Open letter on green claims

Addressed to:

Didier Reynders, Commissioner for Justice Virginijus Sinkevicius, Commissioner for Environment, Oceans and Fisheries Frans Timmermans, Executive Vice-President - European Green Deal

Dear Commissioner Reynders, Commissioner Sinkevicius, Vice-President Timmermans,

As the discussion at European and international level on carbon neutrality and net zero targets is rapidly evolving, we, the undersigned, seek to clarify the European Commission's views on carbon neutrality claims and their potential for greenwashing. We demand that action is taken to regulate green claims and combat greenwashing in ongoing legislative processes, notably the upcoming initiative on substantiating green claims and strengthening the role of consumers in the green transition.

We are concerned by the rapid proliferation of misleading and false claims and advertisements feeding consumers biased and incomplete information on the real climate impact of companies, products, and services. Greenwashing is becoming a widespread scourge across the EU.

Carbon Market Watch recently published a report exposing the greenwashing practised by companies marketing <u>"carbon neutral" fossil fuels</u>. ECOS also published <u>a report</u> highlighting the "too good to be true" green claims made by the plastics sector and IATP did a similar <u>analysis</u> for the meat and dairy industry. A new report by NewClimate Institute and Carbon Market Watch <u>exposes the various tricks</u> employed by some of the world's largest corporations, including many household names, to green their image while continuing to pollute with impunity. Finally, the French environment agency <u>highlighted</u> that "net zero" is not a suitable corporate target, and the European Commission itself found last year that "<u>half of green claims lack evidence</u>".

Here are our recommendations on what the EU must do to ensure that the policies being developed safeguard the environmental integrity.

 Carbon neutrality claims must be banned in the forthcoming proposals from DG Justice on "<u>Strengthening the role of consumers in the green transition</u>" and the proposal from DG Environment on "<u>substantiating green claims</u>". Companies must not be allowed to communicate net emissions targets. They must be required to report separately their own emissions reduction efforts and the financing they provide for climate action outside of their value chain¹.

2. In the long term, companies should also not be able to neutralise their greenhouse gas emissions through the purchase of carbon credits, when there is a risk of double counting in the Nationally Determined Contribution (NDC). Therefore, if companies continue to set long-term "net zero" targets that require some level of neutralisation of emissions, then any carbon credits purchased for such neutralisation must be subject to corresponding adjustments, as defined under Article 6 of the Paris Agreement. This is different from claiming "carbon neutrality" today, which should be fully banned as mentioned above. Additional requirements, such as full, transparent, and accurate reporting of emissions are also required.

We would like to know whether the European Commission agrees that such corresponding adjustments are necessary? In our view, it is unacceptable for private companies to claim to have neutralised emissions based on the purchase of emission reductions which are already being counted by the country where these are achieved. We are seeking clarification regarding the European Commission's position on this.

3. The Commission, as an institution, has adopted its own target to reach climate neutrality by 2030. While we support the initiative to reduce its emissions, we are concerned by the signal this target sends: it is unspecific and does not allow the public to clearly understand what it involves. Will the Commission still emit GHGs in 2030, and if so, will it offset its emissions, and how? The Commission should ensure that credits purchased to offset the emissions guarantee that there is no double counting and do not rely on temporary carbon storage in biological sinks. Ideally, the Commission should rely on absolute reductions and not offsets, and refrain from making such "climate neutrality" claims. It should also transparently and separately communicate its impact, efforts to reduce emissions internally, and any support provided to finance emission reductions outside of its own organisational boundary.

We trust that the Commission will rise to the challenge and set the right example on these essential issues and we would appreciate the opportunity to discuss this with you at the earliest opportunity.

Sincerely,

¹ As required in the product environmental footprint methodology, pg 81, <u>https://eplca.jrc.ec.europa.eu/permalink/PEF_method.pdf</u>

Asociación Canarias Archipiélago Sostenible, Bellona Europa, Carbon Market Watch, CCFD Terre-Solidaire, Clean Air Action Group, Coordination Office of the Austrian Bishops' Conference for international development and Mission (KOO), eco-union, Environmental Coalition on Standards (ECOS), Environmental Justice Foundation, Federation of Community Forestry Users Nepal (FECOFUN), Focus Association for Sustainable Development, Foodwatch international, Forests of the World, Fossilfreie Medien, Friends of the Earth Europe, Friends of the Earth Netherlands (Milieudefensie), Friends of the Earth Spain, Genç Düşünce Enstitüsü, Green Liberty, Inter Environnement Wallonie, LIFE education environment Equality, Our Fish, Protect Our Winters Europe, ProVeg International, The Climate Reality Project Europe, Transport & Environment, Umanotera - the Slovenian Foundation for Sustainable Development, VšĮ "Žiedinė ekonomika", ZERO - Associação Sistema Terrestre Sustentável.

