

Certified



Corporation

EU Directive on Empowering Consumers for the Green Transition: Guide for Businesses

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Disclaimer: This guide provides an overview of the anti-greenwashing provisions in the ECGT directive but does not consider other aspects of EU law nor the impact of the national laws of EU member states and is of a general nature and is not intended to constitute legal advice, and so readers should speak with a suitably qualified professional in the relevant jurisdiction(s), based on the facts of their specific situation, if they want to receive legal advice. The information included is correct at the time of publication, but is subject to change.

What is the ECGT Directive?

The **Empowering Consumers for the Green Transition (ECGT)** directive is EU legislation designed to improve protection for consumers from misleading environmental and social claims. It aims to ensure that consumers have the correct sustainability-related information to help make more informed purchasing decisions. It does this by amending existing EU legislation.

The ECGT is:

- Legally enforceable, EU-wide
- Highly specific about what you can (and can't) say when making claims about sustainability credentials
- Stricter on evidence and verification
- Part of the European Green Deal

It covers three areas:

1 Anti-greenwashing (focus of this guide)

2 Product durability and repairability

3 Anti-obsolescence measures

Deadline for compliance: **27 September 2026**

Who Does This Affect?

If you *sell, market, or provide* products/services to consumers in the EU – even if you have **no base of operations established in the EU**.

You may be affected if:

You make your product/services available to EU consumers for purchase via your website

You use eco-labels, icons, or certifications, including B Corp, on products or in communications directed towards EU consumers

Your products/services are promoted, sold or supplied to EU consumers (even via wholesalers/retailers)

You use packaging or brand language that implies environmental or social benefits, in promoting or selling to EU consumers

You make any sustainability-related claims directed towards EU consumers

Some key clarifications:

This is a B2C directive, BUT:

You may be impacted if you are in the supply chain and your sustainability claims are passed on by retailers & wholesalers to EU consumers

Under EU consumer protection law relating to unfair commercial practices, enforcement and penalties for non-compliance are largely left for each EU member state to determine and, therefore, may vary between states.

If you provide goods or services and can't distinguish whether some customers are EU consumers, you may need to comply with the ECGT requirements.

B2B (including the Directive on misleading B2B and impermissible comparative advertising) may apply in the supply chain, and warranties you have given (eg to retailers) may also make you liable for ECGT breaches.

EU blanket law means markets cannot increase requirements, but they can increase penalties and enforcement.

Why This Matters

The ECGT directive introduces strict new requirements.

Environmental & Social Claims

Must be:

- 1 Specific as to the nature of the claim and to what it relates (broadly, 'generic environmental claims' must be substantiated by reference to top environmental performance standards under EU law)
- 2 Clear and understandable for consumers
- 3 Backed by science/data or other substantiating material
- 4 Verifiable via publicly accessible information
- 5 Sufficiently detailed that they do not mislead the consumer by omitting relevant information

Some types of claims have specific requirements. For example, claims relating to future environmental performance must be accompanied by an implementation plan that is verified by an independent expert, and claims relating to reductions in the emission of greenhouse gases cannot be based on offsetting.

Certification Schemes & Sustainability Labels

Under the ECGT directive, voluntary 'sustainability labels' (i.e., certification marks, quality marks or similar, including the B Corp mark) must not be displayed in the EU unless they meet certain criteria.

Sustainability labels displayed in the EU must be based on transparent, independently verified standards issued by certification schemes that meet the criteria set out in the ECGT directive

The certification scheme should provide consumers with access to what the standard *actually means* – the standards must be publicly available. Businesses must not imply that they are certified by a certification scheme that meets the criteria in the ECGT directive unless this is accurate

Evidencing environmental claims

Under the ECGT directive, certain types of claims about the environmental performance of a business or its products are prohibited or are only allowed if certain criteria are met. For example, environmental claims must either be specific about what they relate to or be substantiated by reference to recognised excellent environmental performance standards under EU Law.

Claims about carbon neutrality cannot be based on offsetting, and claims relating to future environmental performance must be accompanied by an implementation plan that is verified by an independent expert.

Broadly:

- Vague statements of positive environmental performance will not be allowed
- Declarations of ambition are not enough – businesses must make clear to the consumer how they are meeting and will meet their stated targets
- Every sustainability claim must be accurate and sufficiently detailed so as not to mislead the consumer

Businesses can help ensure that they meet the necessary standard by checking that their sustainability claims are backed by:

- A policy
- Evidence of implementation
- Data showing the claimed sustainability outcomes
- Clear consumer access to the evidence



Key Dates You Need to Know

Date	What Happens
30 November 2025	B Corps must self-declare to B Lab if they are affected by ECGT
Q1 2026	B Corps should submit for recertification (currently, it is understood that businesses may need to allow 2-6 months for verification)
27 March 2026	EU member states must have transposed the ECGT directive into national law (enforcement and penalties may vary between member states)
27 September 2026	ECGT directive compliance becomes mandatory across the EU

Important

Some EU countries may enforce more rapidly or stringently than others, or start with guidance rather than penalties, and penalties may be revenue-based.

For B Corps: What You Must Do

In its guidance, B Lab has set out two pathways for recertification¹:

1 (Recommended): Recertify Under the New Standards

This is the *only* route that B Lab say should make your use of the B Corp certification logo **fully compliant with the ECGT directive**.

Why Option 1 matters:

The new standards require:

Evidence-based, measurable requirements

Mandatory policies & documentation

Third-party audited verification

Uniform requirements across all B Corps (critical for legality)

In its guidance, B Lab has confirmed that **the new standards are ECGT-compliant**.

All B Corps must adopt the updated logo with the B Corp website URL underneath.

Timeline:



Complete your new assessment now



Submit for recertification from **1 Feb 2026**



Verification is estimated to take **2–6 months**, so action in Q1 2026 is essential

¹For example, please see the B Impact Assessment knowledge base article: "B Lab Standards & EU Empowering Consumers for the Green Transition (ECGT) Directive, modified on Thu, 9 Oct at 11:42 AM"

2 Sign Updated Agreement with B Lab (Waiver Route)

Starting in January 2026, B Corps can choose to sign an updated agreement that commits to future certification under the new standards.

This option DOES satisfy B Lab's requirements for the business' B Corp certification to continue, but DOES NOT make you ECGT-compliant.

B Lab have confirmed that this is a key point for businesses to be fully aware and prepared for.

Option 2 gives you:

- Extra time to recertify under the new standards by your next scheduled recertification date
- Temporary use of the updated logo
- Temporary continuation on (outgoing) 'v1.6' standards

BUT:

- You must agree not to take legal action against B Lab in the event of any ECGT-related challenges relating to the business not having recertified under the new standards
- You bear all legal risk if your certification is challenged
- You must still recertify under the new standards next year
- You should seek legal advice (B Lab strongly recommends this), including on whether unqualified continued use of the existing logo is sufficient



If You Do Nothing:

Among other actions, B Lab will:

Remove your right to use the B Corp logo

Remove your right to claim B Corp status in any public communications

Potentially take action to protect the B Corp certification mark

For All Businesses: The Three Cs Audit

Review your Communications, Claims, and Certifications.

1 Communications

Website content (including claims and shopping options eg currencies)

Product pages

Marketing materials

Social media posts

Email campaigns

3 Certifications

All eco-labels and badges

Sustainability certifications

Standards and accreditations

Third-party verifications

QR codes leading to claims

2 Claims

Product packaging language

Environmental benefit statements

Sustainability commitments

Impact messaging

Real-World Examples of Non-Compliant Claims:

"100% recycled bottle" – Unclear if this includes packaging, closure, and label ❌

"Better green lives together" – Vague, unverifiable foundation label ❌

"Eco-friendly" – Too general without specific evidence ❌

"Sustainable product" – Needs transparent standards and third-party verification ❌

"Bottle made from 100% recycled PET plastic – bottle body only; cap and label not included. Full lifecycle impact available at: [URL]" – Specific and clear ✅

Practical Considerations

QR Codes

QR codes are encouraged, but they:

- Must link directly to the specific evidence for the claim
- Cannot hide vague or sweeping claims behind "learn more" pages
- Must be easily accessible and in the correct language

Packaging Space

You are still responsible even if space is limited.

Use:

- Asterisked references
- QR codes
- Clear "body vs cap vs label" distinctions

UK Alignment

While the ECGT directive is EU law, the UK's CMA and ASA are likely to be interested in avoiding significant divergence from EU law in their regulatory practices. Currently, it is thought that businesses will not see major divergence, and so preparing for ECGT-compliance may help prepare you for compliance developments in the UK market, too.



Greenwashing vs Green-Hushing

Many brands fear that the ECGT directive will make them stop talking about impact entirely (“green-hushing”).

But our B Corp legal experts are clear:

Making non-committal claims is NOT protection – misleading omissions can also breach the directive.

You still need to:

State accurate, evidenced claims

Publish impact information

Provide access to evidence via website or QR code

The goal is **better claims, not fewer claims.**

The Cost of Non-Compliance

1 Reputational Costs

Managing loss of certifications

Communicating changes to stakeholders

Employee demotivation

Customer trust erosion

3 Legal Costs

Potential for fines which could be up to at least 4% of the business’ annual turnover in the member state(s) concerned or, where the turnover information is not available, up to at least EUR 2 million (enforcements and penalties may vary by member state, depending on each state’s legislation to implement the ECGT directive)

2 Commercial Costs

Loss of price premium

Reduced retail access
(e.g., Waitrose prioritises B Corps)

Competitive disadvantage

Market differentiation loss

Injunctions

Consumer redress measures, damages claim

Legal fees for compliance management

Potential director liability in some countries (e.g., France)



Your Action Plan

1 Where you should be by now

- B Corps: Self-declare TODAY via [B Impact portal](#)
- All businesses: Conduct “Three Cs” audit
- Catalogue every claim used on packaging, marketing, website
- Flag all claims involving offsets - these must be qualified or removed
- Identify any self-created labels or icons
- Remove, or support with specific claims, any generic environmental wording

2 Prepare for implementation

- Full gap analysis of all existing claims
- Legal review (ECGT + UK CMA/ASA)
- Supply chain mapping (claims must include downstream impacts)
- Engage procurement/manufacturing on durability + repairability rules
- Present risks to leadership with costed roadmap
- Review contracts with wholesalers/retailers for claims liability

3 Implementation (Jan-Mar 2026)

- B Corps: Submit recertification OR sign waiver
- Update all packaging including icons, labels, asterisks, QR codes
- Update website, social media, PLA, SEO, and paid ads
- Remove non-compliant eco-labels
- Draft claim approval process for all teams
- Create public evidence pages for certifications
- Begin phase-out of old inventory

4 Compliance (Mar-Sept 2026)

- Monitor national transpositions (critical!)
- Final verification of all claims
- Complete B Corp verification process
- Finalise documentation
- Ensure QR codes and website disclosures are live and accessible
- Prepare for potential enforcement queries



Who Needs to Be Involved?

This is not a single-department issue. You'll need:

Legal – interpretation, risk mitigation, transposition monitoring

Sustainability – evidence, data, policies

Procurement & Supply Chain – durability, human rights, lifecycle data

Manufacturing – materials, repairability

Packaging – space management and QR integration

Marketing & Communications – rewriting non-compliant consumer-facing claims

Commercial & Sales – retailer wholesaler compliance

Board & Exec Team – resource sign-off, risk ownership

Evidence Requirements

Under the ECGT directive and new B Corp standards, you must have:

Policies (written, implemented, verifiable):

Public or internal policies are not enough – they must be in use

Policies must link to claims you make

Impact Tracking:

Quantitative evidence

Lifecycle assessments where relevant

Worker and supply chain metrics

Regular monitoring

Third-Party Verification:

Independent audits

Transparent certification frameworks

Consumer access to certification criteria via URL under the B Corp logo

Consumer Access:

Evidence must be:

Easy to find

In accessible language

Specific to the claim

Not buried in general sustainability pages

Country-Specific Considerations

EU member states' regulatory approach will vary.

Expect differences in:

Penalties	What is viewed as misleading
Enforcement process	Requirements for consumer access to verification of substantiation and certification standards
Degree of latitude allowed to readers in early enforcement	Language requirements for packaging/websites
Penalties based on revenue	

Action: Review specific requirements for each EU market you operate in after March 2026.

Need Help?

Consider Professional Support If:

- You have significant compliance gaps to close
- You lack internal resources for rapid compliance
- You need to influence board-level decision-making
- You require legal guidance alongside sustainability expertise

Services That Can Help:

- Risk review: Scan of public-facing materials for non-compliance
- Gap analysis: Assessment against ECGT directive requirements
- Rapid change planning: Structured pathway to compliance
- Legal counsel: Regulatory compliance and risk management

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Key Resources

For B Corps:

- [B Lab ECGT Guidance](#)
- Self-declaration through [B Impact Assessment portal](#)
- [B Lab logo usage rules](#)

For All Businesses:

- [Review ASA Green Claims guidance for UK context](#)
- Relevant EU member states' legislation to transpose the ECGT directive into national law, due to be in place from March 2026
- Legal counsel specialising in consumer protection & sustainability

Don't Be the Example

Enforcement on misleading sustainability claims is already happening. Recent cases include:

- Red Tractor environmental claims banned for non-substantiation
- Major brands under CMA and ASA scrutiny for vague green messaging
- Increased consumer protection enforcement across the EU
- Retailers actively cutting non-compliant products

September 2026 will come faster than you think. The businesses that act now will have the advantage.

Final Checklist

Understand if the ECGT directive applies to your business

Conduct Three Cs audit

Complete gap analysis

Engage leadership and allocate resources

B Corps: recertify or sign waiver Q1 2026

Update all claims and packaging, labels

Document evidence and policies

Monitor national transpositions

Be fully compliant by 27 September 2026

The time to act is now. Don't wait until September 2026 to discover you're non-compliant.

[Subscribe to Seismic's Monthly ECGT newsletter to stay ahead →](#)

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