

# The EmpCo Directive

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## New Rules for Environmental and Sustainability Claims

The EmpCo Directive ("Empowering Consumers for the Green Transition", Directive (EU) 2024/825) introduces new European rules for environmental and sustainability claims. Its aim is to better protect consumers from misleading environmental promises ("greenwashing") and to increase transparency around so-called "green claims": **Environmental and sustainability claims must in future be substantiated and made specific.**

The Directive is currently being transposed into national law:

- **Germany:** Germany: The German Bundestag adopted the necessary legislative changes in December 2025, in particular through amendments to the German Act against Unfair Competition (UWG) and supplementary provisions in consumer protection law. Formal transposition was thus completed within the EU deadline (March 2026).
- **Austria:** Austria: Transposition of the EmpCo Directive has not yet been completed. At present only a draft for the consumer-law part exists (planned Consumer Rights Amendment Act 2026, "VRAG 2026"). The competition-law parts, which are to be implemented via the Austrian Federal Act against Unfair Competition (UWG), are still pending – no corresponding draft has been published yet. Austria is therefore expected not to meet the transposition deadline of 27 March 2026 in full. The substantive requirements of the Directive nonetheless apply with binding effect from 27 September 2026. In the event of delayed national transposition, the Directive may under certain circumstances take direct effect vis-à-vis public authorities.

## Key Dates

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<b>26 March 2024</b>	Directive enters into force at EU level
<b>27 March 2026</b>	Deadline for transposition into national law DE: Transposition adopted in Germany on 19.12.2025; amendment to the Act against Unfair Competition (UWG) AT: Transposition in Austria expected to be delayed
<b>27 September 2026</b>	Binding application of the new provisions in all EU Member States – even without complete national transposition

## 1. Stricter Requirements for Environmental and Sustainability Claims

A key change concerns so-called "green claims" – statements about the environmental or sustainability properties of a product or a business. General or blanket claims may in future only be used if they are specifically and verifiably substantiated.

Businesses must be able to support such claims with verifiable data, calculations or certificates. Unsubstantiated statements may be classified as misleading advertising and give rise to cease-and-desist demands or injunction claims.

In Austria, legal action may be brought by competitors, consumer protection associations or the Association for Consumer Information (VKI). Successful greenwashing cases have already been brought under current Austrian law, e.g. advertising relating to climate-neutral beer production or CO<sub>2</sub>-offset flight offers.

**The following formulations are prohibited from September 2026 without sufficient evidence:**

- environmentally friendly, environmentally sound, environmentally compatible, eco-friendly
- climate-neutral, CO<sub>2</sub>-friendly, CO<sub>2</sub>-neutral
- sustainably produced, sustainable business
- climate-friendly, green, ecological (without proof of recognised environmental performance)
- Green design elements (leaves, water drops, nature images) may, in combination with text, constitute an environmental claim and trigger the requirements of the Directive – particularly where they create the impression of an environmental benefit in the mind of the average consumer

**Special case: Climate neutrality through CO<sub>2</sub> offsetting**

Where a business offsets its emissions solely through CO<sub>2</sub> compensation measures, advertising as "climate-neutral" is expressly prohibited in future. It must be made transparent how the climate balance is actually achieved – i.e. whether through avoidance, reduction or compensation of emissions.

In Austria, forward-looking commitments such as "we will be climate-neutral by 2030" are also to be permissible only where a concrete, publicly accessible action plan exists that is measurable and verifiable against defined milestones.

## 2. New Rules for Sustainability Labels

The EmpCo Directive significantly tightens the requirements for sustainability and environmental labels. Sustainability labels may in future only be used if they:

- have been established by a public authority of an EU Member State, or
- are based on a certification scheme subject to verification by independent third parties.

Environmental labelling schemes and sustainability labels without adequate certification will be prohibited. The use of the terms "vegan" and "vegetarian" may also be treated as an environmental claim where images and accompanying text suggest an ecological benefit.

**Note:** Legally regulated designations such as "organic" or "eco" for organically produced food are governed by the more specific EU Organic Regulation (Regulation (EU) 2018/848) and are in principle not covered by the EmpCo Directive. Self-developed farm labels or own "sustainability labels" without external verification and a recognised certification basis will no longer be permissible from September 2026.

## 3. Extension of the Blacklist of Unfair Commercial Practices (UCP)

The German UCP is being extended to include new prohibited practices ("blacklist"). The Austrian UCP will likewise be extended. Certain forms of environmental advertising will then automatically be deemed unfair ("per se prohibitions"), without the need for a case-by-case assessment.

These include in particular:

- Advertising of environmental benefits that do not actually exist
- Claims that are based solely on CO<sub>2</sub> offsetting but are presented as climate neutrality
- Claims that present legally mandatory standards as a special achievement
- (Planned in Austria): Misleading information about social characteristics of products or the business (e.g. animal welfare, fair pay) – these also fall within the scope of the Directive

**Practical example**

A label such as "free from prohibited preservatives" would be problematic if those substances are in any event not permitted by law in the product in question. The claim suggests a special advantage that is already legally mandatory.

**4. What Does This Mean in Practice for Farm Dairies?**

The new provisions apply to all communications with consumers. Particularly relevant are:

- Labels and product packaging
- Websites and online shops
- Social media posts
- Promotional leaflets and information materials
- Advertising in the farm shop

In all these areas, environmental or sustainability claims must be clear, specific and verifiable. Violations may result in cease-and-desist demands, injunction claims and considerable reputational damage.

**Important:** There is no sell-through period for already-produced packaging bearing impermissible claims. Anyone with, for example, "climate-friendly" on their packaging must change or specify this by September 2026, if necessary, by applying a sticker.

**5. Recommended Actions: What Businesses Should Do Now**

In advance of binding application from September 2026, we recommend reviewing existing communications materials. Ask yourself the following questions:

No.	Question
1	Are all statements on environmental or sustainability aspects verifiable by data, calculations or certificates?
2	Are these statements formulated with sufficient specificity – or are general environmental terms used without explanation?
3	Are any labels or seals used? Are these based on a recognised, independently verified certification scheme (AMA Organic Seal, EU Organic, Bio Austria, Demeter)?
4	Are legally mandatory standards being advertised as a special achievement?
5	Is "climate neutrality" being advertised? If so: Is it made transparent whether this is achieved through avoidance or offsetting?
6	Are green design elements (leaves, water drops) used in combination with environmental claims?
7 AT	Are future-facing sustainability commitments being made? If so: Is a concrete, verifiable action plan in place?

## Self-Check for Businesses: Reviewing Your Own Claims

Replace general environmental terms with specific, verifiable statements:

Problematic (without evidence)	Better: Specific and verifiable
<i>"climate-friendly production"</i>	"100% electricity from our own photovoltaic system"
<i>"environmentally friendly packaging"</i>	"Packaging made from 100% recycled cardboard"
<i>"sustainable" (general)</i>	"Milk from grazing animals in our own herd, 300 m to the dairy"
<i>"our farm sustainability seal" (without certification)</i>	Use of recognised labels (e.g. Bioland, Demeter, EU Organic, AMA Organic Seal, Bio Austria)
<i>"we will be climate-neutral by 2030"</i>	"We are reducing our emissions by 40% by 2030 in accordance with our action plan [link]"
<i>"Naturally produced"</i>	"produced without additives, only milk and salt"

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