Talk Green, Walk Green

Why Companies Must Rethink Their Sustainability Communications Now

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With the transposition of Directive (EU) 2024/825 on empowering consumers for the green transition (**EmpCo**), significantly stricter requirements for corporate sustainability communications will apply across Europe from 27 September 2026. Green claims will come under considerable pressure to be substantiated, while competitors, consumer protection organisations and authorities will gain additional grounds for challenge.

Key Changes

The new requirements cover all commercial communications, from advertising statements and product descriptions to packaging, labels and graphic elements.

Generic Environmental Claims: One Strict Standard for All

Particularly strict requirements apply to generic environmental claims such as "environmentally friendly", "green", "climate neutral" or "renewable". Going forward, such claims will only be permissible where the trader can demonstrate recognised excellent environmental performance relevant to the claim. Environmental advantages must be described in concrete and prominent terms on the same medium, substantiated in a verifiable manner and limited to their actual scope. A claim must not create the impression that it relates to the entire product or the trader's entire business where the environmental advantage in fact only concerns a specific component, a particular production step or another limited aspect.

Particular caution is required with climate neutrality claims. The previously widespread practice of marketing products as "climate neutral" solely based on financing climate protection projects is no longer permissible. Companies may still reference their engagement in climate projects but must clearly separate such statements from claims about the actual environmental impact of the product.

Future Commitments Require a Solid Foundation

Claims about planned environmental performance are also subject to stricter regulation. Any company that promises climate neutrality or other sustainability targets must have a concrete implementation plan with measurable interim targets and independent verification. Non-binding declarations of intent will no longer suffice.

Self-Created Sustainability Labels Under Pressure

Sustainability labels will generally only remain permissible if they are established by public authorities or based on a recognised certification scheme with independent oversight. Company labels without external verification will be significantly restricted.

"Social Washing“ Also in the Crosshairs

The EmpCo Directive is not limited to environmental claims. Misleading statements about social characteristics of a product or a trader’s business activities can also be pursued as unfair commercial practices. Companies advertising fair working conditions, social responsibility or ethical supply chains must be able to substantiate these claims just as rigorously as environmental ones.

No Advertising with Self-Evident Compliance

It will no longer be permissible to highlight legally mandated requirements as special product features. Advertising that a product is "EU-compliant" or "meets all legal safety requirements", where this applies to all products in the same category on the EU market, constitutes an unfair commercial practice.

Implementation Through National Law

As an EU directive, EmpCo does not apply directly. Each Member State must transpose its requirements into national law, typically by amending existing unfair competition or consumer protection legislation. While the Directive sets a common baseline across the EU, Member States may differ in their transposition, e.g. in the specific statutory provisions, enforcement mechanisms and penalty regimes. In Germany, for example, the requirements have been transposed through the Third Act Amending the Act against Unfair Competition ***(UWG)***, introducing new definitions in section 2 UWG, adjusting the general provisions on misleading practices in sections 5 et seq. UWG and expanding the so-called "black list" in the Annex to section 3(3) UWG with new commercial practices that are deemed unfair in all circumstances.

While some Member States such as Germany, Italy, Romania and Slovakia have already completed their transposition, others have not yet finalised the legislative process. Even where transposition is still pending, the 27 September 2026 deadline is not without legal significance: although a directive does not create direct obligations between private parties, national courts must interpret existing law in conformity with the directive from the transposition deadline onwards. Companies should therefore not assume that incomplete transposition eliminates the risk of exposure to the new standards.

Who Is Affected

The requirements are aimed at all companies that market and sell products or services to consumers in the EU (B2C) and that use environmental, sustainability or social claims in doing so. However, the effects will also be felt along supply and distribution chains (B2B), as business partners will increasingly scrutinise the permissibility of the claims being used.

Consequences of Non-Compliance

Infringements of the new requirements can entail significant consequences. Enforcement mechanisms differ by Member State: in some jurisdictions, competitors and trade associations bring most challenges; in others, consumer protection authorities take the lead. In Germany, for example, competitors and associations may seek injunctive relief and, where applicable, damages (sections 8, 9 UWG). The amended German UWG also introduces administrative fines of up to EUR 50,000 and, in EU-wide coordinated enforcement proceedings, fines of up to 4 % of annual turnover generated in the Member State concerned (section 19 UWG). Across all Member States, significant reputational risks arising from public greenwashing allegations add to the legal exposure.

Time to Act

The new requirements apply from 27 September 2026. The Directive does not provide for transitional periods and most Member States have not introduced any in their transposition laws. This means that ongoing advertising campaigns, packaging and other communications intended to be used beyond the application date might also be affected. Companies should therefore promptly conduct an inventory of their environmental and sustainability claims, review existing evidence for their robustness and adapt internal approval processes to the new requirements.

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BLOMSTEIN will keep you informed of further developments. For advice and any questions on EmpCo or other ESG topics, please do not hesitate to contact Bruno Galvão, Dr. Florian Wolf, Juliana Wimmer and the entire team.

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