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EU Sustainability: State of Play – Greenwashing and Consumer Protection

The EU is refining its consumer protection landscape to regulate environmental claims and seeking to support informed, sustainable purchasing decisions.

Our EU Sustainability: State of Play series focuses on regulatory developments and policy initiatives emerging from Brussels. In this series, we explore EU sustainability frameworks and their intersection with other areas of EU law.

EU sustainability regulations continue to play a key role in shaping the direction of international ESG frameworks. Latham’s European ESG Practice tracks these EU-driven developments closely by drawing on our connections with EU regulators, our presence in Brussels, and our broader European platform.

Introduction: The EU’s Greenwashing and Consumer Protection Landscape

The European Union has taken a leading role in the transition to a low-carbon, resource-efficient economy. Central to this approach is the [European Green Deal](#) (Green Deal), introduced in December 2019, which aims to make the EU the world’s first climate-neutral continent by 2050. This objective, set out in the European Climate Law, provides a framework for subsequent legislative and policy initiatives.

The Green Deal set forth an ambitious agenda to transform the EU’s economy for a sustainable future. Its primary objectives include reducing greenhouse gas emissions, promoting clean energy, fostering a circular economy, and enhancing biodiversity. While the Green Deal has spurred significant policy developments, it has also highlighted challenges in ensuring the authenticity of environmental claims made by businesses. The rise of misleading or unsubstantiated green marketing — commonly known as greenwashing — has underscored the need for robust consumer protection mechanisms to maintain public trust in sustainability efforts.

To address these issues, the EU has updated its consumer protection framework. On 27 March 2024, the Directive on Empowering Consumers for the Green Transition (Green Transition Directive) was adopted, amending both the 2005 Unfair Commercial Practices Directive (UCPD) and the Consumer Rights Directive. The amendments introduce a new category of prohibited practices, including specifying that traders should not use vague or generic environmental claims without reliable and verifiable evidence. While the UCPD previously addressed “misleading actions” and “misleading omissions” in general terms,

the Green Transition Directive adds specific greenwashing scenarios to the list of prohibited practices, aiming to provide greater clarity for Member States.

In parallel, the EU has strengthened corporate transparency requirements through the Corporate Sustainability Reporting Directive and aligned market definitions and metrics through instruments such as the Taxonomy Regulation and the Sustainable Finance Disclosure Regulation.¹ The result is a more integrated framework that combines supply-side transparency with consumer protection measures.

This article examines the main elements of the consumer-facing aspects of that framework, focusing on the Green Transition Directive, certain national enforcement trends, the proposed Green Claims Directive, and related consumer protection framework, the Right to Repair Directive — and considers their implications for traders and consumers.

Green Transition Directive: Providing Consumers With Accurate and Reliable Information

The Green Transition Directive embeds environmental, social, and circularity considerations into core EU consumer law. Its overarching objective is to guarantee that consumers receive clear, accurate, and comparable sustainability information. The EU also envisions a secondary impact, namely, to harness consumer purchasing power to drive competition towards genuinely greener goods and services.

Misleading Practices Targeted Under the Green Transition Directive

The Green Transition Directive aims to eliminate vague or unsubstantiated environmental claims and amends the (i) UCPD and (ii) Consumer Rights Directive. Environmental claims are defined as any message or representation which is not mandatory under EU or national law, in any form. Therefore, this definition covers text but also pictorial, graphic, or symbolic representations, for example.

Background to the UCPD

The UCPD aims to ensure that businesses operate fairly and transparently in their dealings with consumers. The UCPD seeks to harmonise national laws across Member States. It applies to all business-to-consumer commercial practices, including advertising, marketing, and sales.

The UCPD prohibits two main categories of unfair commercial practices:

- **Misleading practices:** These include false or deceptive information or omissions that are likely to deceive the average consumer and cause them to make a purchasing decision they would otherwise not have made.
- **Aggressive practices:** These involve harassment, coercion, or undue influence that significantly impairs the average consumer's freedom of choice or conduct, leading them to make a purchasing decision they would otherwise not have made.

The UCPD also contains a list of specific practices (in its Annex I) that are considered unfair in all circumstances.

Amendments to the UCPD Regarding Misleading Environmental Claims

The Green Transition Directive revises the concepts of “misleading actions” and “misleading omissions” in the UCPD by confirming that environmental, social, and circular attributes are “material” product characteristics. Claims concerning future performance, such as net zero or climate-neutral pledges, must rest on publicly available, verifiable targets and a credible implementation plan — otherwise they constitute a misleading action.

Statements highlighting irrelevant benefits (e.g., advertising that printer paper “does not contain plastic”) are also considered deceptive when they suggest a comparative advantage the product does not actually have. Under the Green Transition Directive, comparative environmental claims trigger an obligation on traders to disclose the underlying methodology in a transparent manner so that consumers can understand the basis of comparison.

Certain practices relating to environmental claims also now appear in Annex I of the UCPD and are therefore prohibited in all circumstances. These include the following:

- Sustainability labels that are not backed by an accredited certification scheme or by public authorities may no longer be displayed.
- Generic descriptors, such as “green”, “eco-friendly”, “planet-safe”, and similar, are forbidden unless the trader can substantiate the assertion with robust evidence that is easily accessible to the average consumer.
- Partial claims (e.g., touting a product as “made with recycled material” when only the packaging meets that standard) are disallowed unless clearly limited to the relevant component.
- Representations suggesting that a product is “carbon-neutral” or “net zero”, or has a “positive climate impact” through greenhouse gas offsetting, are prohibited unless the claim reflects the product’s own life cycle emissions rather than external compensation projects.²

Overall, these amendments to the UCPD strengthen consumer protection against misleading environmental claims by requiring greater transparency, substantiation, and clarity from traders.

Durability, Repairability, and Early Obsolescence

The Consumer Rights Directive

The Consumer Rights Directive standardises consumer protections, aiming to ensure that consumers have clear information before making purchases and robust rights when shopping online or in person.

Amendments to the Consumer Rights Directive on Durability and Early Obsolescence

The Green Transition Directive amends the Consumer Rights Directive regarding aspects of durability and repairability of products.

Businesses are required to provide clear information about the durability (including guarantees) and repairability of their products, including details on the expected lifespan of the product, the availability of spare parts, and the ease of repair.

The Green Transition Directive addresses early obsolescence practices,³ such as false claims about the sustainability of a product or the unjustified obligation to buy spare parts from the original producer. By curbing these practices, the Green Transition Directive seeks to promote a circular economy where products are used for longer periods.

Harmonised Labelling System

The Green Transition Directive introduces a Harmonised Labelling system to indicate the commercial guarantee of durability offered by producers. This system aims to standardise how key product information is presented across the EU, aiding consumers to easily compare and make informed choices.

The Green Transition Directive mandates the use of two specific instruments:

- **Harmonised notice:** This notice must clearly inform consumers about their legal guarantee of durability rights.
- **Harmonised label:** This label must clearly disclose any commercial guarantees of durability offered by the producer, particularly those exceeding the standard legal guarantee.

Both the harmonised notice and label are intended to be prominently displayed at the point of sale.

EU Energy Labelling Regulation

A related scheme that aims to help consumers make informed choices is the EU Energy Labelling Regulation, which establishes a framework for energy labelling of energy-related products. The Energy Labelling Regulation requires that products such as household appliances, lighting, and electronics display a standardised label indicating their energy efficiency on a scale (typically from A to G). This label provides clear, comparable, and easily understandable information about the product's energy consumption and performance.

Both the Harmonised Labelling system and the Energy Labelling Regulation aim to standardise how information is presented to consumers, helping them make informed, and more sustainable, choices.

Current Status and Timeline

Member States must transpose the Green Transition Directive into national law by 27 March 2026. It will enter into application six months later, from 27 September 2026.

In the meantime, on 25 September 2025, the European Commission (Commission) adopted implementing rules under the Green Transition Directive that standardise how information is presented to consumers about their legal guarantee rights and durability guarantees offered by businesses. The rules

establish (i) a mandatory EU notice reminding consumers about their legal guarantee rights, which will be prominently on display in all shops, both online and offline; and (ii) a new EU product label for producers that choose to offer consumers a voluntary commercial guarantee of durability for a specific product at no additional cost to the consumer, covering the entire product (not just a component of it) and with a duration of more than two years.

Enforcement and Penalties

The UCPD leaves the enforcement mechanisms and penalties to be determined by each Member State. Member States are required to ensure that “effective, proportionate, and dissuasive” penalties are in place for infringements of the directive.

Modernisation Directive: Penalties Linked to Annual Turnover

The Modernisation Directive enhances the enforcement mechanisms and penalty structures within several EU consumer protection laws, including the UCPD. The Modernisation Directive reinforces the provisions under the UCPD by introducing higher maximum penalties for infringements. Specifically, it mandates that Member States provide for fines of at least 4% of a trader’s annual turnover or at least €2 million when the annual turnover cannot be determined. These are minimum requirements, and Member States retain the possibility to set higher maximum fines.

A Commission [report](#) on the implementation of the Modernisation Directive in June 2024 noted that several Member States had already introduced maximum fines that are higher than those required.

National Enforcement Trends

National enforcement is playing a pivotal role in shaping the standards for environmental advertising and greenwashing claims, even before the implementation of the Green Transition Directive. Greenwashing cases have been brought in several EU jurisdictions, including Germany, Spain, Italy, Belgium, and others.

Germany

Enforcement in Germany is largely private law-driven, with competitors, consumer associations, and chambers of commerce frequently seeking cease-and-desist orders and damages before the civil courts.

The Federal Court of Justice (*Bundesgerichtshof* or BGH) requires that terms like “climate-neutral” be clear and accurate, obliging advertisers to specify whether climate neutrality is achieved through emission reduction or compensation, noting that consumers value emission avoidance more. Following BGH precedent, lower courts have found that failing to disclose reliance on carbon offsetting or lacking a reliable compensation programme is misleading and breaches competition law. Courts have ruled against companies for unclear climate neutrality claims, including cases involving airlines and sportswear manufacturers.

In September 2025, the federal government published a draft implementation law amending the Act Against Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb* (UWG)), which is intended to implement the Green Transition Directive's amendments to the UCPD into the UWG. The draft law requires parliamentary approval.

Spain

In recent years, Spanish authorities have taken increasingly proactive steps to address misleading environmental claims. In March 2024, the Ministry of Social Rights, Consumer Affairs and Agenda 2030 published a Guide to Sustainable Communication, aimed at helping companies and consumers distinguish greenwashing from legitimate environmental claims, setting best practices for environmental claims (such as clarity, relevance, specificity, comparison when applicable, and up-to-date/verifiable information). The guide also warns of legal liability under key statutes such as Royal Legislative Decree 1/2007. Companies making unverifiable or false environmental claims can face fines of up to approximately €100,000, or four to six times the amount of the illicit benefit obtained from the unfair practice. Spain is also drafting a Sustainable Consumption Law, which will formally implement the Green Transition Directive.

On the judicial side, Spanish courts have begun clarifying how existing laws, in particular the Unfair Competition Law and the Consumers Defense Law, apply to environmental claims. Courts interpret misleading "green claims" as unfair practices or illegal advertising if they mislead or omit material information about environmental impact. They have also started defining what constitutes the "average consumer" in environmental claims contexts, namely someone reasonably sustainability-aware, capable of understanding basic trade-offs, and who expects claims to be scientifically substantiated.

Italy

In recent years, Italian authorities have shown increased attention to addressing greenwashing and human rights concerns in the fashion industry through parallel criminal and consumer-law actions. From a criminal standpoint, certain Public Prosecutor's Offices have begun applying the "judicial administration" regime (which allows judicial authorities to appoint an external administrator entrusted with managing the company's day-to-day financial and operational affairs) to companies in the fashion industry that are alleged to have negligently facilitated "illegal intermediation and labour exploitation", often citing inadequate oversight from the companies on their supply chain (with a specific focus on their sub-suppliers and sub-sub-suppliers' actions), regarding health and safety breaches, excessive overtime, poor conditions, insufficient wages, and workplace hazards.

In parallel, from a consumer law perspective, the Italian Competition Authority (AGCM) has imposed significant fines and adopted a rigorous, evidence-based approach to sustainability, ethics, and green claims. In recent cases, companies in the fashion sector have been sanctioned for mismatches between public ethical commitments and supply-chain practices, such as contractor law violations, incomplete ESG audits, and an overemphasis on product quality controls rather than working conditions, and for

using vague, generic environmental messaging or promoting unsupported decarbonisation goals. The AGCM has underscored that green claims must address material life cycle impacts, avoid marginal framing, and be clear, accurate, and understandable.

Belgium

Belgium has intensified scrutiny of marketing regarding sustainability through a combination of administrative enforcement, civil litigation, and self-regulatory review.

The Federal Public Service Economy has leveraged the Code of Economic Law (Book VI – Market Practices and Consumer Protection) to challenge vague or generic environmental claims, including those that lack clear substantiation, in line with evolving EU standards. In 2024, the Federal Public Service Economy also published [guidelines on environmental claims](#), which highlight the potential for significant monetary penalties (€80,000 or 4% annual turnover) and outline complaint channels for consumers and businesses.

Competitor (business-to-business) actions before the civil courts have complemented administrative oversight, with injunctions issued against unsupported environmental claims. Courts have ordered the cessation of campaigns implying unverified environmental performance, while more qualified references (e.g., about recycled content) have been allowed where they were not found to materially mislead the average consumer.

In parallel, the independent advertising self-regulatory body, the *Jury d'Éthique Publicitaire/ Jury voor Ethische Praktijken inzake reclame* (JEP), under its [environmental advertisement code](#), has acted on greenwashing complaints by (i) ordering the modification or withdrawal of ads that use generic or absolute terms (e.g., “environmentally friendly”); (ii) requiring prominent qualifications where claims rely on offsets rather than real-world reductions; and (iii) requiring wording changes in relation to descriptors such as “natural”, “respectful of the environment”, and “cleaner” fuels. Although JEP decisions are not judicial rulings, the JEP can require modification or discontinuation of advertisements, request participating media to refuse further publication, publish its decision, and in cases of non-compliance, escalate the matter for potential court action.

Coordinated Enforcement Through the CPC Network

In addition to national enforcement, the EU has established a framework for coordinated cross-border enforcement through the Consumer Protection Cooperation (CPC) Network. The CPC Network is composed of national authorities responsible for the enforcement of EU consumer protection laws in each Member State. The [CPC Regulation](#) empowers these authorities to share information, conduct joint investigations, and take coordinated enforcement actions to ensure consistent application of consumer protection rules throughout the EU.

The CPC Network has played a notable role in tackling misleading environmental claims, particularly in sectors with strong cross-border implications. For example, the Commission and the CPC Network

launched coordinated investigations into the environmental marketing practices of several major airlines. These investigations focused on claims related to carbon offsetting and the promotion of “climate-neutral” flights, scrutinising whether such claims were substantiated and communicated transparently to consumers. As a result of the CPC intervention, some airlines were required to amend or clarify their advertising to avoid potentially misleading consumers about the environmental impact of their services.⁴

Green Claims Directive

The Directive on Substantiation and Communication of Explicit Environmental Claims (Green Claims Directive), proposed by the Commission in March 2023, is designed to supplement the UCPD amendments by setting precise rules on the substantiation, communication, and third-party verification of voluntary environmental claims.

Proposed Ex-Ante Verification

Under the proposed Green Claims Directive, companies would be required to substantiate their environmental claims with clear, specific, and verifiable scientific evidence, which must then be assessed by an officially accredited independent body before the claim is communicated to consumers. This process, known as “ex-ante verification”, is intended to ensure that environmental claims are credible by subjecting them to rigorous scrutiny before they reach the market. Only claims that pass this mandatory review by an accredited third-party verifier, in accordance with standards set by the proposed Green Claims Directive, could be used in marketing or product labelling.

However, the ex-ante verification requirement has faced criticism from industry stakeholders and commentators. Many argue that the process could be overly burdensome, especially for small- and medium-sized enterprises (SMEs), due to the costs, administrative complexity, and potential delays associated with obtaining third-party verification for every claim. Concerns have also been raised about the capacity of verification bodies to handle a large volume of claims efficiently, which could lead to bottlenecks and slow down the introduction of new products or marketing campaigns. Some critics suggest that the proposed Green Claims Directive’s approach could discourage companies from making environmental claims altogether, potentially reducing genuine communication around sustainability.

Key Provisions and Additional Requirements

The proposed Green Claims Directive introduces several other provisions regarding green claims, including:

- setting out detailed criteria for what constitutes a “substantiated environmental claim”, requiring that claims be based on widely recognised scientific evidence and take into account the entire life cycle of the product or service where relevant;
- addressing the use of environmental labels, requiring that only labels based on certification schemes or established by public authorities may be used, and prohibiting the proliferation of misleading or unverified labels; and

- establishing communication requirements for companies, including to provide easy consumer access to the evidence supporting their claims, for example through QR codes or website links.

These measures are designed to enhance trust, prevent deceptive marketing practices, and support the EU's broader sustainability and circular economy objectives.

Withdrawal of the Proposed Green Claims Directive

In June 2025, the Commission announced its intention to withdraw proposed Green Claims Directive, citing excessive administrative burden on micro-enterprises.⁵ Such concerns arise at a time when simplification of administrative burdens is a priority, with various "Omnibus" proposals for legislative amendments designed to simplify and streamline EU sustainability regulatory frameworks.⁶

The announcement regarding the intention to withdraw has sparked criticism from environmental advocates, who warn that abandoning the proposed Green Claims Directive would hinder efforts to curb greenwashing.

The Commission has emphasised that the intention to withdraw the Green Claims Directive does not impact the existing EU greenwashing and consumer protection framework, including the Green Transition Directive. The Commission has not yet released a formal position and justification regarding the potential withdrawal of the proposed Green Claims Directive. Case law of the European Court of Justice suggests that the Commission cannot withdraw a legislative procedure without justification, if the Council and/or the Parliament have adopted a first-reading position, unless both institutions support the withdrawal.

We will continue to monitor the status of the proposed Green Claims Directive. Some elements of it could be revived in a revised or more targeted legislative proposal, especially if political momentum or public pressure increases.

Right to Repair Directive

The Right to Repair Directive was adopted on 13 June 2024 and came into force on 30 July 2024. It aims to promote sustainable consumption by extending the lifespan of consumer goods through repair. It introduces common rules that make it easier for consumers to have their goods repaired rather than replaced, thereby contributing to the EU's circular economy objective.

Obligations Under the Right to Repair Directive

The Right to Repair Directive imposes a range of obligations on manufacturers and sellers to promote product longevity and facilitate repairs. Goods must be designed to be both repairable and durable, and manufacturers are required to provide clear and accessible information regarding these attributes. In addition, for certain categories of goods, manufacturers must offer repair services even after the expiration of the product's legal guarantee period, provided it remains technically repairable. The directive also ensures that consumers and independent repairers have access to spare parts, tools, and

repair information at reasonable prices. To further encourage repair over replacement, the directive promotes the use of repair vouchers and funds, making repairs more attractive to consumers. Finally, online platforms at a national level are to be established to help consumers locate local repair services and retailers offering refurbished goods.

A Harmonised Framework

Through these obligations, the Right to Repair Directive complements the Ecodesign for Sustainable Products Regulation (ESPR),⁷ which sets requirements on product design and availability of spare parts, and the Green Transition Directive. For instance, the latter intends to provide consumers with information required to make informed choices, including through use of the Harmonised Labelling system, which will provide information on aspects like the legal guarantees and aspects of durability which the Right to Repair Directive aims to improve.

The Right to Repair Directive must be transposed into national law by 31 July 2026, at which point it will begin to apply.

Conclusion

The EU's regulatory frameworks on greenwashing and consumer protection continue to evolve and become more complex as they respond to the multifaceted nature of environmental claims. While the Green Claims Directive faces potential withdrawal or redesign, the adoption of the Green Transition Directive and the progression of related initiatives reflect a continued policy trajectory towards addressing misleading environmental information and strengthening consumer protection. Taken together, these developments underscore an increasingly dynamic and complex regulatory landscape, characterized by continued national greenwashing enforcement and rising compliance expectations for businesses.

For businesses, generic environmental claims will no longer be sufficient. Traders must provide robust, publicly available evidence to substantiate any sustainability assertion and ensure that product design, labelling, and after-sales practices comply with the new durability and repairability standards. Supply chains, marketing materials, and warranty policies will all require careful review and, where necessary, adjustment to mitigate enforcement risk and maintain consumer trust.

For consumers, the reforms are intended to provide greater clarity and comparability. Harmonised notices and labels will clarify legal and commercial guarantees, while restrictions on unsubstantiated claims should reduce information overload and increase confidence in genuinely green products. The Right to Repair Directive is also expected to establish repair as a practical alternative to replacement, encouraging longer product lifespans and reducing waste.

This article was prepared with assistance from Ursula Selciato and Samantha Banfield of Latham & Watkins.

Latham's European ESG Practice has experience advising on a broad range of topics related to EU consumer protection, EU sustainability, and international ESG matters. If you have questions about this article, please contact one of the authors listed below or the Latham lawyer with whom you normally consult.

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Endnotes

¹ For more information on the Omnibus proposal, refer to this [Latham article](#).

² This is in line with the Commission's general adverse position regarding offsets, although there is indication that this could be gradually shifting. Refer to this [Latham article](#) for more detail on the potential future integration of carbon removal credits into the EU Emissions Trading Scheme.

³ Early obsolescence practices are defined as a "commercial policy involving deliberately planning or designing a product with a limited lifespan so that it prematurely becomes obsolete or non-functional after a certain period or after a predetermined intensity of use". Source: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202400825.

⁴ For more information on the investigation, refer to this [press release](#) from the Commission.

⁵ For more information on the withdrawal of the EU Green Claims Directive Proposal, refer to this [Latham article](#).

⁶ For more information on the Omnibus proposal, refer to [Latham article](#).

⁷ For more information on the ESPR, refer to this [Latham article](#).