ECGT Directive

Is your organisation ready?

The Empowering Consumers for the Green Transition (ECGT) Directive is the EU's new cross sector rulebook targeting greenwashing and social washing. It applies to all consumer facing products and services in the EU – irrespective of industry, business model, or market positioning.

By 27 September 2026 – following a six month grace period after the 27 March 2026 transposition deadline – every company operating in EU consumer markets must comply with these far reaching requirements. In practice, this means that vague, broad, or feel good sustainability language can no longer be used. Terms such as *"eco friendly", "green", "sustainable"*, *"responsible sourced", "climate neutral,"* or other generic environmental or social claims are prohibited unless backed by robust, verifiable evidence, or by a certification scheme that meets the ECGT's strict criteria.

With the ECGT introducing new "blacklisted" commercial practices that are automatically unlawful and substantially tightening supervisory expectations across the EU, the greenwashing and social washing risk profile for companies rises sharply. Beyond regulatory enforcement and significant administrative fines, the ECGT shifts the landscape by increasing litigation exposure: misleading sustainability or social claims may be challenged not only by authorities, but also through (representative) legal actions, NGO driven complaints, competitor disputes, and consumer class action style claims. Companies must therefore be prepared for scrutiny on multiple fronts, including disclosure challenges, evidentiary requests, and reputational risk linked to contested ESG messaging.

Preparing now – by reviewing claims, label strategies, substantiation files, internal approval processes, and risk mitigation frameworks – is essential to ensure that all ESG related communications can withstand regulatory, judicial, and stakeholder scrutiny once the ECGT becomes fully applicable in September 2026.

Main takeaways

#1 No more vague green or social claims:
Terms like "eco-friendly" or "green" will be banned unless backed by robust, verifiable evidence. This applies across both business to consumer (**B2C**) and business to business (**B2B**) contexts.

#2 Sustainability claims = legal scrutiny:
"Sustainability" is broadly defined and thus regulated by the ECGT Directive, to tackle unfair commercial practices that mislead consumers and prevent them

from making sustainable consumption choices, such as practices associated with the early obsolescence of goods, misleading environmental claims ('greenwashing'), misleading information about the social characteristics of products or traders' businesses, or non-transparent and non-credible sustainability labels. Any ESG-related claim (environmental or social) must be specific, substantiated, and up to date.

#3 Changing course? Communicate It: Adjusting ESG strategies is of course allowed – but failing to clearly explain changes to prior commitments can trigger reputational damage, stakeholder distrust, and potential social washing and greenwashing allegations.

#4 Transparency is non-negotiable: Under the ECGT Directive, the CSRD, and EU consumer law, companies must disclose measurable, time-bound ESG targets and progress. Vague ambitions without credible plans or third-party verification seem no longer to be acceptable.

#5 The return of the transition plan? Forward-looking sustainability claims (e.g. net-zero by 2040) must be backed by a detailed, realistic transition plan – including third-party verification and public progress reporting – by 27 September 2026 at the latest.

#6 Beyond box-ticking – continuous monitoring required: Mitigating risks requires continuous monitoring, verification, and transparency. The ECGT Directive is not a one-off compliance exercise. Meeting one requirement (e.g. using a certification scheme) does not shield a company from social washing and greenwashing liability. All elements – from substantiation to communication – must align consistently.

New obligations under EU consumer law following from the ECGT Directive

New additions to the blacklist (greenwashing & social washing)

The ECGT Directive adds the following commercial practices to the so-called blacklist, which are prohibited:

- Making generic environmental claims without recognized evidence.
- Displaying sustainability labels that are not based on a valid certification scheme or not established by public authorities (see below).
- Presenting compliance with legal requirements (that apply to all comparable products) as a distinctive product benefit.
- Making environmental claims about an entire product or business when they concern only a specific aspect or activity.
- Claiming neutral, reduced or positive environmental impact when based on offsetting of greenhouse gas emissions.

Regulation of sustainability term and broad claims

Sustainability related commercial practices that suggests a product or brand is *"sustainable"* in a broad sense – covering both environmental and social aspects – is no longer permitted under the ECGT Directive unless specific conditions are met:

- ***Ban on generic sustainability claims without recognized performance:*** Claims such as *"sustainable"*, *"eco friendly"*, *"green"* or similar environmental descriptors are prohibited unless backed by recognized excellent environmental performance (*e.g.* EU Ecolabel).
- ***Social claims under increased scrutiny:*** Social-related statements (*e.g.*, on human rights, fair wages, community impact) may still be made but must not mislead consumers or imply entire value-chain compliance. Social characteristics (*e.g.,* labor conditions, human rights, diversity, animal welfare) are therefore explicitly added to a product's main characteristics under the UCPD. This increases the risk of social washing and requires careful substantiation of such.

Certification schemes & sustainability labels

The ECGT Directive defines what qualifies as a *"certification scheme"* under the UCPD and bans any sustainability label that does not meet these standards. The minimum requirements for a valid certification scheme under ECGT Directive are:

- ***Independent third party verification and monitoring:*** The certification scheme must rely on an independent verifier assessing compliance. Furthermore, compliance must be periodically checked by a competent and independent body.
- ***Transparent criteria:*** All requirements, conditions and procedures must be publicly available.
- ***Objective procedures:*** The certification scheme must apply clear, consistent and impartial rules.
- ***Open and non-discriminatory access:*** Any trader must be able to join the certification scheme under fair, transparent terms (thus also competitors).

Future environmental claims

Under the ECGT Directive, environmental claims (such as *"carbon neutral by 2040"*) must be substantiated by a clear, objective and publicly available commitment, a realistic and detailed implementation plan, independent third-party monitoring, and regular public reporting. Forward-looking social claims likewise must (i) not be misleading and (ii) be grounded in verifiable commitments.

Getting Ready for the ECGT Directive

Although it remains uncertain how the ECGT Directive will ultimately be enforced in practice, and although further guidance from the European Commission is still forthcoming, one development is already clear: greenwashing and social-washing practices are facing growing regulatory and public scrutiny in the EU. Whether a claim appears in consumer-facing materials governed directly by the ECGT Directive, or in broader B2B commercial communications that influence economic behaviour, expectations around accuracy and substantiation are rapidly tightening. The following practical steps can form a starting point for organisations to map and reduce their exposure in relation to the upcoming ECGT Directive:

- Reviewing all environmental and social claims for specificity and evidentiary support.
- Assessing the validity of sustainability labels.
- Ensuring consistency across all communication channels.
- Establishing internal processes for ongoing verification and documentation.

Feel free to reach out to the colleagues below should you have any questions.

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