

New EU legislation tightens sustainability reporting and clamps down on greenwashing

2 years ago



New EU legislation – the Corporate Sustainability Reporting Directive (CSRD) and the EU Green Claims Directive – is to tighten sustainability reporting and combat greenwashing. The purpose of the legislation is to enhance transparency, accountability and sustainability in business practices.

All UK businesses with operations or a market presence in the EU are affected.

[The Cleaning & Hygiene Suppliers Association](#)'s (CHSA) has published a Fact Sheet, explaining the legislation and its implications for manufacturers and distributors in the cleaning and hygiene industry.

The CSRD increases transparency, mandating detailed reporting on sustainability risks, opportunities and impacts using a double materials approach. This means it considers the impact on the company and its external effects on society and the environment. The CSRD is to be implemented in phases, the final group – listed small and medium-sized enterprises – needing to comply from 1 January 2026. The penalties for non-compliance, which will vary by member state, will include fines, reputationally-damaging public disclosure and civil liability for damages.

The EU Green Claims Directive is aimed at ensuring environmental claims made by businesses are accurate, verifiable and transparent. To be compliant, companies must use clear, evidence-based criteria to substantiate their environmental claims. Environmental claims must be verified by independent, accredited third-party organisations before they can be made public. There must be transparency in labelling and new rules to ensure both public and private environmental labelling schemes are solid

transparent and reliable.

For more information, review the CHSA's new Fact Sheet on its website.

The CHSA

Every member of the CHSA has signed its rigorous Code of Practice, which demands members trade ethically. Amongst other stipulations, it requires members to:

- Conduct business dealings in an open, honest, fair and proper manner and in accordance with the laws, rules and regulations of the UK and EU.
- Ensure all public statements made by and on behalf of the Member are decent, honest and truthful.
- Ensure no false or exaggerated claims are made verbally, in literature, electronically or in any other way.
- Hold and provide evidence on request for product and service claims, particularly with reference to legislation, certifications and accreditations.

The CHSA Code of Practice also includes the Competition & Market's Authority's Green Claims Code. Its principles are summarised as:

- Claims must be truthful and accurate.
- Claims must be clear and unambiguous.
- Claims must not omit or hide important relevant information.
- Comparisons must be fair and meaningful.
- Claims must consider the full life cycle of the product or service.
- Claims must be substantiated.

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