

Insights

THE EU'S NEW GREEN CLAIMS REGIME: HOW DOES THIS AFFECT HOW YOU TALK ABOUT YOUR ENVIRONMENTAL CREDENTIALS?

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27 March 2026 marks the deadline for EU Member States to implement the EU's [Empowering Consumers for the Green Transition Directive \(GTD\)](#), which will then have effect in the EU from 27 September 2026. Whilst some of the more ambitious elements of the EU's Green Deal have been toned down or are currently parked (with progress on the Green Claims Directive ([GCD](#)) now stalled), businesses should be readying themselves for the GTD's new rules. Ambitious green transition targets embodied in the EU's Green Deal have drawn the spotlight on how businesses can support these targets and embed greener practices in their business models. However, businesses must be seen to 'walk the walk' and not just trumpet their alleged green credentials. Environmental communication is thus becoming a balancing act that companies must learn to manage to avoid increasing compliance risks.

These changes reflect concern about the impact on consumers of misleading green claims. A 2020 [European Commission study](#) highlighted that 53.3% of environmental claims examined in the EU were found to be vague, misleading or unfounded and 40% were unsubstantiated. The absence of common rules for companies making voluntary green claims is felt to have resulted in an increase in 'greenwashing' and created an uneven playing field in the EU, to the detriment of companies operating genuinely environmentally sustainable business models.

WHAT DOES THE GREEN TRANSITION DIRECTIVE DO?

The GTD clarifies EU requirements for environmental claims, and introduces major changes for a series of claims that will now be prohibited if companies are unable to substantiate them. It does this by making it clear that providing misleading environmental claims or omitting material information about a product's green credentials will be an unfair commercial practice, under EU consumer law, by amending Directive 2005/29/EC (unfair business to consumer commercial practices). Whilst existing EU law had established criteria for assessing the legality of environmental claims, requiring that these claims must be truthful and must not contain false information and be presented in a clear, specific, accurate and unambiguous manner, the GTD

expressly provides that the misleading commercial practices regime applies to environmental claims.

The GTD also includes a series of commercial practices which will be automatically unfair, including:

- the display of a sustainability label that is not based on a certification scheme or not established by public authorities;
- making a generic environmental claim which cannot be substantiated;
- making an environmental claim about the entire product or the entire business when it relates only to a certain aspect of the product or a specific activity;
- claiming, based on the offsetting of greenhouse gas emissions, that a product has a neutral, reduced or positive impact on the environment in terms of greenhouse gas emissions; and
- making false claims about the durability or repairability of a product or inducing the consumer to replace or replenish the consumables of a good earlier than necessary for technical reasons.

The GTD defines “environmental claim” as ‘any message or representation which is not mandatory under Union or national law, in any form, including text, pictorial, graphic or symbolic representation, such as labels, brand names, company names or product names, in the context of a commercial communication, and which states or implies that a product, product category, brand or trader has a positive or zero impact on the environment or is less damaging to the environment than other products, product categories, brands or traders, or has improved its impact over time’.

The GTD also updates the list of product characteristics about which a trader must not mislead a consumer by including ‘environmental impact’ but also ‘social impact’, ‘sustainability’, ‘repairability’ and ‘recyclability’. It also amends Directive 2011/83 requiring improved levels of information to be provided about repairability and durability of products within the scope of the directive.

While case law will ultimately define the scope of practices that are prohibited or deemed to be misleading, the GTD introduces a paradigm shift by creating a presumption of illegality for a series of environmental claims.

WHAT DOES THE GTD REQUIRE OF BUSINESSES?

The GTD covers all B2C commercial practices before, during and after a commercial transaction in relation to a product. It deals with sustainability labels which cover environmental or social aspects or both (and also extends the current list of automatically unfair commercial practices to include practices relating to product obsolescence and greenwashing) as well as mandating the provision

of certain pre-contractual information to consumers and prohibiting misleading environmental claims.

The GTD will prohibit the use of certain terms relating to the environment *unless* sufficiently substantiated. This extends to terms such as: 'carbon neutral', 'green', 'ecological' or 'environmentally friendly', 'eco', 'nature's friend' and 'environmentally correct', 'climate friendly', 'gentle on the environment', 'carbon friendly', 'energy efficient', 'biodegradable', 'biobased' or similar statements that suggest or create the impression of excellent environmental performance.

Businesses will either need to:

- i. substantiate the term used 'in clear and prominent terms on the same medium'; or
- ii. demonstrate a 'recognised excellent environmental performance in relation to the claim' (a performance complying with the EU Ecolabel Regulation, national or regional 'EN ISO 14024 Type I Ecolabel schemes' or 'the best environmental performance under other applicable provisions of EU law').

Importantly, the GTD reverses the burden of proof in the event of the use of so-called "generic claims". These claims will be prohibited unless they are accompanied by a 'specification in clear and prominent terms on the same medium' or the company is able to 'demonstrate recognised excellent environmental performance relevant to the claim'.

The GTD also prohibits claims about future environmental performance that are not based on clear, objective, publicly available and verifiable commitments" set out in a detailed and realistic implementation plan (verified by an independent third-party expert). This means that aspirational or forward-looking green claims cannot be made loosely or without robust, transparent underpinning.

The GTD will also prohibit the display of sustainability labels which are not based on a certification scheme. A certification scheme must comply with the following rules:

- i. be open under transparent, fair, and non-discriminatory terms to all traders willing and able to comply with the scheme's requirements;
- ii. its requirements must be developed by the scheme owner in consultation with relevant experts and stakeholders;
- iii. it must set out procedures for dealing with non-compliance with the scheme's requirements and provide for the withdrawal or suspension of the use of the sustainability label by a trader in case of non-compliance with its requirements; and
- iv. compliance monitoring must be undertaken (in accordance with an objective procedure) by a competent independent third party.

The GTD also requires that care is taken when a business provides a service which compares products or services on the basis of environmental or social characteristics or on circularity aspects, such as durability, reparability or recyclability. So where comparisons are made, information about the products which are the object of comparison and the suppliers of those products, the information about the method of comparison as well as the measures in place to keep that information up to date, shall be regarded as material information.

THE GCD – WHAT NEXT?

Whilst progress on the GCD has stalled, if adopted, it will tighten up the framework for environmental claims, and may require companies to support explicit environmental claims and labels used with 'independent, peer-reviewed, widely recognised, scientifically-based evidence', made publicly available by means of a web link, QR code, digital passport or other equivalent.

NATIONAL LAW VARIATIONS

As with all directives, EU Member States have some latitude in how they implement the new rules. To date, only a few countries have begun the implementation process.

In France, transposition of the GTD began in a November 2025 Bill (commonly referred to as the [DDADUE Bill](#)), which will make the necessary amendments to the French Consumer Code. The draft Bill was adopted by the French Senate on 18 February 2026 and referred to the French National Assembly on 20 February 2026. The DDADUE Bill has not yet completed the legislative process, but is expected to have effect in France from 27 September 2026. Pending adoption of the DDADUE Bill, French authorities have published a [practical guidance note](#) on the legal framework for combating greenwashing, which will be updated following the publication of the Commission's guidelines.

The GTD requires updates to the French rules on misleading commercial practices (*pratiques commerciales trompeuses*) under Articles L. 121-2 et seq. of the French Consumer Code, as well as the blacklist of practices that are automatically deemed unfair under Article L. 132-1 of the same Code. The new prohibited practices introduced by the GTD (the use of generic and unsubstantiated environmental claims, the display of non-certified sustainability labels, and claims of carbon neutrality based solely on offsetting) will need to be expressly incorporated into French law.

The French Consumer Code is amended to

- i. introduce a definition of “environmental claims”
- ii. strengthen pre-contractual information provided to consumers, and;

- iii. extend the concept of misleading commercial practices in relation to environmental claims. The French Environmental Code provisions relating to prohibited environmental claims concerning products and their packaging are also amended.

As the primary consumer protection regulator in France, the DGCCRF has already demonstrated strong enforcement activity in the area of greenwashing claims. Its guidance note signals that the regulator intends to actively enforce the new rules from the date of their entry into application. Businesses operating in the French market should therefore take note of the DGCCRF's stated enforcement priorities and ensure their environmental communications are compliant ahead of September 2026.

Fines for non-compliance with the new rules are determined by each EU Member State. Under existing French consumer law, misleading commercial practices are subject to criminal sanctions, including fines of up to €300,000 for legal entities – an amount that may be increased to 10% of average annual turnover (or 50% of the expenditure incurred in making the misleading communication) where the practice has caused particular harm to consumers. Final sanctions in France should be verified and confirmed once the Bill is enacted.

To note, from a UK perspective, whilst the UK's new Digital Markets, Competition and Consumers Act 2024 does not specifically cite misleading green claims as an automatically unfair commercial practice, it is clear that the UK's consumer law regulator considers the making of misleading claims is already prohibited, for example, where key environmental information is presented in a misleading fashion or is omitted. Doing so would expose a business to the risk of fines under the CMA's new civil enforcement powers, which includes the power to issue turnover-based fines of up to 10% of global turnover. To assist with compliance, businesses are directed to the CMA's [Green Claims Code](#) as well as its sector specific [guidance for fashion retailers](#) and its more recent [January 2026 supply chain guidance](#). The UK's advertising regulator has already issued a number of rulings about ensuring environmental claims are clear across the full product life cycle and has upheld complaints against a number of businesses who were unable to show the claimed environmental performance across the whole lifespan of the products concerned.

RECOMMENDED NEXT STEPS

- Identify all current green claims being used in your business and the current basis on which these are made;
- Identify any claims which are unlikely to be capable of substantiation and consider phasing these out;
- Consider which external verification bodies may be able to offer assistance in verifying those green claims you wish to stand behind and the documentation and information you will require to conduct a robust substantiation exercise;

- Consider the basis for any comparative environmental claims and keep detailed records about the method of comparison, the products which are the object of comparison and the suppliers of those products, as well as the measures in place to keep that information up to date;
- Educate marketing teams about the risks posed by ill-founded green claims (especially given risks of significant fines); and
- Consider supply chain reviews to monitor supplier performance, to the extent this feeds into claims made about your products or services.

RELATED CAPABILITIES

- ESG Litigation
- ESG & Energy Transition
- ESG Governance, Compliance and Reporting
- Retail & Consumer Products

MEET THE TEAM



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