## **European Commission - Press release**





# Circular Economy: Commission proposes new consumer rights and a ban on greenwashing

Brussels, 30 March 2022

Today, the Commission is proposing to update the EU consumer rules to empower consumers for the green transition. The updated rules will ensure that consumers can take informed and environment-friendly choices when buying their products. Consumers will have a right to know how long a product is designed to last for and how, if at all, it can be repaired. In addition, the rules will strengthen consumer protection against untrustworthy or false environmental claims, banning 'greenwashing' and practices misleading consumers about the durability of a product.

Vice-President for Values and Transparency, Věra **Jourová**, said: "We are supporting consumers who increasingly want to choose products that last longer and can be repaired. We must ensure that their commitment is not hampered by misleading information. We are giving them strong new tools to make informed choices and increase sustainability of the products and our economy with this proposal."

Commissioner for Justice, Didier **Reynders**, added: "If we do not start consuming more sustainably, we will not achieve our European Green Deal goals - it is as simple as that. While most consumers are willing to contribute, we have also seen an increase in 'greenwashing' and early obsolescence practices. To become the real actors of the green transition, consumers must have a right to information to make sustainable choices. They must also be protected against unfair commercial practices which abuse their interest in buying green."

## A new right for information on the durability and reparability of products

The Commission is proposing to amend the <u>Consumer Rights Directive</u> to oblige traders to provide consumers with information on products' durability and reparability:

- **Durability:** Consumers must be informed about the guaranteed durability of products. If the producer of a consumer good offers a commercial guarantee of durability of more than two years, the seller must provide this information to the consumer. For energy-using goods, the seller must also inform consumers when no information on a commercial guarantee of durability was provided by the producer.
- **Repairs and updates:** The seller must also provide relevant information on repairs, such as the reparability score (where applicable), or other relevant repair information made available by the producer such as the availability of spare parts or a repair manual. For smart devices and digital content and services, the consumer must be also informed about software updates provided by the producer.

Producers and sellers will decide on the most appropriate way to provide this information to the consumer, be it on the packaging or in the product description on the website. In any case, it must be provided before the purchase and in a clear and comprehensible manner.

# A ban on greenwashing and planned obsolescence

The Commission is also proposing several amendments to the <u>Unfair Commercial Practices Directive</u> (UCPD). First, the list of product characteristics about which a trader cannot mislead consumers is expanded to cover the environmental or social impact, as well as the durability and reparability. Then, it also adds new practices that are considered misleading after a case-by-case assessment, such as making an environmental claimrelated to future environmental performance without clear, objective and verifiable commitments and targets, and without an independent monitoring system.

Finally, it amends the UCPD by adding new practices to the existing list of prohibited unfair commercial practices, the so-called 'black list'. The new practices will include, among others:

- Not informing about features introduced to limit durability, for example, a software which stops or downgrades the functionality of the good after a particular period of time;
- Making generic, vague environmental claims where the excellent environmental

performance of the product or trader cannot be demonstrated. Examples of such generic environmental claims are 'environmentally friendly', 'eco' or 'green', which wrongly suggest or create the impression of excellent environmental performance;

- Making an environmental claim about the entire product, when it really concerns only a certain aspect of the product;
- **Displaying a voluntary sustainability label** which was not based on a third-party verification scheme or established by public authorities;
- Not informing that a good has limited functionality when using consumables, spare parts or accessories not provided by the original producer.

These amendments aim at ensuring legal certainty for traders but also at facilitating enforcement of cases related to greenwashing and early obsolescence of products. Furthermore, by ensuring that environmental claims are fair, consumers will be able to choose products that are genuinely better for the environment than their competitors. This will encourage competition towards more environmentally sustainable products, thus reducing negative impact on the environment.

#### **Next steps**

The Commission's proposals will now be discussed by the Council and the European Parliament. Once adopted and transposed into the Member States' national legislation, consumers will be entitled to remedies in the event of breaches, including through the collective redress procedure under the Representative Actions Directive.

### **Background**

The proposed revisions in EU consumer law were announced in the <u>New Consumer Agenda</u> and the <u>Circular Economy Action Plan</u>. The revisions aim to support the changes needed in consumer behaviour to achieve climate and environmental objectives under the European Green Deal by ensuring that consumers have better information on the durability and reparability of products, as well as protecting consumers from commercial practices that prevent them from shopping more sustainably.

When drafting the proposal, the Commission consulted over 12,000 consumers, as well as companies, consumer experts and national authorities. Verifying the reliability of environmental claims on products was seen as the biggest obstacle to consumers to engage in the green transition. Around half of respondents said that they were willing to pay extra for a product to last longer without the need for repairs.

Research also shows that consumers are confronted with unfair commercial practices, which actively prevent them from making sustainable choices. Early obsolescence of goods, misleading environmental claims ('greenwashing'), non-transparent and non-credible sustainability labels or sustainability information tools are common practices.

This proposal is part of the European Commission's broader goal of becoming the first climate neutral continent by 2050. This can only happen if consumers and businesses are consuming and producing more sustainably. The proposal will also be complemented by other initiatives, including the <a href="Sustainable Products Initiative">Sustainable Products Initiative</a> (which was also adopted today) and upcoming initiatives on <a href="Substantiating Green Claims">Substantiating Green Claims</a> and on the <a href="Right to Repair">Right to Repair</a> (for which a <a href="public consultation">public consultation</a> is open until 5 April 2022). The upcoming Right to Repair initiative will focus on encouraging repair of goods after purchase, while today's initiative on Empowering Consumers for the Green Transition imposes an obligation to provide information on reparability ahead of purchase, and protection against unfair practices linked to early obsolescence.

On 23 February 2022, the European Commission also adopted its <u>proposal on the Corporate Sustainability Due Diligence</u>, laying down clear and balanced rules for companies to respect human rights and the environment, and behave in a sustainable and responsible manner. In parallel, the Commission is also working to support businesses through the green transition, including with voluntary initiatives such as the <u>Sustainable Consumption Pledge</u>.

## For more information

<u>Proposal for a Directive as regards empowering consumers for the green transition through better protection against unfair practices and better information and Annex</u>

Factsheet on Empowering Consumers for the Green Transition

<u>Webpage</u> on Empowering Consumers for the Green Transition

# Press contacts:

<u>Christian WIGAND</u> (+32 2 296 22 53) <u>Cristina TORRES CASTILLO</u> (+32 2 29 90679) <u>Katarzyna KOLANKO</u> (+ 32 2 296 34 44)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email

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