

Empowering Consumers for the Green Transition: Enhancing Product Sustainability through Third-party Conformity Assessment

January 2023

TIC Council, representing independent Testing, Inspection, and Certification (TIC) companies, welcomes the European Commission's proposal on empowering consumers for the green transition (COM(2022)143) and strongly supports the European Commission's actions against greenwashing.

Unfair business practices undermine the consumers' ability to make informed choices, harm compliant businesses through unfair competition, and can bring damage to the environment.

To strengthen the proposal and contribute to its objectives, TIC Council would like to propose the following recommendations:

- 1. Sustainability labels should be based on an independent assessment of conformity.
- 2. The definition of a certification scheme should be aligned with the relevant international standards.
- 3. Only recognised conformity assessment bodies should provide conformity assessment services.
- 4. Sustainability labels should be based on a sound and specific set of measurable and verifiable rules.

TIC sector's contribution to the matter

TIC Council members play a pivotal role in ensuring that sustainability claims are consistent and accurate. In this framework, they already offer services related to the environmental impact of products, such as the calculation of the carbon footprint and the verification and validation of recycled materials. TIC Council's members also offer conformity assessment activities in accordance with the Eco-Design and the Energy Efficiency Directives, as well as services related to ISO 26000 on social responsibility for businesses.



Annex

1. Independent assessment for all labels

TIC Council supports the Commission in its ambitions against greenwashing. In our view, all sustainability labels should be based on a certification scheme, as foreseen by Article 1(1), point (s) of the Directive COM(2022)143 and Point 1 of the Annex to the Directive. This should also include labels that are established by public authorities, to ensure a level playing field and strengthen the proposal's effectiveness.

The involvement of independent third parties reduces non-conformities and fraud associated with products and labelling by:

- Confirming the validity of environmental claims.
- Increasing consumer confidence that labelled products meet their claims.
- Improving the ability to compare between products and thereby reducing "search costs" for consumers.
- Promoting fair competition between producers, resulting in reducing costs and increasing the sustainability of products.

Existing research on the legitimacy of labels based on self-declaration of conformity shows that their potential impact is often undermined by high levels of non-compliance and fraud. The European Court of Auditors, for example, <u>found</u> that non-compliance undermined the success of the Energy Labelling and existing Eco-Design measures, causing a potential loss of energy equal to 174.8 TWh/year, which roughly corresponds to the total electricity consumption of Sweden and Hungary combined.

At the same time, TIC Council considers that ensuring a level-playing field for labelling is important and positive for the whole economy. For this reason, we recommend that sustainability labels established by public authorities be subject to the same rules than private labels so that labels established by public authorities are also subject to independent third-party assessment.

2. Alignment to international standards

TIC Council considers that alignment of EU legislation with available international standards could enhance its impact and contribute to a better implementation throughout the single market.

For this reason, we consider that the definition of "certification scheme" (Article 1(1), point (s)) should be aligned with the definition of "conformity assessment scheme" as provided by the EN ISO/IEC 17000:2020 in point 4.9. Similarly, all references to "certification scheme" should be replaced by "conformity assessment scheme".

The conformity assessment of sustainability labels can be based on different conformity assessment procedures, including verification, audit, inspection, testing validation and certification. We consider that using the wording "certification scheme" would limit the options available to market actors, thereby affecting the ability of conformity assessment bodies to best evaluate the validity of sustainability labels.

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3. Recognised conformity assessment bodies for trusted assessment

TIC Council recommends that only competent, impartial, and consistently operating bodies whose work is based on science-based standards - which are established as legal entities - be allowed to carry out conformity assessment procedures related to certification schemes for sustainability labels. For this reason, we consider that conformity assessment bodies should be recognised by public authorities, through accreditation or professional credentials or peer evaluation, to check the validity of the sustainability labels.

We consider that recognised conformity assessment bodies have the necessary impartiality, international presence, technical expertise and capacity to conduct thorough conformity assessment. Without these requirements, conformity assessment could be carried out by non-professional conformity assessment bodies. This could lead to biased assessment and jeopardise the objective of the Directive.

4. Sound schemes in support of sustainability labels

TIC Council considers that the schemes foreseen by the Directive for the awarding of sustainability labels should be based on a sound and specific set of rules, including technical requirements and procedures. This would contribute to ensuring that sustainability labels demonstrate genuine and specific product characteristics. Weak schemes, not built around strict measurements and metrics, would lead to awarding sustainability labels to broader categories of products, thus diluting the effectiveness of the labels.

We consider private and public labels to offer advantages for consumers, who can easily recognise them and understand the information they provide on sustainability of products.

Weak or unsubstantiated labels confuse consumers and weaken their trust in the entire labelling ecosystem, discouraging and preventing consumers to make more sustainable choices.

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TIC Council is a global association representing over 100 international independent third-party testing, inspection, certification and verification organisations. Testing, Inspection and Certification (TIC) companies cater to a diverse range of industry sectors and a variety of standards and legislation. The industry represents an estimated one million employees across the world with annual sales of approximately USD 200 billion. For further information please see the <u>Report on the TIC sector</u>.

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