

Preparing for the Empowering Consumers for the Green Transition Directive

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This Debevoise In Depth gives an overview of the EU’s Empowering Consumers for the Green Transition Directive (the “ECGTD”), which makes important changes to the rules on how companies make environmental and other sustainability claims in relation to products or services sold to individual consumers, and changes to consumer rights in relation to the durability and repairability of certain products.

We discuss how companies should prepare to comply with the ECGTD, which will apply from September 2026.

What Is the ECGTD?

The ECGTD is key to the EU’s ongoing efforts to prevent greenwashing in the sale of products to consumers, with greenwashing defined as making false or misleading claims about the sustainability credentials of a product or service.¹ To achieve its aims, which are to empower customers for the green transition through better protection against unfair practices and through providing better information to customers, the ECGTD amends two existing consumer protection laws, the Unfair Commercial Practices Directive (“UCPD”), to regulate misleading environmental claims and sustainability labels, and the Consumer Rights Directive (“CRD”), to improve the information to consumers given on guarantee rights and the repairability of the products they purchase. The European Commission (the “Commission”) has released [FAQs](#) on the ECGTD in June 2026 to aid interpretation.

Member States must apply the ECGTD in their national law from 27 September 2026.

¹ The ECGTD was originally intended to be one of two EU greenwashing laws, the other being the “Green Claims Directive.” The European Commission adopted a proposal on this in 2023 and announced its withdrawal in June 2025. The Green Claims Directive remains on the Commission’s agenda for 2026, although it is unclear whether this will proceed.

Are Financial Services and Products Subject to ECGTD?

The UCPD, as amended by the ECGTD, is capable of applying to financial products and services which are sold to individual consumers. However, EU rules which govern financial products and services, in particular the Sustainable Finance Disclosure Regulation (“SFDR”), which governs financial products’ sustainability claims, and the general conduct of business rules in the Markets in Financial Instruments Directive (“MiFID”), in particular for all communications to be fair, clear and not misleading, will prevail over the UCPD’s rules. Given the body of EU law now governing sustainability claims in financial products, it is unlikely that supervisors will apply the ECGTD as a means to enforce greenwashing claims in financial products.

Which Companies Are in Scope?

The ECGTD does not alter the scope of either the UCPD or CRD. The UCPD, as amended, applies to any company with “commercial practices” aimed at consumers, which are commercial communications, including advertising and marketing, or courses of conduct, connected with the promotion, sale or supply of a product to consumers. Commercial practices can be conducted before, during or after a consumer enters into a transaction with the company in scope.

As the UCPD, as amended by the ECGTD, only applies to commercial practices, it does not include mandatory claims made to fulfil a legal requirement, so reports under the Corporate Sustainability Reporting Directive are out of scope. The Commission’s FAQs note that, if a company uses information from its sustainability report in voluntary advertising or market directed at consumers, these types of communications are in scope.

The CRD applies to all contracts concluded between businesses and individual consumers.

Which Claims Are Covered?

As above, the ECGTD applies to unfair commercial practices made by businesses to consumers, including to communications relating to the sustainability characteristics of a product or brand. It applies to any type of environmental or social claim relating to a product which may be misleading, such as the product’s contribution to a low-carbon economy, which will now need to be explained in an implementation plan, or the

durability or recyclability of a product, or the use of generic environmental claims, such as “climate friendly” or “green.”

The CRD applies to contracts between consumers and traders for the provision of goods or services, specifying pre-contract information, withdrawal rights, rules on delivery and risk and protection against hidden charges. The ECGTD amends the CRD to ensure that traders provide consumers with information on the existence of durability guarantees, software update periods, repairability and spare-parts availability, to promote more sustainable purchasing decisions.

What Are the Key Changes Under the ECGTD?

Unfair Commercial Practices Directive

The UCPD prohibits “unfair” commercial practices in the sale of a product (comprising any good or service), which are considered either misleading (containing false information, or omitting material information, about a product in its marketing) or aggressive (such as using undue influence on the consumer), limited to sales to individual consumers.

The ECGTD expands the definition of misleading practices to include false information in relation to products about their environmental or social characteristics, including making environmental claims about future environmental performance (such as transition to carbon or climate neutrality) without clear and objective commitments set out in a detailed implementation plan, which is regularly verified by an independent third-party expert,² and advertising sustainability benefits to consumers that are irrelevant and do not result from any feature of the product. Under the ECGTD changes, where a trader compares products and provides consumers with information on the environmental or social characteristics or circularity aspects of different products, it must provide information on its method of comparison and keep that information up to date. Traders must conduct a case-by-case assessment of any environmental or social claim to assess the risk of it being considered misleading.

The scope of environmental claims is broad, and includes messages or representations in any form, including text, pictorial, graphic or symbolic, such as labels, brand, product or company names, which state or imply that a product, product category, brand or trader has a positive or zero impact on the environment or is less damaging to the

² The Commission FAQs state that the third-party expert should be free from conflicts of interest and possess experience and competence in environmental issues. “Regular” verification means annual or biennial, or if significant changes occur.

environment than other products, product categories, brands or traders, or has improved its impact over time. The Commission FAQs state that “implies” could include the layout or choice of colours when marketing a product, and use of images such as trees or green colours could be an implicit environmental claim in this context. Hence, companies should exercise caution when using icons, symbols or images that could be perceived as implicit environmental claims. There is no exclusion for brand or product names protected under intellectual property rights. An environmental claim will be considered as such if, as a whole, the product’s packaging, marketing and presentation is likely to lead the average consumer to believe the product or brand has a positive or zero impact on the environment.

The UCPD includes a list (in Annex I) of commercial practices which are considered intrinsically unfair and hence automatically prohibited, such as displaying a trust mark without prior authorisation. The ECGTD amends the list of commercial practices, to include (i) displaying a sustainability label on a product where the label is not based on an established third-party certification scheme³ or has not been established by a public authority; (ii) making a generic environmental claim about an entire product or business when the claim concerns only an aspect of the product or business; and (iii) making claims about a product or service, such as a flight, being carbon neutral or positive which is based on offsetting greenhouse gas emissions, rather than on the actual emissions of the product.

In addition, the ECGTD prohibits “generic environmental claims,” which are environmental claims where the specification of the claim is not provided in clear and prominent terms – such as that a product is “environmentally friendly,” “green,” “energy efficient” or “biodegradable,” unless the company can demonstrate “recognised excellent environmental performance.” To demonstrate this, the product must comply with either: (i) the EU’s separate Ecolabel Regulation – for example, a generic claim concerning furniture recyclability must meet the EU Ecolabel criteria for the “Furniture and Bed Mattress” product group; (ii) national or regional EN ISO 14024 type 1 ecolabelling schemes officially recognised in EU member states (for example, Nordic Swan, Blue Angel or the Dutch Ecolabel); or (iii) the top environmental performance for a specific environmental characteristic in accordance with other EU laws, for example, the Energy Labelling Regulation. Non-generic claims which are accompanied by clear and prominent specifications, such as a claim that 100% of the energy used to produce

³ A recital to the ECGTD states that companies should, before displaying a sustainability label based on a third-party certification scheme, ensure that it meets minimum transparency and credibility standards, including objective monitoring of compliance with the scheme, which should be carried out by a competent and independent third party.

the product comes from renewable sources, are not considered to be “generic” and are not subject to this requirement.

Consumer Rights Directive

As above, the ECGTD’s changes to the CRD introduce requirements for traders to disclose information to consumers on product durability, repairability and conformity, to support improvements to the EU circular economy.

Under the existing CRD, consumers benefit from a legal “guarantee of conformity,” for at least two years (and longer in certain Member States) where goods are defective or do not function as intended, entitling the consumer to remedies such as repair, replacement and, in some cases, a price reduction or refund. The ECGTD does not change the substance of the guarantee of conformity, but requires traders selling goods to consumers to display a standard, EU-wide harmonised notice which sets out the main elements of the guarantee of conformity and which traders must show in a prominent manner at point of sale.

In addition, where a producer of a good offers a “commercial guarantee of durability,” meaning a voluntary guarantee, at no additional cost to the consumer, covering the entire good and lasting more than two years and communicates this information to the trader, the ECGTD requires this to be communicated to consumers using a separate harmonised label. The design and content of the harmonised notice and harmonised label are established under a separate EU law.

Separately, the amended CRD also requires traders to provide a “repairability score” for goods, which expresses a good’s capacity to be repaired, based on harmonised EU requirements. As this is product-specific and will apply when the EU has adopted harmonised repairability-score requirements for the goods in question, it does not yet apply in practice to many product categories. Traders may also have to give consumers other durability- and repairability-related information, for example, the availability and estimated cost of spare parts and the minimum period for which software updates will be provided, but only to the extent the producer has made that information available to the trader.

What Are the Sanctions for Companies in Breach?

The ECGTD does not introduce any new penalties and relies on the existing enforcement regimes under the UCPD and CRD, which give Member States discretion to set their own penalties for breaches.

What Are the Practical Implications for Companies, and How Can Companies Prepare and Mitigate Risk?

Although making misleading claims on environmental and social considerations is already covered by the existing provisions of the UCPD, under its general prohibition on making misleading claims, the ECGTD defines businesses' obligations with regard to consumer-facing environmental and social matters and is a key step in the EU fight against greenwashing. In practical terms, EU companies should revisit how they substantiate and present consumer-facing environmental and social claims across their products and services.

If a company wishes to re-use a claim from a report that it is required to publish, such as from its corporate sustainability reporting, in a consumer-facing context, it should ensure that this claim is accompanied by clear specifications and context, given the ECGTD's prohibition of generic claims. Companies should also consider changes to their compliance mechanisms, in particular the case-by-case assessment requirements referred to above.

Companies can begin to prepare well in advance of the 27 September 2026 application date by establishing governance arrangements for claims sign-off; checking all consumer-facing communications to identify and withdraw or re-substantiate noncompliant claims; building robust evidence and documentation for claims; reviewing product design to avoid early-obsolescence features; engaging suppliers to secure primary data and certifications; and training relevant teams on the new prohibitions.

In practice, companies should start by checking all consumer-facing communications, including packaging, advertising, websites, social media and point-of-sale materials, to identify environmental and social claims and any sustainability labels currently in use. Each claim should be assessed against the ECGTD's requirements: generic claims must be withdrawn or replaced with specific, substantiated statements; future-performance claims must be supported by implementation plans with measurable targets and third-party verification; and any sustainability labels not based on an approved certification scheme should be removed. Where claims are retained, companies should build and maintain a file containing the underlying evidence, methodology and any third-party assurance, so that claims can be defended if challenged by regulators, competitors or consumer groups.

Companies should also embed ongoing compliance into their operating model. This includes establishing clear internal approval workflows for new claims, with sign-off from legal, compliance, sustainability and marketing functions before any consumer-

facing communication is published. Supply-chain engagement is also important: companies should work with suppliers to secure the primary data, certifications and traceability needed to substantiate claims, and consider updating supplier contracts to include representations, audit rights and indemnities relating to environmental information. Finally, companies should monitor national transposition across the Member States in which they operate, as variations in timing, scope and penalty levels may require tailored approaches. Treating compliance as an ongoing exercise rather than a one-off project will help companies respond to regulatory developments and maintain defensible claims over time.

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