



Chambers Ireland Submission to the Department of Enterprise, Trade and Employment and the Department of the Environment, Climate and Communications on the call for views in response to the proposal for a directive on empowering consumers for the green transition

February 2023

About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs). Accordingly, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), gender equality (SDG 5), industry, innovation and infrastructure (SDG 9) and climate action (SDG 13).¹

In the context of the current consultation and empowering consumers for the green transition, SDG 13 on climate action is most relevant and is the reason why Chambers Ireland is making this submission.

¹ The Chambers Ireland SDGs. Available at: <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>

Chambers Ireland's Perspective

Chambers Ireland welcomes the open consultation being carried out at an Irish level by the Department of Enterprise, Trade and Employment and the Department of the Environment, Climate and Communications on the proposed EU Directive to empower consumers for the green transition. We welcome the opportunity to submit a response and to have the voice of businesses across Ireland heard on how these new EU rules could be implemented.

In upholding the Sustainable Development Goals Chambers Ireland, along with its Network of Chambers, are keen supporters of the circular economy and have made a number of relevant submissions on the topic over the past few years². We have asserted in these submissions that the circular economy provides the chance for businesses to reduce costs, improve raw material supply chains and increase opportunities to diversify into new business models and markets, thus attracting a variety of new customers. It also allows for a resilient economy; with greater reuse, a circular economy does not need the same volume of inputs, and this reduces the impact of supply shocks.

Chambers Ireland is very supportive of promoting a circular economy and embedding sustainable practices at all levels of society, from the individual, right up to government. A just transition is one that sees society move towards a climate-neutral economy in a fair way that benefits everyone and leaves no one behind. Businesses have a very important role to play in the just transition and leading the way on sustainability.

² [Chambers Ireland response to the general scheme of the Circular Economy Bill 2021](#)

[Chambers Ireland submission to the Department of Environment, Climate & Communications on Ireland's First Whole of Government Circular Economy Strategy](#)
[Chambers Ireland Submission to the Department of Communications, Climate Action & Environment on the development of a Waste Action Plan for a Circular Economy](#)
[Chambers Ireland submission to the Department of Environment, Climate and Communications on potential models of a Deposit Return Scheme for Ireland](#)
[Chambers Ireland submission to the Department of Communications, Climate Action and Environment on the Proposed Introduction of New Environmental Levies](#)
[Chambers Ireland submission to the Department of the Environment, Climate and Communications regarding the consultation on draft regulations to introduce an environmental levy on single-use disposable cups](#)

The proposals at hand involve amending two EU Directives that are currently in force and which relate to consumer rights and unfair commercial practices, as well as introducing a new EU Directive. The proposed changes will impact both consumers and businesses. For consumers, the overall goal is to empower them to make more informed, sustainable purchasing decisions. For businesses, this means that they will be subject to stricter obligations relating to their commercial practices.

Chambers Ireland have a number of concerns and considerations that we will outline below.

The rapid evolution of environmental standards and policies is proving difficult for businesses of all levels to keep track of and comply with accordingly. Measures taken under the European Green Deal are rapidly accelerating the European Union's coordinated move to net-zero emissions of greenhouse gases by 2050. However, the regulatory burden on businesses and, in particular, SMEs is significant.

A key component of the green deal is to 'leave no one behind' and ensure a just transition that is fair and equitable across all levels of society. SMEs are restricted in terms of resources and capacity to understand and implement new environmental standards. In particular, the measures relating to commercial guarantees of durability and information surrounding the reparability of products may be particularly onerous, as they will require businesses of all levels to take significant action across their manufacturing and marketing processes in order to ensure compliance, and it may also give rise to the need for increased after-sales services and customer support.

We acknowledge that there has been a thorough programme of consultation through evaluations, stakeholder consultations and impact assessments, however, businesses were clear

with their concerns about the proposals, particularly around the costs of implementation and the regulatory burden. Despite this, we would like to point to the 2017 fitness check results of the EU Consumer and Marketing Law and the Consumer Rights Directive, which found that the key priorities were to improve awareness and enforcement of the current rules, to make the best of the existing legislation, and to introduce a limited range of necessary changes due to digitalization. Would harmonization of the current rules and an intensive, ongoing campaign to raise awareness be a more effective and efficient means of introducing these proposals?

As outlined in the proposals, a Commission study was carried out across the EU that assessed 150 environmental claims and found that 53% of them provided vague, misleading or unfounded information on products' environmental characteristics. There is a big difference between businesses that intentionally set out to mislead consumers about the green credentials of their products or services and businesses that may, in good faith, make claims that cannot wholly be substantiated.

The Advertising Standards Authority of Ireland (ASAI) already implement a code of compliance for environmental claims in advertising. The code differentiates between 'absolute' environmental claims, which should be supported by a high level of substantiation, and 'qualified' environmental claims, which are acceptable where the product provides an improvement in environmental terms and can be capable of substantiation. We do not want to see small businesses being punished with fines where they inadvertently use the term 'eco' on their products for example and are unable to meet the threshold of providing 'recognised excellent environmental performance'. If the threshold becomes too high for businesses to meet, it may just deter them altogether from championing their sustainability and promoting their positive environmental actions out of fear of enforcement.

We welcome the move to create a standardized framework which sets out to define when an environmental claim is misleading and, therefore, prohibited. Where this framework is clear, robust and unambiguous, it should provide more legal certainty to producers to confidently assert environmental claims where they meet the relevant criteria. However, we would like to see the implementation of these new rules being introduced on a phased basis and that enforcement powers be introduced over time to allow businesses to get to grips with the changes, understand their obligations, alter their commercial practices as required, and ensure compliance.

We welcome the consumer-focused aspect of the new proposals. Empowering consumers to make better decisions about the products they buy and consume is an important step in ensuring that sustainable action is taken across all levels of society, from the individual to government level. If consumers can confidently choose products that are more sustainable, this rewards companies that are doing the right thing, drives competition around greener products, and can shift whole sectors and markets toward sustainability, which is a positive driver under the green transition.

Overall, we welcome the proposals which aim to empower consumers to be a part of the green transition and which should ensure that businesses can become more accountable and either capitalize on their existing sustainable practices or be encouraged to do more and take action in this space for the benefit of their business going forward.