

RocaJunyent Informs

ESG and Corporate Sustainability Department

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Final adoption of the directive against greenwashing and misleading information

On 20 February the Council of the European Union finally gave the green light to a new Directive whose main objective is to protect consumers from all misleading commercial practices carried out by companies. This new Directive will be called Directive (EU) 2024/825 of the European Parliament and of the Council of 28 February 2024 on empowering consumers in the green transition through better protection against unfair practices and through better information ("Green Claims Directive").

The new Directive is primarily aimed at combating greenwashing, which occurs when companies make false or exaggerated claims about the environmental impact of their

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products in order to attract consumers who have a concern for the state of the environment.

This misleading practice can lead to erroneous purchasing decisions and damage consumer confidence in companies that are committed to sustainability and care for the environment.

In 2020, the European Commission presented worrying data on greenwashing practices: 53.3% of the environmental claims reviewed in the EU were found to be misleading or unfounded, and approximately 40% lacked supporting verification.

In an attempt to put an end to this practice, this new regulation provides for a ban on the use of environmental terms such as "environmentally friendly", "biodegradable" or "eco" in labelling, as well as the use of sustainability labels, among others, without any kind of control or comparable reference.

Another of the points to be regulated by this legislation is to ensure that producers and consumers focus on the durability of goods. To this end, a new harmonised label will be created to give more visibility to products that have an extended guarantee period and to give more visibility to the guarantee.

In addition, this regulation will prohibit unfounded claims about the presentation of products as repairable, the durability of products and the encouragement to replace consumables earlier than strictly necessary.

To ensure that companies comply with their obligations, control mechanisms are implemented, such as third-party verification of environmental targets and commitments and the obligation to make the results of verifications available to consumers, thus guaranteeing transparency.

In addition, it is foreseen that competent authorities will carry out audits to verify compliance with the Directive and member states will be able to impose effective, proportionate and dissuasive sanctions. Thus, companies that fail to comply with the new rules could be temporarily excluded from public procurement tenders and face fines of up to 4% of their annual turnover.

This Directive marks an important milestone in the regulation of environmental advertising in Europe, impacting both businesses and consumers and is part of the EU's wider efforts to move towards a more sustainable economy and protect consumers from unfair commercial practices. It seeks to build consumer confidence in environmental claims and promote a more transparent and accountable market in terms of sustainability.

In addition, public administrations are committed to encouraging the adoption of sustainable and transparent practices in the marketplace, as well as facilitating access to sustainability labels for companies.

Member States will have to transpose the Directive into national law by 27 March 2026, and will have to apply this transposition from 27 September 2026. In Spain, the Ministry of Consumer Affairs has already started to process a Sustainable Consumption Law.

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