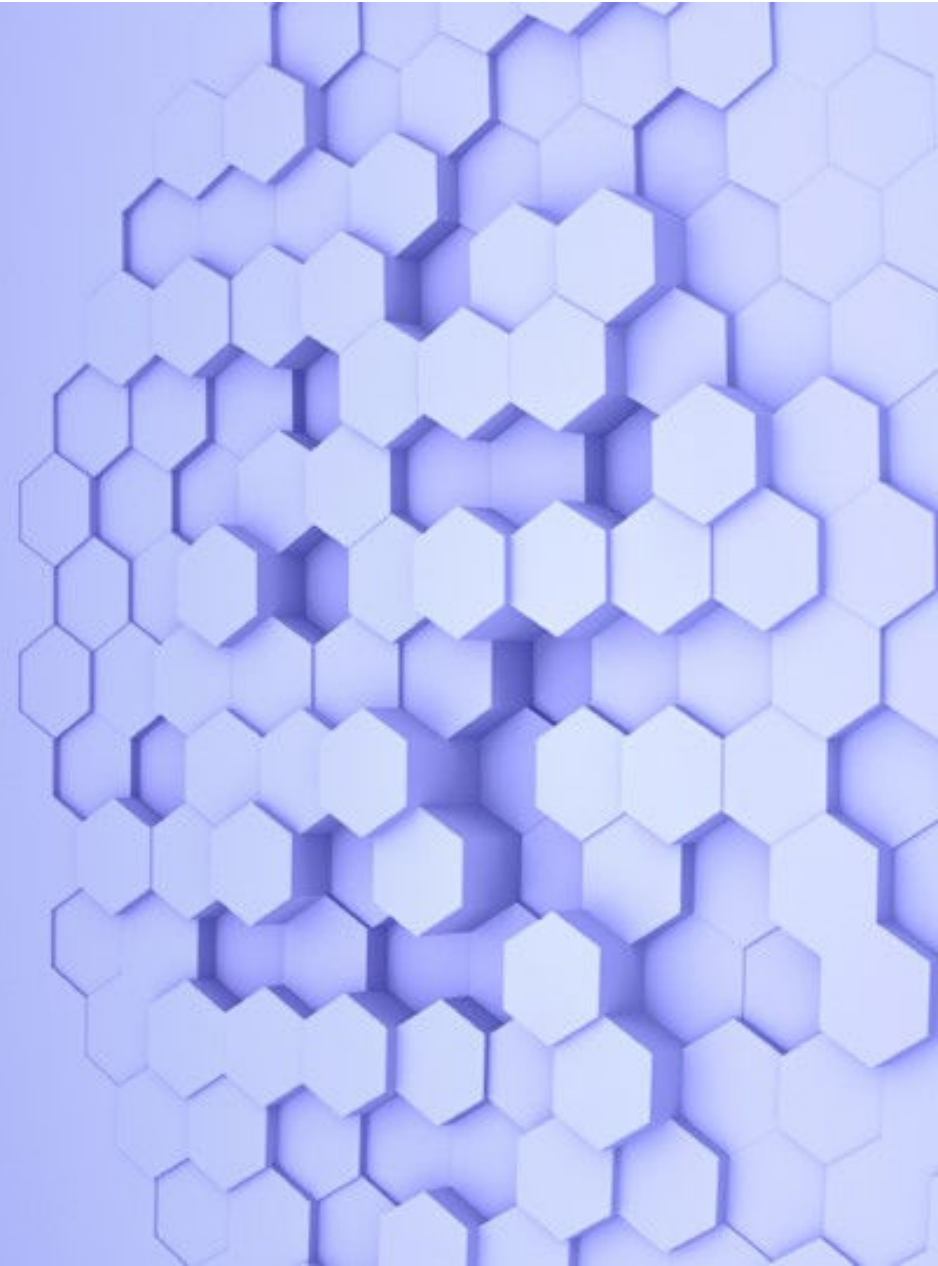


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**Annual Compliance
Conference 2024**



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ESG, supply chain and product compliance

3, 5 and 6 June 2024





Annual Compliance Conference 2024

01 Antitrust compliance
30 April – 1 May 2024

02 Sanctions and export controls
7 – 9 May 2024

03 Customs and key compliance developments
14 – 16 May 2024

04 Anti-bribery and corruption and economic crime
22 – 23 May 2024

05 ESG, supply chain and product compliance
3, 5 and 6 June 2024



Greenwashing: a limited future for green claims

Thursday 6 June 2024





Speakers



Graham Stuart
Partner (Chair)
London



Renata Amaral*
Partner
Sao Paulo



Geert Bovy
Partner
Brussels



Julia Hemmings
Partner
London



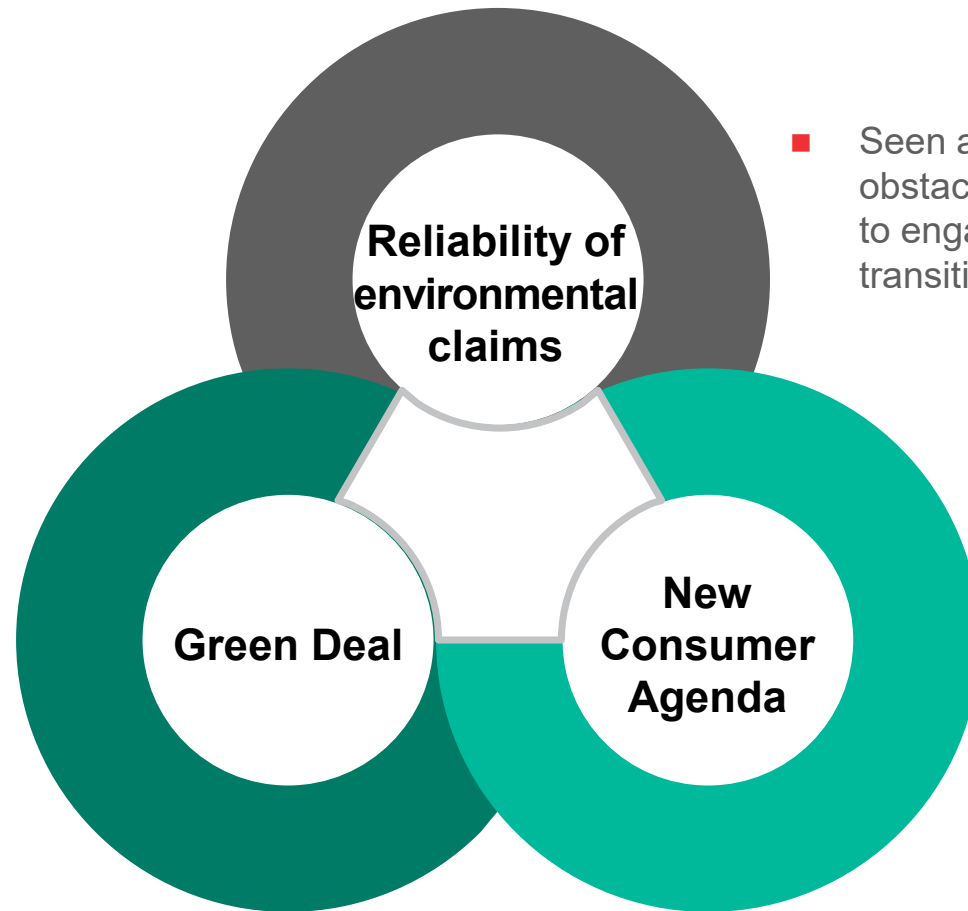
Rebecca Lederhouse
Counsel
Chicago

*Trench Rossi Watanabe and Baker McKenzie have executed a strategic cooperation agreement for consulting on foreign law



The EU green transition

- To transform the EU's economy for a sustainable future; and
- To make Europe the first climate-neutral continent by 2050

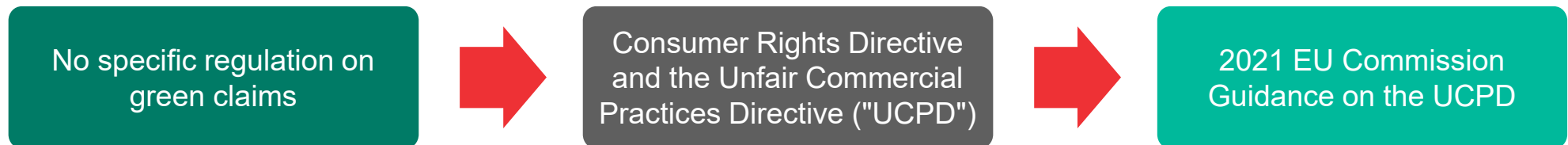


- Seen as the biggest obstacle to consumers to engage in the green transition

- Empowering Consumers Directive (EmpCo Directive)
- Green Claims Proposal Directive



Current applicable framework



According to the 2021 Guidance:

- Two main principles:
 - a** Green claims must be truthful, not contain false information and be presented in a clear, specific, accurate and unambiguous manner, so that consumers are not misled; and
 - b** Traders must have the evidence to support their environmental claims and be ready to provide it to competent enforcement authorities in an understandable way if the claim is challenged.
- To consider not only the green claim, but the imagery and overall product presentation. The whole presentation should be a truthful and accurate representation of the scale of the environmental benefit.
- Green claims should not be vague and general statements without adequate qualifications. It includes a list of vague claims: 'eco-friendly', 'gentle on the environment', 'pollutant free', 'reduced CO2 emissions', 'carbon neutral' or 'climate neutral'.
- Green claims should refer to aspects that are significant in terms of the product's environmental impact, considering the product's main environmental impacts over its lifecycle, including its supply chain.

01 The EmpCo Directive

The background of the slide is a solid blue color on the left side, which transitions into a 3D hexagonal pattern on the right side. The hexagons are arranged in a honeycomb-like structure and have a slight shadow, giving them a three-dimensional appearance. The overall color scheme is a monochromatic blue.

Publication of the Directive aiming at empowering consumers for the green transition

"Empowering Consumers Directive" or "EmpCo Directive"



- The Empowering Consumers Directive [entered into force on 26 March 2024](#).
- The Member States must apply the new rules by **27 September 2026**.
- The Directive:
 - Amends the Unfair Commercial Practices Directive (UCPD) (already implemented into national law in the EU Member States)
 - Limits misleading environmental claims and early obsolescence practice
 - Sets a harmonized EU sustainability label and information tools.
- The EmpCo Directive will be supplemented by the Green Claims Directive.



Empowering Consumers Directive

Environmental claims and misleading commercial practices

- The Directive adds a number of definitions to UCPD & expand the list of commercial practices deemed misleading in all circumstances ("black list")
- The Directives introduces a definition of environmental claim:



" Any message or representation which is not mandatory under Union or national law, in any form, including text, pictorial, graphic or symbolic representation, such as labels, brand names, company names or product names, in the context of a commercial communication, and which states or implies that a product, product category, brand or trader has a positive or zero impact on the environment or is less damaging to the environment than other products, product categories, brands or traders, or has improved its impact over time."



The Directive does **not** apply to messages that are mandatory under EU or national law.

Empowering Consumers Directive

Prohibition on Generic Environmental Claims

Generic Environmental Claims are prohibited unless the professional is able to demonstrate the "excellent recognised environmental performance" relevant to the claim.

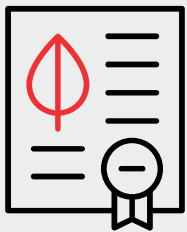


A claim made in written form or orally combined with implicit claims such as colours or images could constitute a generic environmental claim.

Examples of generic claims: 'environmentally friendly', 'eco-friendly', 'green', 'nature's friend', 'ecological', 'environmentally correct', 'climate friendly', 'gentle on the environment', 'carbon friendly', 'energy efficient', 'biodegradable', 'biobased'

Empowering Consumers Directive

Sustainability Labels



The displaying of a sustainability label (voluntary trust mark, quality mark or equivalent, either public or private, that aims to set apart and promote a product, a process or a business by reference to its environmental or social characteristics, or both, and excludes any mandatory label required under Union or national law) which is not based on a certification scheme, or which has not been established by public authorities will be **prohibited**.

The certification scheme should be a transparent, fair and non-discriminatory third-party scheme, the applicable requirement should be public and the compliance of which is subject to an objective monitoring by a third party other than the trader or the scheme owner.

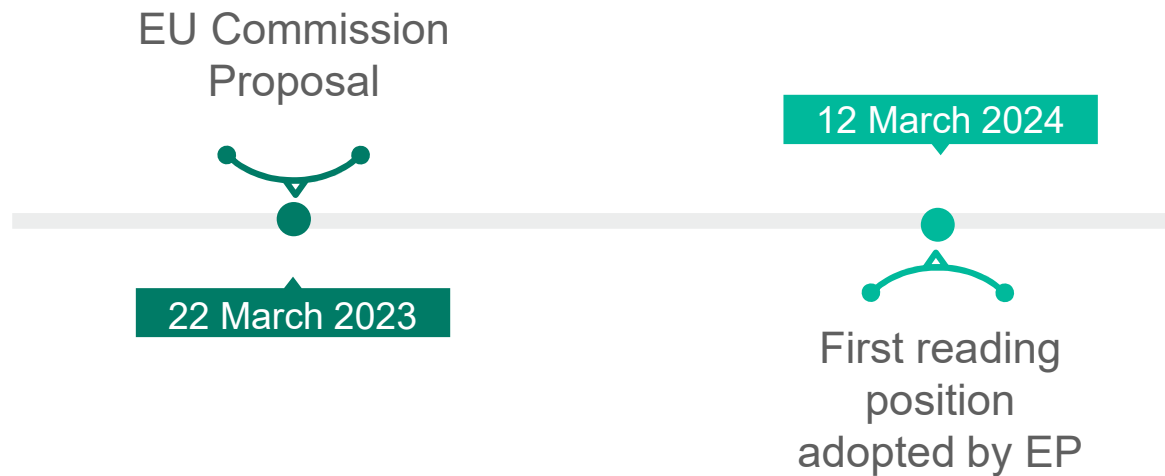
02 Proposed EU Green Claims Directive



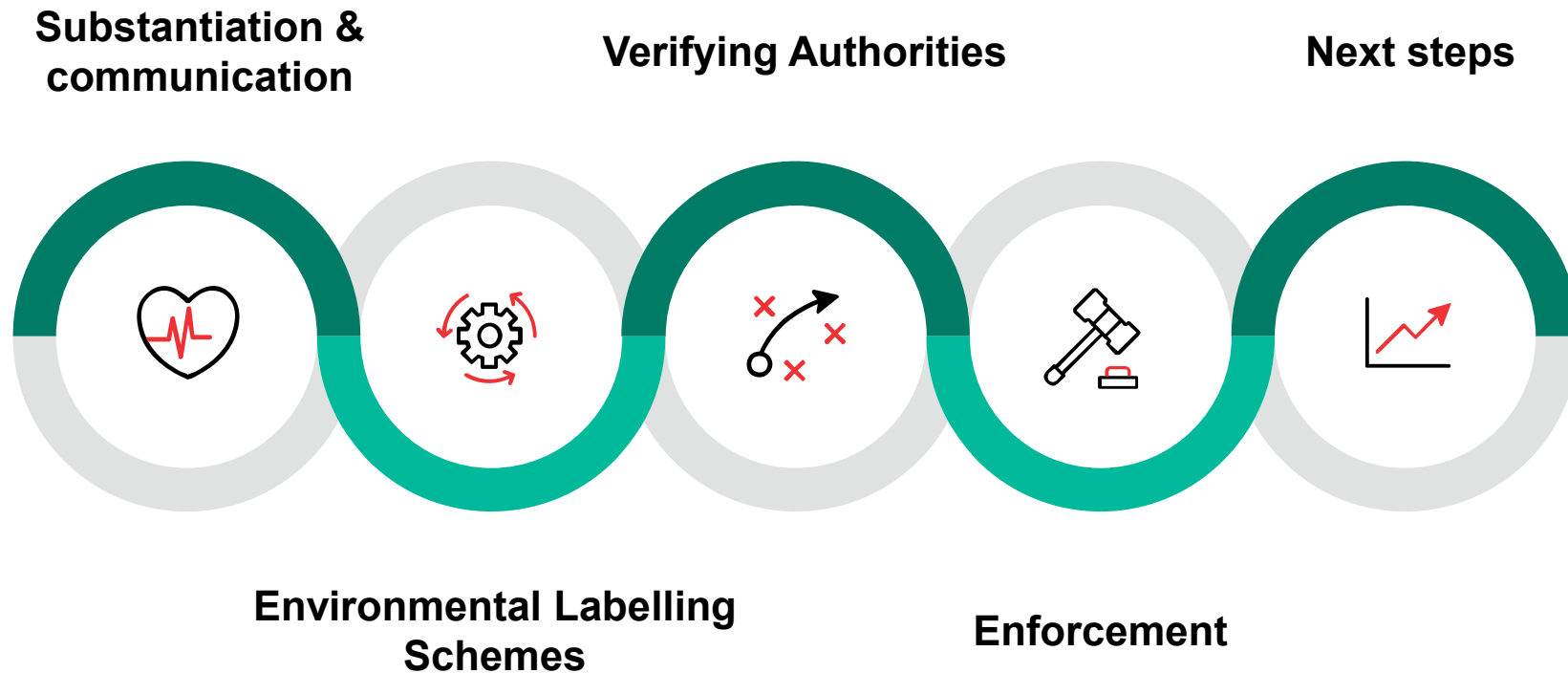


Green Claims Directive Proposal

Current Status



Green Claims Directive Proposal



Questions



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