



## **IETA Statement on the EPP Call to Withdraw the EU Green Claims Directive Proposal**

20 June 2025

IETA acknowledges the recent [call](#) by the EPP Group to withdraw the proposal for the EU Green Claims Directive. We understand the concerns raised regarding the complexity and potential unintended consequences of the current text, and we share the view that clarity and coherence are essential for effective implementation.

However, companies across Europe and beyond are looking for clarity on the responsible use of carbon credits in corporate environmental claims. The absence of clear, harmonised rules has left a regulatory gap, creating uncertainty for businesses striving to communicate their climate contributions in a credible and transparent manner.

The upcoming trilogue negotiation scheduled for 23 June offers a final opportunity to deliver a Directive that sets actionable guardrails for climate-related claims—supporting both environmental integrity and corporate ambition.

On behalf of over 320 global companies operating in the carbon market ecosystem, represented by IETA, the International Emissions Trading Association, we urge trilogue negotiators to:

- 1. Remove the link to disclosure requirements in the European Sustainability Reporting Standards (ESRS).**

We support the commitment to uphold transparent and accurate disclosure requirements. However, we recommend removing explicit references to the ESRS, as these rules are still being revised as part of the Sustainability Omnibus procedure.

- 2. Ensure that companies can use emission reduction and removal credits for their compensation claims to drive the climate ambition we need today.**

These claims should not be limited to the residual emissions of a company. Such a restriction does little to protect EU consumers and may only pull the brakes on corporate decarbonisation.

- 3. Allow companies to use nature-based and engineered carbon removal credits for compensation claims.**

The Green Claims Directive should encourage the scale-up of both, much needed types of removals to help companies deliver net zero alongside robust and sustained efforts to reduce emissions in line with the mitigation hierarchy.

**4. Encourage the scale up of high-integrity removal credits certified under the EU Carbon Removals Carbon Farming (CRCF) Regulation and independent and international crediting programmes.**

We ask that the types of eligible credits under the Green Claims Directive is not limited to credits certified under the EU CRCF.

If negotiators can deliver a balanced outcome aligned with these principles, the Directive can establish clear and effective rules for the use of carbon credits in corporate climate claims, enabling companies to decarbonise in line with the pace needed to achieve the Paris Agreement goals and drive the ambition required to meet the EU's climate targets.

For more information, please see our full position [here](#) and visit [www.ieta.org](http://www.ieta.org).