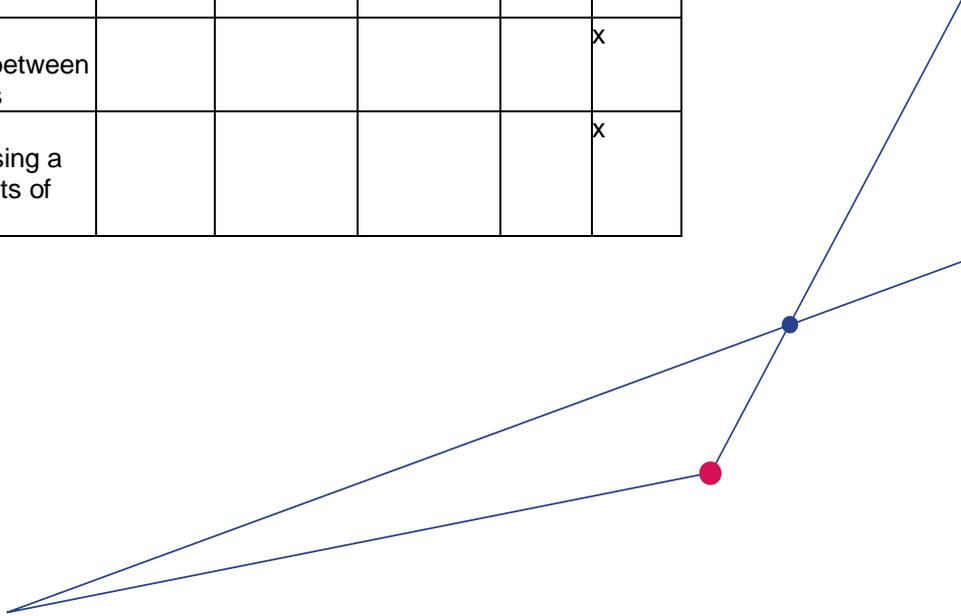
	Not appropriate at all	Less appropriate	Appropriate	Best solution	I don't know



Bodies appointed at national level					x
A verification body at EU level					x
Independent certification/verification organisations obtaining accreditation for this specific task					x
Other					x

22. What is your view on the following statements regarding enforcement?

	I don't agree at all	A somewhat disagree	somewhat agree	I fully agree	I don't know
For all environmental claims subject to the requirements of this initiative, including labels, economic operators shall submit an application to an EU or national competent authority before using the claim on the market (ex ante check)					x
Competent authorities shall ensure an ex-post enforcement (for instance, check that claims comply with requirements, whether they were appropriately verified, informing the public, treating complaints, monitoring misleading claims and complaints on misleading claims)					x
The use of an environmental claim, including of a label, shall be notified to the competent authorities who would ensure an ex-post enforcement (for instance, checking that the claims comply with the requirements, informing the public, treating complaints, monitoring complaints on misleading claims)					x
A mechanism of administrative cooperation shall be put in place between the different competent authorities					x
The economic operators making environmental claims, including using a label, shall communicate the results of the					x



Environmental Footprint study to an EU or national competent authority					
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23. The authorities competent to ensure compliance of environmental claims with the Environmental Footprint methods should be:

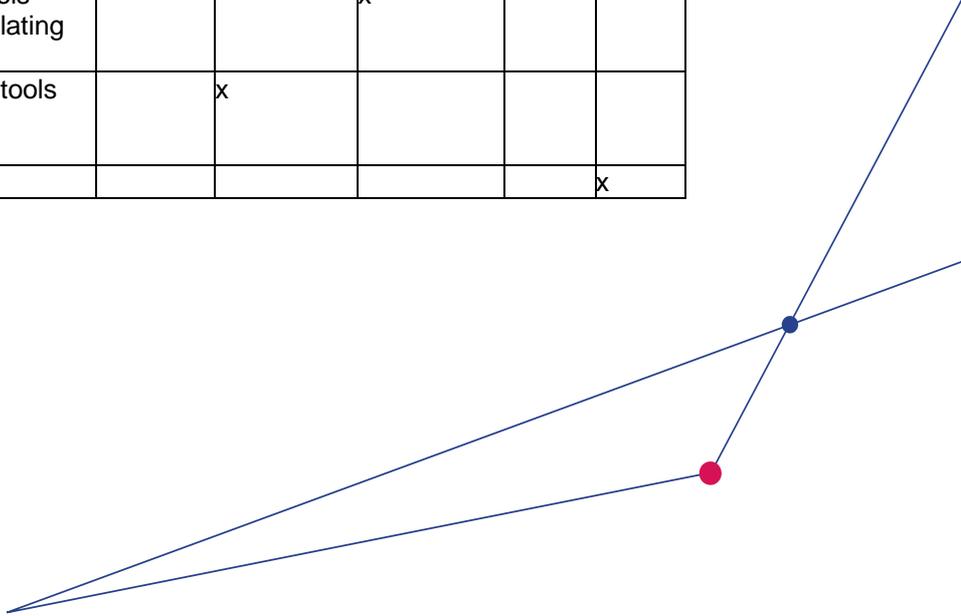
	I don't agree at all	A somewhat disagree	I somewhat agree	I fully agree	I don't know
Consumer law enforcement bodies					x
Environmental enforcement bodies					x
Technical bodies specialised in LCA / EF methods					x
Specific competent authorities at national level					x
A pan-European entity					x
Other national/ regional public entities					x

24. In order to ensure reliable, comparable and verifiable information on the environmental footprint of products and organisations, the following actions related to data should be envisaged:

All three actions should be envisaged.

25. In order to support SMEs to substantiate their environmental claims based on the EF methods, the following measures would be needed

	I don't agree at all	A somewhat disagree	I somewhat agree	I fully agree	I don't know
Training to SMEs on how to measure their environmental footprint				x	
EU funds (e.g. LIFE, COSME) enabling projects that include the assessment of the environmental footprint based on PEF/ OEF				x	
Free access to secondary datasets				x	
Free online calculators or other tools available online or offline for calculating environmental footprint			x		
Simple online calculators or other tools available online for calculating environmental footprint		x			
Other					x



Thank you for spending time completing this questionnaire. Your answers are valuable in helping to understand stakeholders' views on this issue. If you wish to expand on any of your answers or to add comments or information on other aspects relevant to green claims in Europe, please do so in the box below:

Harmonising accounting methodologies and framework for assessing the environmental impacts of product and organisations is crucial in fostering comparability and transparency, and minimising green washing. PEF and OEF methods are based on Life Cycle Assessment that is a well-established and standardised methodology to assess the environmental impacts of anthropogenic systems. Nevertheless, to describe and model natural systems which those anthropogenic systems rely on (e.g. soil and emissions from soil) more complex models are required to estimate emissions that can be then considered in the Life Cycle inventory. Additionally, for environmental issues related to biodiversity and ecosystem "health" is not the best method. For this reason, PEF and OEF methods should be integrated with other methodologies and the European Commission should provide suggestions on such methodologies.

