European Tech Alliance

Position Paper on Empowering Consumers for the Green Transition

November 2022

The European Tech Alliance (EUTA) fully supports the EU's green transition ambitions. As European tech companies, we share the view that a circular and green EU economy can enhance Europe's competitiveness in today's challenging global environment.

We welcome the European Commission's proposal to empower consumers for the green transition. We strongly believe that providing the consumer with relevant and trustworthy information is key in engaging the consumer in more sustainable consumption behaviour. At the same time, there are some areas where the proposal could be improved or clarified to ensure that both industry and consumers can fully play their role in the green transition.

Allow industry sustainability labels to play their role in the green transition

Consumers should be able to trust sustainable labels. The EUTA supports the objective of addressing greenwashing and is in favour of introducing certain requirements to ensure the reliability, independence and transparency of sustainable labels. This can give industry much needed legal certainty that quality industry initiatives, based on robust methodologies and validated by recognised international bodies, can co-exist alongside public authorities' labels.

At the same time, we are concerned that the current discussions focus on goods, thereby overlooking the impact of provisions on sustainability labels on services. As a horizontal piece of legislation, it is important to pay equal attention to the impact of the proposal on both goods and services.

The current definition of a "certification scheme" seems to endorse a one-size-fits-all approach to goods and services certifications' verification methods. This risks disregarding quality industry initiatives that promote truly sustainable choices towards consumers. Assessing and verifying sustainability for services presents different challenges than doing so for goods. For instance, while a large number of goods may be manufactured in one location, the same does not apply for services such as accommodation. In our view, the proposal should take these differences into account and allow room for proportionate, innovative and scalable verification methods, such as user verified content and control group audits, that might be more suitable to a services context as well.

Similarly, it would be useful to clarify the concept of an "independent monitoring system", which is referred to in Article 1(2)(b) amending Article 6.2(d) of the Unfair Commercial Practices Directive. Beyond third-party auditing approaches, other independent monitoring tools that empower consumers and are technology driven should be recognised as valuable. It would also ensure future-proof legislation.

Recognise the role of each actor in the value chain

Consumers should have access to reliable information on products' environmental characteristics. To translate this aspiration into reality, it is necessary to acknowledge the nature of today's business ecosystem: There are many channels through which consumers might buy a product (e.g., retailers, distributors, intermediaries, hybrid, refurbished or second-hand platforms). Some have direct access to the product and its information (including environmental characteristics), while some rely on manufacturers to provide the details and others do not have access to such information.

We therefore welcome that in line with the Unfair Commercial Practices Directive (Directive 2005/29/EC) and the Consumer Rights Directive (Directive 2011/83/EU), the proposal acknowledges that traders and sellers remain best placed in the value chain to provide relevant information to consumers. Generally, any measures introduced should also be aligned with the Digital Services Act (DSA, Regulation 2022/2065). The DSA clearly sets out that providers of online platforms allowing consumers to conclude distance contracts with traders shall ensure that their online interfaces are designed and organised in a way that enable traders to comply with their obligations regarding pre-contractual information, compliance and product safety information under applicable Union law.

Ensure consumer awareness, not information overload

The information displayed to consumers should remain relevant and useful to empower them to make their choice and enable informed decisions.

It is important to be mindful of the risk of information fatigue, which can then lead to adverse results and disengage consumers. Therefore, the new rules should be balanced, proportionate and effective in their requirement to inform consumers. On the one hand, they should provide sufficient and proportionate information helping the consumer to make an informed decision, and on the other hand, not overload the consumer with information.

We also believe that an overly prescriptive approach to the display of information to consumers should be avoided. In our view, legislation should leave flexibility to digital service providers to define the details of displaying the required information to consumers, considering that each interface is specific to the product and services provided.

## Clarify some concepts and align them with other EU initiatives

In order to ensure clarity in the text, we would welcome clarifications on the concept of "environmental and social impact", which is referred to in the UCPD newly proposed Article 6.1(b). It should align with the proposal for a new Ecodesign for Sustainable Products Regulation (ESPR) – COM(2022) 142 final, and especially Article 2(14), which at this point does not include a "social" component.

In addition, we would appreciate further clarity on the UCPD newly proposed Article 6.2 (e) and the notion of "advertising benefits for consumers that are considered as a common practice in the relevant market". Policymakers should explain what factors would lead to "benefits" being viewed as "common practice in the relevant market".

Clarifications to the concept of "sustainability information tool" and whether sustainability filters used in interfaces fall under this category would also be useful.

The European Tech Alliance truly believes that to achieve the EU's sustainability objectives, both industry and consumers need to be onboard. With this paper, we wish to contribute meaningfully and constructively in the discussions on the proposal to ensure that the final legislation presents a balanced framework that works for businesses and empowers consumers.
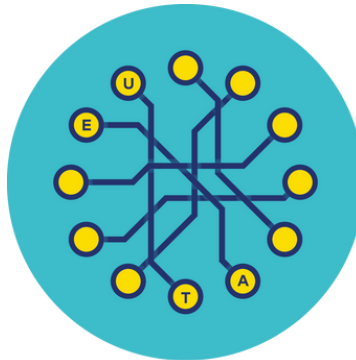
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About the EUTA

The EUTA gathers major European digital champions and scaleups successfully built across Europe, with a total of 36 companies from 16 European countries.

Our objective is to create a better future for Europe through technology and based on shared EU values: we aim to contribute to our local economies and build a sustainable, greener, innovative and inclusive Europe for future generations.

With the right legal framework and policies that enable innovation and fair competition for all players, Europe can continue to prosper and produce more global European digital champions in the future.

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