

PROTECTING AND EMPOWERING CONSUMERS IN THE GREEN TRANSITION: MISLEADING GREEN CLAIMS

OECD DIGITAL ECONOMY
PAPERS

May 2025 **No. 375**

Foreword

This policy paper outlines the prevalence of, and harms arising from false, misleading or unsubstantiated environmental claims (“greenwashing”). It provides examples of greenwashing practices, related enforcement actions, and points to policy measures implemented in OECD member countries and partner economies to address the issue.

This paper was drafted by Shinya Takahashi, Johanna Croser and Harriet Gray, under the supervision of Brigitte Acoca, of the OECD Secretariat. It benefited from the significant contributions from experts of the Misleading Environmental Claims Working Group of the International Consumer Protection and Enforcement Network, including Cecilia Parker Aranha and Jayne Younger (United Kingdom Competition and Markets Authority), and Anna Gunnarsson and Emy Gustavsson (Swedish Consumer Agency).

This paper was approved and declassified by written procedure by the Committee on Consumer Policy (CCP) on 10 January 2025 and prepared for publication by the OECD Secretariat.

Note to Delegations:

This document is also available on O.N.E Members & Partners under the reference code:

DSTI/CP(2024)6/FINAL

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

© OECD 2025



Attribution 4.0 International (CC BY 4.0)

This work is made available under the Creative Commons Attribution 4.0 International licence. By using this work, you accept to be bound by the terms of this licence

(<https://creativecommons.org/licenses/by/4.0/>).

Attribution – you must cite the work.

Translations – you must cite the original work, identify changes to the original and add the following text: In the event of any discrepancy between the original work and the translation, only the text of original work should be considered valid.

Adaptations – you must cite the original work and add the following text: This is an adaptation of an original work by the OECD. The opinions expressed and arguments employed in this adaptation should not be reported as representing the official views of the OECD or of its Member countries.

Third-party material – the licence does not apply to third-party material in the work. If using such material, you are responsible for obtaining permission from the third party and for any claims of infringement.

You must not use the OECD logo, visual identity or cover image without express permission or suggest the OECD endorses your use of the work.

Any dispute arising under this licence shall be settled by arbitration in accordance with the Permanent Court of Arbitration (PCA) Arbitration Rules 2012. The seat of arbitration shall be Paris (France). The number of arbitrators shall be one.

Table of contents

Foreword	2
Executive summary	5
1 Introduction	7
2 Greenwashing and enforcement cases	10
3 Policy measures addressing greenwashing	19
4 Conclusion	29
References	30
Notes	36

FIGURE

Figure 1. Examples of national and regional ecolabel logos	25
--	----

BOXES

Box 1. Greenhushing	22
Box 2. Examples of consumer education and awareness campaigns	23

Executive summary

In recent years, the green transition has gained importance for consumers, who are increasingly showing an interest in environmentally friendly products, and for sellers, who are offering a growing volume of goods and services with environmental claims. However, increased concerns have been raised about the potential for some of these claims to be false or misleading, a practice commonly known as “greenwashing”. As revealed by studies and sweeps undertaken in recent years, the practice may be widespread. For example, an international sweep conducted in 2020 by the International Consumer Protection and Enforcement Network (ICPEN) showed that at least 40% of the e-commerce websites reviewed employed tactics that could be perceived as misleading.

The presence of misleading environmental claims can make it difficult for consumers to distinguish truly sustainable goods and services from others. This can impact the extent to which they select genuinely environmentally friendly products and their trust in green claims. Greenwashing can also harm businesses and economies more broadly, for example, by putting at a competitive disadvantage those businesses committed to genuine sustainability initiatives.

This paper provides an overview of how policies and enforcement actions have evolved to address misleading green claims in recent years. It i) outlines the prevalence of and harm arising from greenwashing; ii) highlights current practices that may constitute greenwashing and examples of related enforcement actions; and iii) takes stock of the different policy measures being implemented in OECD Member countries and partner economies to address the issue.

The paper points to a wide range of conducts that may constitute greenwashing. Examples include false or unsubstantiated claims (such as “100% natural ingredients”, when this is not the case), use of unclear language or expressions (like “eco”, “planet friendly” or “eco-conscious”, without any detail to support the claim), and fake or inadequate third-party certifications. It may also include implicit impressions, such as use of green imagery or green brand or product names, suggestive of an environmental benefit, when the advertised product has no environmental benefit or a negative impact on the environment.

Addressing greenwashing has been a priority for many consumer protection authorities across the globe in recent years. They have done so at national level, and co-operated regionally and internationally to develop best practices, including via the European Union Consumer Protection Cooperation Network and ICPEN. Challenges in identifying and running enforcement actions on greenwashing occur at the intelligence-gathering phase, during the investigation, and in developing appropriate remedies. They include, for example, difficulties assessing complex technical or scientific evidence to substantiate claims. International co-operation and sharing experiences and expertise between consumer protection authorities can be useful when taking action against greenwashing. Although relevant legislation may differ across countries, the basic principles are usually the same and can be applied or considered in many jurisdictions.

The range of policy measures explored or implemented in OECD Member countries and partner economies to address greenwashing is broad. These include:

- **Legislation and regulation:** most jurisdictions have consumer laws prohibiting misleading or false commercial claims. In recent years, some have introduced additional regulatory measures focusing on green and sustainability claims to combat greenwashing.
- **Business guidance:** many jurisdictions have issued guidance for businesses on environmental claims, including on compliance with legal requirements and prohibited conduct, with concrete examples or good practices for appropriate claims.
- **Consumer education and awareness:** many jurisdictions have engaged in activities to raise consumer awareness of greenwashing practices and educate them on how to distinguish true from false or misleading claims.
- **Third-party certification schemes:** some businesses use such schemes to help assure consumers that they are getting the environmental benefit they want when making their purchasing decision. While eco-labels are prevalent – many based on well-established standards – various certifications including private labels may give rise to misleading environmental claims.
- **Information disclosure and standards on measurement:** promoting transparency through the disclosure and substantiation of green claims can assist consumers in making informed choices, while common standards for environmental performance measurement can help ensure claims are accurate and comparable, reducing the risk of misleading practices.
- **Self-regulation:** industry action can complement government regulations, including by formulating voluntary guidelines to promote responsible advertising and prevent greenwashing.

1 Introduction

In recent years, consumers have shown increased interest in environmentally friendly products while the range of goods and services with environmental claims offered by sellers has increased. For example, according to a consumer survey by the *Bureau Européen des Unions de Consommateurs* (BEUC), 48% of surveyed European consumers prefer buying products bearing an environmental label (BEUC, 2023^[1]). In Australia, 45% of consumers always or often consider sustainability as part of their decision-making process when making a purchase (CPRC, 2022^[2]). Results from an OECD survey carried out in early 2024 in 18 OECD Member countries and partner economies to assess consumer attitudes and reactions to sustainable consumption (hereafter “the OECD 2024 survey”) indicate that most consumers surveyed were concerned about the environment (68%), considered environmental protection important (74%), and were willing to make sacrifices to protect the environment (60%) (OECD, forthcoming^[3]). A study by the European Commission (EC) indicates that between 2018 and 2019, environmental claims were identified on 80% of webpages and advertisements of products (EC, 2022^[4]).

With access to clear, accurate and easy-to-understand information, consumers are empowered to choose products with better environmental attributes, which in turn can drive markets to provide more environmentally friendly choices. Whilst this presents promising opportunities for businesses and consumers, growing concerns have been raised about the potential for false or misleading claims to be made, a practice commonly known as “greenwashing”. Businesses may engage in greenwashing for various reasons. To appeal to environmentally conscious consumers, companies might exaggerate or misrepresent their sustainability efforts without proper substantiation. The competitive nature of markets can drive businesses to prioritise a positive image over genuine environmental responsibility, leading to greenwashing as a quick and superficial solution. As consumer demand for eco-friendly products rises, some companies may exploit this trend without fully committing to sustainable practices, ultimately undermining the credibility of genuine environmentally responsible initiatives. Another factor may be a lack of clear guidance on how to make transparent, clear, evidence-based and trustworthy claims.

Susceptibility of consumers to misleading environment claims

In contrast to other product attributes, such as brand, design or functionality, which can be observed directly, it is often difficult for consumers to assess the environmental attributes of a product even after purchase and use. In a consumer survey in European Union (EU) countries, for example, one in three respondents said they had noticed greenwashing at least once over the past twelve months but only a mere 3% said they would be able to always distinguish false green claims (BEUC, 2023^[1]).

Findings from the OECD 2024 survey reveal that common green claims, such as “recycled”, “recyclable” and “carbon neutral,” appeared to be inconsistently understood. For example, a significant number of the consumers surveyed believed that “recyclable” means “made from waste materials” (23%) or that a company that claims to be “carbon neutral” no longer causes carbon emissions (20%). While consumers who are concerned about the environment appeared to be more certain about the meaning of different environmental terms, in practice, they showed the same lack of understanding as less concerned consumers. Moreover, consumers often associated some environmental claims with additional, unclaimed

environmental benefits (commonly described as the “halo effect”). The findings also confirm that the surveyed consumers had difficulties distinguishing between official or third-party certified eco-labels and made-up eco-labels. In a hypothetical choice experiment, both types of labels significantly and similarly increased demand for the higher-priced product perceived as “greener” (OECD, forthcoming^[3]). This finding is concerning as it suggests that environmental claims and labels may substantially influence consumers’ purchasing decisions – regardless of their accuracy and truthfulness.

Prevalence of misleading environmental claims

The practice of greenwashing appears to be relatively widespread globally. An international sweep of environmental claims conducted by ICPEN in 2020 suggested that at least 4 out of 10 of the approximately 500 websites in various sectors reviewed seemed to employ tactics that could be perceived as misleading (see (CMA, 2021^[5])). A range of sectors, including clothes, cosmetics and food, were investigated in the sweep, where the most common activities identified include:

- using vague terms like “eco”, “sustainable”, or “natural” without sufficient explanation or proof;
- displaying self-created environmental labels not verified by accredited bodies; and
- hiding or omitting information to seem more environmentally friendly.

Similarly, according to an EU sweep also undertaken in 2020, under the umbrella of the ICPEN, 42% of the green claims analysed were potentially unfair commercial practices under EU rules (EC, 2021^[6]). An Internet sweep conducted by the Australian Competition and Consumer Commission (ACCC) in 2022 discovered that 141 out of 257 businesses (57%) had made potentially deceptive environmental or sustainability claims (ACCC, 2023^[7]).

The websites subject to the sweeps are from a range of sectors, including clothes, cosmetics and food, and consumer protection authorities have taken enforcement actions against businesses in a variety of industries (see section 2).

Harms from misleading environmental claims

The quality of information available to consumers is critical to enabling them to make choices in line with their preferences, and to protecting them from:¹

- **financial harm**, for example, where the consumer has purchased a good or service that they otherwise would not have purchased, paid a premium based on the environmental claim, or incurred financial cost to correct the environmental performance of a product
- **non-financial harm**, including time loss, psychological detriment (e.g. stress, anger) from the good or service not conforming to their reasonable expectations with respect to environmental impact, and a loss of confidence in green claims from the abuse of the consumer’s trust and values.

In the United States, Volkswagen and Porsche repaid a total of more than USD 9.5 billion since 2016 to car buyers under the Federal Trade Commission (FTC)’s orders stemming from the companies’ deceptive “clean diesel” advertising (FTC, 2020^[8]). The main components of consumer harm that were identified in the case include i) any price premium that consumers paid due to the clean emissions claims, ii) the lost opportunity to avoid creating excess pollution, iii) for consumers who get an emissions repair or modification for their vehicle, compensation for reduction in vehicle performance or resale value due to the repair or modification; and iv) any additional transaction costs that are imposed on consumers by the remedy (Carlson et al., 2017^[9]).

While the extent of non-financial harm is difficult to quantify, an erosion in consumer trust in green claims can have tangible societal costs, such as a reduction in consumer willingness to choose environmentally friendly products – especially if they cost more than the less sustainable alternatives. A survey spanning nine countries in 2020 revealed, for example, that nearly half of the consumers (49%) lacked information to validate sustainability claims attributed to products, and 44% expressed scepticism towards such claims (Capgemini Research Institute, 2021^[10]). In the OECD 2024 survey, about half of the respondents expressed distrust for environmental claims (OECD, forthcoming^[3]).

The problem of greenwashing can harm businesses and economies more broadly. False or misleading environmental claims can make it difficult for consumers to identify businesses that are genuinely making efforts to mitigate their environmental impact. Many businesses go to significant lengths to make their goods and services more sustainable. Where businesses are not able to realise the full competitive benefits of making environmental improvements, greenwashing may have a chilling effect on investment. Improving the veracity of environmental claims may help to create a level playing field between businesses and supports competitive conduct in markets (ACCC, 2023^[11]; EC, 2022^[4]).

Tackling misleading green claims

Numerous jurisdictions have taken measures to tackle misleading environmental claims through enforcement actions and policy developments (see sections 2 and 3 below). In addition, the following international initiatives have been developed:

- an OECD report on good practices to promote sustainable consumption (OECD, 2008^[12]), policy recommendations on consumer education for sustainable consumption (OECD, 2009^[13]), and policy recommendations for enhancing environmental claims (OECD, 2011^[14])
- ICPEN's international sweep, best practice workshops, a handbook for ICPEN members on taking enforcement action on greenwashing, and a database on enforcement actions and activities, developed by ICPEN's Misleading Environmental Claims Project Working Group²
- the United Nations Trade and Development (UNCTAD)'s Guidelines for Consumer Protection amended in 2015 (UNCTAD, 2015^[15]), which include provisions on environmental claims; and a report on competition and consumer protection policies for sustainability (UNCTAD, 2023^[16]), which introduces national and international-level initiatives for combating greenwashing
- the United Nations Environment Programme (UNEP)'s Consumer Information Programme for Sustainable Consumption and Production (CI-SCP), which has issued guidelines for providing product sustainability information (UNEP, 2017^[17]; UNEP, 2023^[18])³
- Consumer International (CI)'s GreEnCommerce project,⁴ part of which involves a review of policy and practices on sustainability information in e-commerce, and a policy action framework for a transparent and sustainable online marketplace (CI and IISD, 2023^[19]; CI, 2022^[20]; CI and IISD, 2023^[21]).

As discussed at the meeting of the Committee on Consumer Policy at Ministerial level on 8-9 October 2024, there is momentum to review the effectiveness of policy and enforcement approaches to greenwashing.

This paper provides an overview of how enforcement activity has evolved to address misleading green claims in recent years (section 2), and how policy initiatives that have been implemented to combat greenwashing encourage businesses to make accurate claims and enable consumers to make informed choices (section 3).

2 Greenwashing and enforcement cases

What are “environmental claims” and “greenwashing”?

There is no internationally agreed definition of what constitutes an environmental claim or greenwashing. In most jurisdictions, such claims are considered lawful or unlawful in line with general provisions of consumer law on misleading claims, although some jurisdictions have statutory definitions for these terms.

An OECD report (OECD, 2011^[14]) regarding findings and policy conclusions to enhance the value and effectiveness of environmental claims, described the terms “environmental claims” and “green claims” as follows:

“Environmental claims, also termed “green claims”, are assertions made by firms about the environmentally beneficial qualities or characteristics of their goods and services. They can refer to the manner in which products are produced, packaged, distributed, used, consumed and/or disposed of. In addition to environmental aspects, these claims are sometimes defined to include the socially responsible or ethical manner in which products are produced and distributed.

Environmental claims can appear on a product (i.e. good or service) label, its packaging, in related literature or advertising material, as well as in promotional and point-of-sales material, and other forms of marketing. Claims can take the form of words, symbols, emblems, logos, graphics, colours and product brand names. They can be transmitted through the written media, including newspapers and magazines, electronic media such as television and radio, and digital media such as the Internet.”

Environmental claims are sometimes also classified as product-specific or company-wide, and explicit or implicit:

- **Product-specific claims** focus on the goods or services supplied, and often appear on packaging, websites, advertisements or social media posts by influencers. **Company-wide claims** are generally used to enhance brand or company recognition and trust, and often appear on websites, advertisements or in corporate social responsibility statements and reporting documents.
- **Explicit claims** are usually express statements related to the environment. **Implicit claims** are not directly stated but imply an environmental benefit, for example “executional green claims” using particular colours and imagery (Parguel, Benoit-Moreau and Russell, 2015^[22]). An analysis of online advertising reveals that colour, like flora greens, ocean blues or earthy beige, appears to play a significant role in advertisements promoting an environmental claim (CPRC, 2023^[23]).

The term “greenwashing” emerged in the 1980s (de Freitas Netto et al., 2020^[24]). In the context of consumer issues, it is generally used to refer to a commercial practice involving the making of an

environmental claim which is false or misleading, including where there is inadequate evidence to support the claim. For example:

- The ACCC’s guidelines describe the practice as “[w]here claims misrepresent the environmental impact associated with a business, or the goods and services it supplies” (ACCC, 2023^[25]).
- The Indian Central Consumer Protection Authority’s guidelines provide a more detailed definition of greenwashing as (ICCPA, 2024^[26]):
 - “(i) any deceptive or misleading practice, which includes concealing, omitting, or hiding relevant information, by exaggerating, making vague, false, or unsubstantiated environmental claims.*
 - (ii) use of misleading words, symbols, or imagery, placing emphasis on positive environmental aspects while downplaying or concealing harmful attributes.*

but shall not include (i) use of obvious hyperboles, puffery, or (ii) the use of generic colour schemes or pictures; either not amounting to any deceptive or misleading practice.”

This paper focuses on environmental claims targeted at consumers, rather than corporate disclosures to communicate primarily with investors.

How are environmental claims treated under consumer protection law?

A fundamental principle of consumer protection regimes is that all claims in advertising and marketing, both express and implied, must be truthful, cannot be deceptive, and must be evidence-based. This is regardless of whether the consumer protection regime is prescriptive, code-based or principles-based (see section 3 for further detail). To analyse compliance, consumer protection authorities typically focus on how an environmental claim will be interpreted by the consumer.

For a variety of reasons – the complexity of the underlying science, a lack of standardised definitions for commonly-used terms, and consumer biases – environmental claims are particularly susceptible to misinterpretation by consumers (see also section 1). Taken together, these factors create fertile ground for greenwashing, where businesses can, either deliberately or inadvertently, exploit ambiguities and consumer tendencies to their advantage.

Environmental issues often involve intricate interdependencies and require a nuanced understanding of ecosystems, chemical processes, and long-term impacts. For instance, a “biodegradable” claim might be technically accurate, but the rate and conditions under which the product biodegrades can vary significantly. Local waste disposal schemes may not, in any event, make provision for biodegradable products (for example, where residual waste is incinerated). Such complexities are often lost on consumers who may lack the specialised knowledge to critically evaluate such claims. They may also trip up smaller businesses who are seeking to promote so-called environmentally friendly products, but who lack the resources of a sustainability team or other expert advice.

As discussed below in this section, the lack of standardised definitions and regulations for environmental claims can exacerbate this problem. Terms like “eco-friendly”, “natural”, and “sustainable” are frequently used in marketing but lack precise, universally accepted definitions. This ambiguity can afford companies considerable leeway in how they apply these labels. Most consumer authorities agree that these terms, when applied in a way that misleads consumers, can be in breach of consumer law, notwithstanding the lack of standard definitions.

Cognitive biases also play a significant role in how consumers interpret environmental claims. The “halo effect” discussed in section 1, where the perception of one positive attribute (for example, a product being promoted as containing natural fragrance) influences the perception of other potentially unrelated attributes

(for example, that the product has no negative environmental impact), can lead consumers to conclude that a product is more beneficial than it is.

Examples of greenwashing and enforcement action

Addressing misleading environmental claims has been a long-standing priority for many consumer protection authorities across the globe. Actions have been taken at national level, and through regional and international co-operation such as the EU Consumer Protection Cooperation Network, and ICPEN. This section discusses the following non-exhaustive list of greenwashing issues and enforcement activity:

- false claims
- unsubstantiated or inadequately substantiated claims
- broad, unqualified environmental benefit claims using vague language
- claims which emphasise a positive environmental impact and hide the negative impact
- claims which relate to only part of the good or service, but do not make that clear
- claims that a product is “carbon neutral”, “carbon negative” or “net zero”
- green imagery, brand, or name
- fake or inadequate third-party certifications
- multiple environmental claims.

False claims

One form of greenwashing occurs when a business makes an environmental claim that is false.

In the **United States**, a company marketed bath and beauty products that it claimed had “100% Organic Ingredients,” were “certified organic” or were vegan. The FTC alleged these claims were false or misleading, or unsubstantiated, because the products contained non-organic ingredients, had never been certified as organic under US rules and regulations, and some incorporated non-vegan ingredients (FTC, 2019^[27]). In another case, a car manufacturer advertised that its “Clean Diesel” vehicles had low emissions, had lower emissions than comparable diesel and gasoline vehicles, complied with state and federal emissions standards, and were environmentally friendly, including that they were “environmentally conscious”, “eco-conscious” and “green”. The FTC alleged the claims were false or misleading because the vehicles used a defeat device – an illegal software designed to enable the vehicle to cheat emissions tests (FTC, 2017^[28]).

In **Belgium**, a company offered a service that consisted of filling up unused (heating oil) tanks with a synthetic resin and claimed that this product was recyclable. However, to recycle the product, the company needed a specific licence, which it did not have. The responsible authority confirmed that a licence would not be granted in any event because the resin cannot contain oil residues. Whilst the company alleged it was possible to recycle the resin in the Netherlands, it did not provide the requested proof and decided to remove any recyclable claims from its website.⁵

Unsubstantiated or inadequately substantiated claims

When a business makes an environmental claim without adequate evidence to support the claim, it may be considered as greenwashing. As shown below, this can occur even where the business holds some evidence to support the claim, but where that evidence is insufficient in the circumstances.⁶

In **New Zealand**, a manufacturer of plastic rubbish bags was fined USD 60 000 in relation to the “oxo biodegradable” bags it marketed and sold. The Court found that the website and product claims were liable to mislead the public as the bags would not biodegrade in a landfill readily or swiftly, or within the timeframe the average consumer expects (whether 12 months or 24 months or less). The Court also found that statements on the website were liable to mislead the public because important limitations on the availability of composting options in New Zealand were not made clear (Commerce Commission, 2013^[29]).

In the **United States**, two retailers marketed that rayon textiles were “bamboo” and were made using ecofriendly processes. Because converting bamboo into rayon requires the use of toxic chemicals and results in hazardous pollutants, the FTC alleged these claims were false or unsubstantiated at the time the representations were made. The actions resulted in a total of USD 5.5 million in settlements (FTC, 2022^[30]). In another case, four paint companies made claims that their product was emission-free, or containing zero volatile organic compounds (VOCs), both during and immediately after application. The FTC alleged that the companies had no evidence to support these claims and some of the chemicals within the product could be harmful to the environment and people, especially to sensitive groups such as babies and those suffering from asthma or allergies. The FTC charged the four companies with making unsubstantiated claims that their paints were free of emission and/or that they contained no VOCs without qualification. All the companies agreed to orders to correct unsubstantiated claims and prohibiting them from making unqualified deceptive claims (FTC, 2017^[31]).

In **Peru**, a company advertised their bottled water products as “sustainable” and “environmentally friendly”. A competing company filed a case against the first arguing that their claims were false since they did not have the evidence to support them. The company argued that the Peruvian Authority should dismiss the case as “sustainable” and “friendly with the environment” were not objective claims. The Authority, in the first administrative instance, concluded that the claims were objective and, according to the United Nations’ “Guidelines for Providing Product Sustainability Information”, the claim “sustainable” referred to three dimensions: environmental, social and economic. The claims regarding “environmental sustainability” transmitted the message that a good or service had a positive impact on the environment. Through Resolution N°12-2023/CCD-INDECOPI, the company was found guilty since they did not present the evidence to substantiate such a claim (Indecopi, 2023^[32]).

Broad, unqualified environmental benefit claims using vague language

Terms like “eco”, “eco-friendly”, “planet friendly”, “conscious” or “responsible” create the impression that the product is not harmful to, or is good for, the environment. As broad claims are difficult, if not impossible to substantiate with respect to all reasonable interpretations of these claims, marketers should qualify them with specific environmental benefits. The bottled water case in **Peru** illustrates a claim using broad, vague language.

In **Australia**, an importer, distributor and supplier of electrical appliances marketed its portable air conditioners as “environmentally friendly,” stating they contained “non-harmful gases” when this was not the case. The ACCC argued the environmental claims were misleading and gave the impression that the portable coolers and their component gases did not have a negative impact on the climate (ACCC, 2008^[33]).⁷

Claims which emphasise a positive environmental impact and hide the negative impact

A claim may be deceptive where it focuses only on the positive aspects of the environmental performance of a good or service. This can generate a “halo effect”, in which highlighting a trivial environmental benefit creates the misleading impression that the product overall is good for the environment (or better than its competitors). This can be particularly problematic where the positive aspects of the good or service have a negligible impact.

In **New Zealand**, the Commerce Commission warned a taxi company for making what it believed were false or misleading representations about its fleet when claiming that its “LPG cars reduce CO₂ pollution by up to 25% ...” and that one of its vehicles was “20% more fuel efficient than traditional automatic transmissions”. As the representations overstated the positive features of the taxi fleet, the claim was considered misleading (Commerce Commission, 2008^[34]).

In **Sweden**, a meat producer claimed that the carbon footprint of Swedish cows was 60% less than the world average, and that choosing climate smart meat from the company would be good for the climate. The Swedish Consumer Agency considered the claims gave the impression that the product had no, or only a positive, environmental impact over the product’s life cycle, and that the advertiser had not substantiated this claim (Reklamombudsmannen, 2020^[35]).

In **Germany**, a company advertised a mattress with “CO₂ neutral foam” while the CO₂ neutrality was achieved through compensation projects. The company gave no information as to how eco-friendly or harmful the manufacturing process was. Following a written warning from the Federation of German Consumer Organisations (Verbraucherzentrale Bundesverband (VZBV)), the company signed a cease-and-desist declaration. In another case, a car manufacturer’s advertising claims included “stands for a mission: The acceleration of the transition to sustainable energy” and “The sooner we overcome our dependence on fossil fuels and realise an emission-free future, the better”. VZBV considered these statements created the impression that the purchase of a car produced by this manufacturer reduced CO₂ emissions, whilst the company had sold the credits from its reduced emissions to other car manufacturers. This information was hard for consumers to find (VZBV, 2022^[36]). The court proceedings are ongoing.

Claims which relate to only part of the good or service, but do not make that clear

A claim may be considered greenwashing where it does not clearly identify the specific part or attribute of the good or service to which it relates.

In **New Zealand**, a company advertised chicken as “certified as organic chicken”. Although the chickens were sourced from certified organic farms, they were butchered on a site that had not been certified by the leading certifiers of organic producers in New Zealand. A District Court found this claim to be false as consumers expect both “organic” and “certified organic” products to be 100% organic throughout the entire chain (Commerce Commission, 2006^[37]).

In the **United Kingdom**, advertisement for an energy provider advertising claims such as “The UK is READY for Cleaner Energy” and “In the UK, 1.4 million households use 100% renewable electricity from Shell” were found to be misleading due to omitting material information. The company argued that the intention of the adverts was to raise awareness of lower emissions energy goods and services they offered, and that a consumer would understand the claims to refer to specific parts of their business. The United Kingdom’s advertising regulator, the Advertising Standards Authority (ASA) acknowledged that consumers were likely to understand that energy products derived from fossil fuels were environmentally detrimental. However, they were interested to seek out companies which were making meaningful progress to dramatically reduce their emissions but were unlikely to be aware of any progress made by specific companies in their transition. Advertisements were therefore likely to mislead consumers if they misrepresented the contribution that lower-carbon initiatives played, or would play in the near future, as part of the overall balance of a company’s activities. The cumulative effects of the claims and surrounding context within the ads, including the Shell and #powering progress logos, gave the impression that the lower-carbon energy products, like those shown in the advertisements, already comprised a significant proportion of the energy products Shell invested in and sold in the United Kingdom, or were likely to do so in the near future. As this was not the case, further information about the proportion of Shell’s overall business model that comprised lower-carbon energy products was material information that should have been included (ASA, 2023^[38]).

Claims that a product is “carbon neutral”, “carbon negative” or “net zero”

Increasingly, businesses are using claims like “carbon neutral” and “net zero”, giving the impression that the products in question have no impact on the climate. Such claims have proven difficult for consumers to understand. A consumer survey conducted by the Swedish Consumer Agency in 2020 showed that almost half of the consumers that had encountered the concept of climate compensation found it hard to understand the meaning of the related claims (Konsument verket, 2020^[39]). A consumer survey conducted in 2022 by the Netherlands Authority for Consumers and Markets (ACM) showed that less than half of consumers see a difference between carbon reduction and carbon offset (ACM, 2022^[40]).

Companies using climate compensation claims are mostly offsetting their carbon emissions using offsetting schemes. These schemes purport to carry out activities to reduce or remove carbon or other greenhouse gases from the atmosphere, such as planting trees, protecting forests or delivering renewable energy projects. A practice may be greenwashing where: there is insufficient evidence to support the calculation of carbon reduction; the contract the business has entered into is insufficient to adequately offset the emissions; or the claim does not make the nature of the offsetting clear to consumers.⁸

In **Sweden**, a dairy producer was prohibited from using the claim “net zero climate impact” and other similar claims giving the impression that the product had no impact on the climate, or that the impact caused by the product had been fully compensated, when that was not the case. The business had invested in tree planting and keeping projects. The producer argued its climate compensation followed the commonly accepted method, Global Warming Potential 100 (GWP 100), which is based on a time horizon of 100 years for climate compensation. Sweden’s Patent and Market Court considered the company did not have sufficient evidence to prove that the result of “net zero” would be reached in 100 years. The Court questioned the permanence of the offsetting projects and other uncertainties related to them, even though the calculations were made in accordance with established standards (Konsument verket, 2023^[41]).

In the **Netherlands**, the Authority for Consumers and Markets (ACM) investigated CO₂ compensation claims in the airline industry. An airline company, which was making claims such as “fly greener”, was required to clarify that CO₂ compensation does not make flying more sustainable. The company was required to: ensure claims are factual; display the calculation and amount of CO₂ that is compensated; provide detail on which projects the CO₂ compensation is spent; and highlight the respective independent certification (ACM, 2023^[42]).⁹

In **Germany**, a website offering tickets for the World Cup 2022 included claims such as “fully carbon-neutral tournament”, “low-emission transportation” and that any remaining, unavoidable emissions will be “offset”. VZBV filed a lawsuit on the basis that it is not possible to deliver a fully carbon-neutral tournament, arguing the claim was misleading by omission as further information was provided in English only when the advertising was in German (VZBV, 2022^[43]). The lawsuit is pending at the Regional Court Berlin.

In the **United Kingdom**, a bank’s advertisements included claims such as “we’re helping to plant 2 million trees which will lock in 1.25 million tonnes of carbon over their lifetime”, and “we’re aiming to provide up to USD 1 trillion in financing and investment globally to help our clients transition to net zero”. The claims were accompanied by natural world imagery. The ASA concluded that the claims, while accurate in isolation, were misleading as creating an impression that the bank was making a positive overall environmental contribution (ASA, 2022^[44]). Consumers would not understand the claims related only to part of the bank’s business and that the bank continued to make significant investments in high-emitting businesses and industries.

Green imagery, brand or name

A practice may be greenwashing where the claim relies on images associated with nature and the environment to promote products, or where a brand or name is suggestive of an environmental benefit, when the advertised product has a negative impact on the environment.

In the **United States**, FTC guidance on the use of environmental marketing claims includes an example of a marketer's advertisement that features a picture of a laser printer in a bird's nest balancing on a tree branch, surrounded by a dense forest with green type stating "Buy our printer. Make a change" (FTC, 2012^[45]). The guidance states that while the advertisement did not expressly claim the product had environmental benefits, the featured images, in combination with the text, likely convey that the product has environmental benefits and may convey it has no negative environmental impact. The guidance further provides that because it is highly unlikely that the marketer could substantiate these claims, this advertisement was deceptive.

Fake or inadequate third-party certifications

Claims commonly rely on third-party certifications to show that their products are better for the environment than alternatives. In some cases, these third-party certifications may be inadequate (for example, setting low standards for compliance or not carrying out proper checks on businesses). In other cases, businesses may simply apply a logo which would appear to a consumer to be a third-party certification, but which, in fact, the business has simply made up.

The Guidance on Sustainability claims from the **Netherlands** ACM provides an example of the "Better Cotton Initiative" (ACM, 2023^[46]). This label is used by many clothing businesses and the initiative works towards reducing the negative effects that the production of cotton has on the environment and working conditions. It is important, however, that the businesses inform consumers clearly that, on the basis of this label, individual products do not automatically contain "better cotton", but that buyers of these products support the production of "better cotton" in the future.

In **Hungary**, a dental clinic called itself an "environmentally conscious clinic" and used the claim together with an EcoEngage label. The label belonged to a voluntary environmental protection commitment programme of a company manufacturing dental hygiene products and disinfectants based in Switzerland, and they certified that the company used disinfectants and procedural techniques in the clinic that did not burden the environment. In addition to the measures related to the EcoEngage label, the company submitted that it had introduced additional measures to protect the environment such as using recycled paper to print duplicate invoices. The Hungarian Competition Authority (GVH) considered that the claim conveyed the message to consumers that the company itself is eco-friendly, and it organises its processes and operations for the sake of environmental consciousness. Consumers were not informed about the meaning of the label so they could have mistakenly considered the claim to apply to the service and the clinic as a whole, despite the fact that only part of the practices and processes of the company were environmentally conscious (GVH, 2022^[47]).

In the **United States**, as discussed above in relation to unsubstantiated or inadequately substantiated claims, four paint companies claimed that their paints were free of emissions or contained zero VOCs without any qualifications. Two of the companies also marketed their paint using environmental seals. These practices were alleged to be deceptive because the VOC claims were unsubstantiated and the companies did not disclose to consumers they had awarded the seal to their own products (FTC, 2017^[31]).

Also in the **United States**, the FTC alleged that a mattress company claimed that its mattresses were certified by the "Green Safety Shield" but failed to disclose that the seal was the defendant's own designation and that it had awarded it to its own products. The FTC also alleged the company represented

that some of its mattresses were “organic”, when, in fact, a substantial majority of these mattresses is non-organic (FTC, 2017^[48]).

Multiple environmental claims

A company may make more than one type of environmental claim about its good or service. Multiple claims might be presented, for example, through use of imagery, brand name, reference to certification schemes, and corporate target. The presentation of multiple environmental claims can create the impression that a consumer is making a more environmentally friendly choice. This is problematic if one or more of the claims presented is misleading or unsubstantiated. Combining multiple claims, which are not all accurate, can create confusion and limit a consumer’s ability to understand which claims are genuine. The perception of multiple claims can impact judgment and potentially even lead consumers to infer pro-environmental features of products that are not explicitly stated or supported on the packaging (although it should be noted that the evidence for this is tentative, lacking in quality experimental design and sample size) (Jóźwik-Pruska et al., 2022^[49]).

In the **United Kingdom**, the Competition and Markets Authority (CMA) investigated three fashion companies in relation to a variety of potentially misleading environmental claims (CMA, 2023^[50]). The practices identified by the CMA include:

- use of vague and ambiguous terms such as “sustainable” and “responsible” without further explanation
- not clearly providing criteria for inclusion in a green range
- omitting to provide fabric composition
- use of “natural” imagery to suggest a product is more environmentally friendly than it is
- lack of clarity relating to accreditation schemes and whether these apply to a specific product or businesses as a whole
- corporate targets not supported by substantiation.

Following the investigation, all three companies signed commitments to change the way they display, describe and promote their green credentials to ensure claims are accurate and not misleading.

Challenges and lessons learned

There are several challenges for authorities in identifying and running enforcement actions on greenwashing, including challenges related to: i) standard definitions; ii) substantiation; and iii) understanding the impact on consumer decision making. These challenges occur at the intelligence-gathering phase, during the investigation, and in developing appropriate remedies.

Standard definitions

As mentioned earlier in this section, there is no internationally (or even nationally) agreed definition of commonly used environmental terms such as biodegradable, compostable, recyclable and carbon neutral that businesses must use in marketing and labelling their products. This makes it harder for them to provide consistent information to consumers and widens the possibility for businesses to misuse the terms.

As a result, to determine whether the claim made can, on balance, be said to be true or misleading, consumer authorities may need to look across a broad range of sources – national laws, international standards, national and international case law, and consumer research.

Assessing substantiation

Most consumer authorities can require businesses to provide them with evidence to substantiate the claims made. In some straightforward cases, businesses will not have any evidence or it will be wholly inadequate.

However, in many cases, challenges will arise when businesses provide technical or scientific evidence to substantiate their claims, for example, where standardised lab tests are used to assess the biodegradability or compostability of products. Another example is where businesses purport to have made certain improvements or taken measures to deal with their environmental impact in the future, such as by contributing to carbon offsetting schemes. It can be challenging for consumer authorities to assess the quality and content of that substantiation. Authorities can take several steps to assess the quality of the information by:

- verifying whether the methodology used matches national or international industry standards
- reviewing trusted research such as independent scientific or government reports and statistics
- to extent that it is available, drawing on in-house expertise.

Since many consumer authorities do not employ technical or scientific experts, assessing substantiation evidence typically involves consulting external experts when an authority receives technical documentation and calculations to verify an environmental claim. This can be expensive and present its own problems. National legal systems may have specific requirements for the conduct and independence of expert witnesses. It can also lead to a “battle of the experts” before the courts.

To improve their ability to assess technical information before launching enforcement actions, some authorities have initiated internal capacity building projects and trainings, for example on the methods used and the uncertainties related to climate compensation projects. Co-operation with academia and other experts, including from other relevant government entities,¹⁰ on both a formal and informal basis is important to build capacity on environmental claims and their substantiation.

International co-operation and sharing of experiences and expertise among authorities can also assist when taking action against misleading environmental claims. Although the legislation on environmental claims might differ, the basic principles are usually the same and can be applied or considered in many jurisdictions.

Understanding the impact on consumer decision making

As mentioned earlier in this section, understanding how an environmental claim will be interpreted by the consumer and how it impacts consumer behaviour can be key to assessing whether the claim is misleading, along with the harm caused and appropriate remedies. There is a growing body of academic and other research on consumer understanding of, and reactions to, environmental claims. This includes the OECD 2024 survey, but also surveys undertaken in individual jurisdictions to find out more about consumer interest, knowledge, and perception of environmental claims and labels.¹¹

Environmental claims can be highly context specific, and the environmental impact of a particular product is likely to be only one of several factors (e.g. price, quality, brand loyalty) a consumer considers when purchasing. Further, there is a broad range of understanding of, and interest in, environmental issues, with some consumers focused predominantly on price and others highly motivated to purchase products they believe to be environmentally sustainable.

Remedies for businesses are typically transparency focused and require businesses to provide clarity with supplementary information to consumers. Behavioural studies have proven to be very useful when assessing how a consumer understands certain environmental claims or labels, and to identify the best means of disclosing environmental impact information.

3 Policy measures addressing greenwashing

In response to the proliferation of misleading green claims, several jurisdictions have developed various policy measures to combat greenwashing practices. Six types of instruments are covered in this section:

- legislation and regulation
- business guidance
- consumer education and awareness
- certification schemes
- information disclosure and standards on measurement
- self-regulation.

In practice, jurisdictions tend to use supply-side focused policy tools, such as prohibitions on misleading claims, as well as demand-side tools, such as consumer education as a complement.

Legislation and regulation

Regulations concerning general misleading claims are one of the most common policy tools used to combat greenwashing. Many jurisdictions have laws prohibiting misleading practices in some form, and these laws may apply to environmental claims that are misleading, or lack evidence to back them up, to the same extent they apply to advertising claims in general. For instance, in the **United States**, the FTC Act (15 USC 45)¹² broadly prohibits unfair or deceptive acts and practices which include deceptive environmental claims. Similarly, in **Korea**, the Act on Fair Labelling and Advertising¹³ prohibits businesses from labelling or advertising that is false, exaggerated, deceptive, unfairly comparative, or slanderous. There can also be general substantiation and disclosure rules which can be used in relation to environmental claims about a product.

Some jurisdictions have also introduced regulatory measures focusing on green and sustainability claims.¹⁴ In relation to certification tools, an example is sector and product-specific rules such as mandatory labelling requirements for certain types of household appliances, including energy labels.

A survey on green claims online, which was carried out by the UNCTAD Sub-Working Group on Misleading and Unfair Business Practices in January 2022, reported that 15 out of 18 respondent countries had specific legislation, rules, or regulations to regulate and control green claims in e-commerce websites (UNCTAD and SIC, 2022^[51]). In **France**, the Climate and Resilience Law¹⁵ prohibits unsubstantiated claims regarding greenhouse gas emissions in advertisements. It prevents businesses from using carbon neutral or similar expressions such as “zero carbon”, “climate neutral”, or “fully offset”, unless they can provide the necessary information to the public.

In **Korea**, the Development and Support for Environmental Technology Act¹⁶ – in addition to the general regulation against misleading practices – specifically forbids certain types of labelling or advertising that might deceive or mislead consumers regarding the environmental impact of products. The purpose of the Act is different from consumer law: to promote the development, support, and dissemination of environmental technologies and foster the environmental industry, thereby contributing to environmental conservation, the promotion of green growth and the sustainable development of the national economy.

In **Colombia**, a specialised regulation on environmental advertising has been issued in 2014 (Decree 1369/2014).¹⁷ It is inspired by Colombia's National Policy on Sustainable Production and Consumption and international frameworks, such as the 2002 Johannesburg Plan of Implementation and UNEP's 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP). The regulation aims at guiding change in product and consumption patterns towards environmental sustainability and establishes the requirements that environmental advertising must meet.¹⁸

The **European Union** has recently worked on strengthening rules to combat greenwashing alongside the European Green Deal initiative. The Directive on Empowering Consumers for the Green Transition entered into force in 2024 (EC, 2022^[52]) to amend the existing Unfair Commercial Practices Directive by explicitly categorising typical practices related to green claims as misleading actions and omissions and by including specific practices on the list of prohibited unfair actions in all circumstances. The Directive on Green Claims (EC, 2023^[53]), proposed in 2023 and complementing the former directive with more specific rules, covers the substantiation and communication of voluntary environmental claims. It sets out criteria for environmental claims and labels, requirements for these claims and labels to be checked by an independent and accredited verifier, and new rules on the governance of environmental labelling schemes.

In **Canada**, in June 2024, the Competition Act was amended to include new provisions relating to environmental claims. These provisions require that environmental claims about a product be supported by adequate and proper testing, and those about a business or business activity be based on adequate and proper substantiation with an internationally recognised methodology.

Jurisdictions have adopted principles-based approaches, more detailed regulation, and a combination of both approaches. A principles-based approach can provide flexibility to adapt to new claims and changes in the marketplace by enabling authorities to assess claims on a case-by-case basis, and provide more general coverage for future, unanticipated issues. More prescriptive regulation can provide greater predictability and legal certainty. It can also go further in requiring businesses to disclose the environmental impact of their goods or services in a prescribed format that enables consumers to easily compare competing products. The application of these approaches may also be affected by the general legal framework in a given jurisdiction. In any event, both forms of regulation require appropriate penalties and remedies to be effective. The OECD Consumer Policy Toolkit outlines a range of credible sanctions from informal persuasion to severe penalties to secure compliance (OECD, 2010^[54]).

Business guidance

To complement regulations governing unfair or misleading commercial practices, many consumer protection authorities and other entities have issued guidelines for businesses to provide clear guidance on their obligations or advice on best practices when making environmental claims.

Besides international initiatives, regulatory agencies in many jurisdictions have published business guidance including interpretations of relevant regulations, sharing best practices and case examples, and outlining business ethical codes, to help businesses make appropriate green claims. There are many similarities between different jurisdictions' guidance, both in substance and approach. The various guidelines require environmental claims to:

- Be honest and truthful. If a claim only proves to be true for certain aspects this needs to be clarified.

- Present clear, accurate and up-to-date information, without exaggeration.
- Avoid vague or general claims which are not capable of conveying a clear message.
- Substantiate or qualify claims through accessible, relevant evidence.
- Be able to produce scientific and/or technical data to support environmental claims on request.
- Display any explanatory statement prominently next to, or close to, the claim.
- Use reliable and verifiable third-party certification/labelling, where applicable (note some countries consider that labels should be explained).
- Ensure visual claims and logos are clear, useful and next to the claim, where relevant.
- Where relevant, use terms consistent with consumer understanding (e.g. definitions of recyclable, biodegradable).
- Use scientific or technical terminology that is relevant and easy to understand for consumers.
- Use specific comparative claims that are relevant to the product/category, and which make clear the basis for comparison.
- Specify at which stage of the life cycle of the good/ service the environmental benefits occur, when relevant to the claim.
- Distinguish between general information about brand/business environmental efforts or goals, and specific information about the benefits of an individual product.

Many jurisdictions also provide guidance on specific points, such as carbon offsets and use of specific terms.

In addition to guidelines and other initiatives from national authorities, as mentioned in section 1, UNEP guidelines have been issued on providing product sustainability information, along with guidelines on providing such information in e-commerce (UNEP, 2017^[17]; UNEP, 2023^[18]). The guidelines outline five fundamental principles covering reliability, relevance, clarity, transparency, and accessibility, as well as five aspirational principles to improve ways in which stakeholders communicate with consumers.

Effective communication through business guidance relies on delivering brief and impactful messages to convey key points. An example is the **United Kingdom's** CMA guidance on environmental claims (CMA, 2021^[55]). This guidance is designed to assist businesses in comprehending and adhering to their obligations under consumer law. It outlines the Green Claims Code, which sets out six simple principles for making environmental claims, accompanied by examples illustrating their application.¹⁹ These concise and clear principles and examples help businesses better understand how to communicate environmentally related information effectively and responsibly.

Providing concrete guidance categorised by different types of green claims can also be a valuable approach to help businesses better understand and meet their legal obligations. The FTC in the **United States**, through its Green Guides, offers comprehensive guidance that outlines general principles and serves as a guide to how the agency is likely to enforce, and provides specific explanations for various types of claims related to environmental and green marketing (FTC, 2012^[45]). These categories include carbon offsets, certifications and seals of approval, compostable, degradable, free-of, non-toxic, ozone-safe and ozone-friendly, recyclable, recycled content, refillable, renewable energy, renewable materials, and source reduction claims. The FTC also sought public comments on the need for additional guidance when it announced in 2022 potential updates to the Green Guides (FTC, 2022^[56]). This category-specific guidance allows businesses to easily reference the specific claims relevant to their goods or services.

Another valuable approach is to provide guidance on best practices. In **Australia**, the guide for businesses on making environmental claims, published by the ACCC in 2023, not only sets out eight principles for

credible environmental claims but also introduces best practices to assist businesses in offering consumers relevant and accurate information about the environmental performance of their products (ACCC, 2023^[25]). In **Peru**, the Guidelines on Environmental Claims issued in 2023, set out the five principles of green advertising in line with the United Nations guidelines and provide examples of both good and bad practices by types of product (Indecopi, 2023^[57]). They also introduce not only domestic enforcement cases, but also major cases in other countries for reference, which may contribute to Peruvian businesses' understanding of international trends on the governance of environmental advertising.

In some jurisdictions, there has been a trend to extend guidance beyond environmental claims to encompass ethical, social and governance claims, reflecting the increasing significance of sustainability in consumer markets and society. Sustainability claims broadly incorporate claims related to sustainable development, which has been defined as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.²⁰ For example, this may include claims relating to equal treatment and opportunities, diversity, working conditions, health and safety, and animal welfare as well as environmental claims. In **Norway**, the Consumer Authority issued guidance in 2020 concerning sustainability claims used for marketing purposes (NCA, 2020^[58]). This guidance covers not only environmental claims but also sustainability and ethical claims, all of which fall under the Market Control Act addressing unfair commercial practices. In the **Netherlands**, in 2021, the ACM developed Guidelines regarding Sustainability Claims, which were updated in 2023 (ACM, 2023^[46]). These guidelines define sustainability claims as an “umbrella term” encompassing environmental claims, ethical claims, and lifespan claims related to goods, services, or business operations.

A final potential benefit of business guidance on environmental claims is to address reported cases of businesses becoming reluctant to make green claims due to uncertainty, growing public scrutiny and regulatory action in relation to environmental claims. This is sometimes referred to as “greenhushing” (see Box 1) and could discourage businesses from pursuing sustainability objectives. Clarifying obligations and good practices can make it easier for businesses to make reliable environmental claims.

Box 1. Greenhushing

While many businesses are eager to highlight their environmentally friendly practices for commercial advantage, some avoid communicating or hide their environmental initiatives with stakeholders, such as consumers and investors. For example, 44% of businesses participating in a survey of 1 400 large companies with net zero targets across 12 different countries and multiple sectors reported that external communication on climate targets has become more difficult in the past year. The survey results also suggest that 58% of respondents are decreasing communications, and 18% have no intention of publicising their net zero targets at all despite working towards them (South Pole, 2024^[59]).

This approach, often referred to as “greenhushing”, has gained recognition for its detrimental effects on transparent markets.

Source: (South Pole, 2024^[59])

Consumer education and awareness

While preventing greenwashing is key, there can also be benefits in assisting consumers to better understand environmental impact information, and to identify and report potential greenwashing.

Various tools and approaches are available to educate consumers about greenwashing or environmental labelling schemes. Box 2 provides examples of consumer education and awareness campaigns

implemented by consumer authorities. Creating educational materials such as guides, leaflets, posters, and videos is one approach. These campaigns can also be complemented by direct engagement with consumers. In 2023, the **United Kingdom's** non-profit education programme for advertising, Media Smart, launched an environmental claims awareness campaign targeting teachers, parents, and young people. They also released a concise guide and film, accompanied by a social media campaign.²¹

Another example is the Green Marketing Challenge held by the **United Nations System Staff College** in 2024.²² This is a self-paced online learning product that tests participants' knowledge on what makes for a good product sustainability claim based on the UN Guidelines for Providing Sustainable Information. In the learning activity, participants are given a series of challenges based on live examples that demonstrate good or bad practice on product sustainability claims. Target audiences of the programme include not only businesses but also consumers and members of civil society.

Box 2. Examples of consumer education and awareness campaigns

ICPEN hosts an annual Fraud Prevention Month (FPM) to promote consumer and business education. In 2021, Colombia co-ordinated an FPM focusing on misleading green claims. The campaign aimed at encouraging consumers to become better informed when accessing products with environmental claims and educating them on the risks of different environmental claims made by businesses. It was based on the consumer protection principle that: A #ConsumerWhoKnows how to replace, rethink, refuse, reduce, reuse, recycle, and repair (the '7 Rs' of the circular economy), prevents the consumer from becoming a victim of misleading advertising (ICPEN, 2021^[60]).

The **United Kingdom's** CMA launched a Green Claims code for shoppers in 2021, outlining 5 tips to help consumers identify genuine environmental credentials about the goods and services that they consider purchasing: *Do not just trust slogans or vague terms; Look for evidence to support a claim; Look past appearances; Don't forget the disposal; Think about the bigger picture* (CMA, 2021^[61]).

Peru, through Indecopi, in 2022, developed bite-size advice to consumers including that, when buying sustainable products, they should choose those with current certifications and should not be guided solely by unsupported environmental phrases, icons or images (Indecopi, 2022^[62]). Indecopi also conducts online radio programmes, providing recommendations to consumers through "The Fair Competition Hour" to help them not be misled by false green claims.²³

In 2023, the **Belgian** Federal Public Service Economy launched a "Too green to be true" consumer awareness campaign, which included five tips to consumers: *Check if "green" claims are substantiated; Check which aspect of the life cycle is affected by the claim; Check if the claim is a legal obligation or common practice; Check to see if a comparative environmental claim is explained; Check if labels or certifications are explained* (Belgian Federal Government, 2023^[63]).²⁴ The campaign included a month-long social media campaign and a one pager website with a link to an online system to report questionable environmental claims.

In the **Netherlands**, the ACM launched a "Green Talk" campaign on social media in 2023. This was aimed at helping consumers to assess the validity of claims made by companies regarding the sustainability of their goods and/or services (ACM, 2023^[64]).²⁵

In the **United States**, the FTC routinely makes public presentations and has hosted workshops on topics including recyclable claims, which are then amplified by general media outlets. The FTC uses social media as an outlet for blog posts, articles, and consumer alerts.

Sources: (ICPEN, 2021^[60]); (CMA, 2021^[61]); (Indecopi, 2022^[62]); (Belgian Federal Government, 2023^[63]); and (ACM, 2023^[64]).

Certification schemes

Certification schemes, with stringent criteria and verification processes, can contribute to distinguishing reliable greener products. These schemes ensure that green claims are substantiated and reduce the potential for greenwashing. Through labels, symbols or trademarks, these certifications provide consumers with information and transparency regarding the environmental or social impact of products. However, while stringent certification schemes operated properly can enable more informed choices and enhance consumer trust, this is impacted by the prevalence of unreliable certification schemes, together with the difficulty that consumers have in distinguishing reliable labels from made-up ones (see section 1).

Some jurisdictions have implemented mandatory labelling schemes for certain products. For example, there are mandatory energy label requirements on certain household appliances in some jurisdictions including **Australia** (Energy Rating Label), **Canada** (EnerGuide Label), **Korea** (Energy Efficiency Label), the **United States** (Energy Guide Labels), and the **EU** (Ecodesign, Energy Label). Those labels show the degree of energy efficiency under established standards of measurement. Additionally, in **France**, specific household products are required to display a designated label with their reparability index²⁶ at the point of sale. This ten-grade index is calculated using criteria and measurement methods established by the Ministry of Environment. Mandatory labelling or scoring systems like these allow consumers to make straightforward product comparisons using consistent and transparent standards. However, it is worth noting that monitoring is also needed to ensure businesses are complying with the requirements of these scheme, and that claims made on the basis of these scheme are not misleading.

There are also various voluntary labelling schemes observed around the world. The **International Organization for Standardization (ISO)** has established a collection of standards known as the ISO 14020 family, dedicated to environmental labelling. This family encompasses three distinct types of labelling and declaration schemes:

- Type I (ISO 14024:2018) labels are developed by third parties, such as governmental or private organisations, based on multiple criteria and life cycle considerations (ISO, 2018^[65]).
- Type II (ISO 14021:2016) labels are created by producers or involve self-declared green claims (ISO, 2016^[66]).
- Type III (ISO 14025:2006) declarations provide quantified environmental information throughout a product's life cycle, enabling comparisons among products serving the same function (ISO, 2006^[67]).

Given the global adoption of these standards, numerous labels adhere to these ISO standards.

As an example of Type I (ISO 14024:2018) labels, many jurisdictions have established their own ecolabels certified by governmental or public organisations (see Figure 1 for examples of national and regional ecolabel logos). The Ecolabel Index, which is a global directory of ecolabels, tracks 456 ecolabels in 199 countries, and 25 industry sectors as of February 2024.²⁷ Type I ecolabels requires that all phases of a product life cycle, i.e. raw material extraction, manufacturing of components and sub-components, final product assembly, transportation, use, reuse, recycling and end-of-life, should be considered for the overall assessment of product environmental impacts and costs (GIZ, 2021^[68]).

For instance, the **EU** enacted the Regulation on the EU Ecolabel in 2010 (EC, 2010^[69]). This label serves as a voluntary environmental label for products that meet specific criteria aimed at reducing their overall environmental impact. These criteria are developed by the Joint Research Centre and ultimately adopted through decisions by the EU. The certification process also adheres to the ISO 14024:2018 standard governing environmental labels. At the same time, the regulation prohibits any false or misleading advertising or use of any label or logo that leads to confusion with the EU Ecolabel.

In **Germany**, the “Blue Angel” was established in 1978 by the Federal Government as a state-owned Type 1 ecolabel, including to enhance sustainable public procurement. As of today, more than 40 000 products and services in over 100 product groups have been awarded the Blue Angel.²⁸ Similarly, in the **Nordic countries**, including Denmark, Finland, Iceland, Norway, and Sweden, the Nordic Swan Ecolabel is operated as an official ecolabel.²⁹ The label is administered and managed by Nordic Ecolabelling, which consists of five local organisations endorsed by all Nordic governments. It is possible to obtain a certification with the Nordic Swan Ecolabel within 55 different product groups covering more than 200 different product types if a product satisfies strict requirements in relation to the product’s life cycle, chemicals, and sustainable development. The Nordic ecolabel has developed criteria for eco-labelling not only of goods, but also for services. Its recent amendments introduced additional requirements for sustainable e-commerce delivery, which include a focus on climate impact, energy efficiency and working conditions during product transport.

Figure 1. Examples of national and regional ecolabel logos

<p>Australia: Good Environmental Choice Australia</p> 	<p>Canada, Mexico, US: Ecologo</p> 	<p>Colombia: Sello Ambiental Colombiano</p> 	<p>Germany: Blue Angel</p> 
<p>Nordic countries: Nordic Swan Ecolabel</p> 	<p>EU countries: EU Ecolabel</p> 	<p>Japan: EcoMark</p> 	<p>Korea: Eco-Label</p> 

Source: Ecolabel Index (<https://www.ecolabelindex.com/>). The logo images were provided by ecolabel owners.

Various labels have emerged in the consumer market, driven by increased awareness of sustainability issues among consumers. These labels encompass globally recognised initiatives. One such example is the Fairtrade Marks,³⁰ licensed by **Fairtrade International**, a global non-profit organisation. These marks are registered certification and trademark symbols that can be applied to products meeting internationally agreed-on social, environmental, and economic Fairtrade Standards. Additionally, sector-specific labels have also gained prominence. For instance, the **Forest Stewardship Council (FSC)** labels,³¹ often found on paper products and furniture, serve as trust marks for sustainable forestry practices. These labels endorse initiatives aimed at zero deforestation, fair wages and work environments, conservation of plant and animal species, and the welfare of local communities residing in and around forested areas. The FSC is responsible for developing standards for sustainable forestry, promoting their adoption, and collaborating with relevant stakeholders for effective implementation while independent and accredited certification bodies are responsible for issuing FSC certificates.

There are numerous other labels accredited by public or private organisations addressing various aspects of sustainability and offering consumers information to make environmentally and socially responsible

choices. However, the proliferation of such labels may confuse consumers. In addition to labels accredited through verification with stringent criteria, there are many other labels, including those self-certified by companies based on their own standards. Some may be unreliable due to low criteria or improper verification for accreditation, further exacerbating the confusion for consumers who struggle to differentiate them. The EC identified approximately 230 active ecolabels in the EU in 2020, 48% of them encompassing various social attributes (EC, 2022^[4]). Based on a consumer market study, the EC points out that many labels are subject to varying levels of robustness, supervision, and transparency, which could lead to unreliability (EC, 2014^[70]). The diversity and inconsistency among labels can make it challenging for consumers to make informed choices about environmentally and socially responsible goods and services.

In response, some jurisdictions require businesses to disclose material connections to an accreditation scheme to protect consumers from being deceived or misled. For example, in the **United States**, the FTC publishes Endorsement Guides³², which include guidance on the disclosure of material connections to the accreditation scheme and examples that relate specifically to environmental certifications or seals.

Other jurisdictions are working to foster consumer awareness of reliable labels. For example, the **German** government has developed the Siegelklarheit.de website to allow consumers to assess and compare the requirements of different sustainability labelling schemes with an environmental star rating of the label.³³ In **Japan**, the Ministry of Environment operates a website on environmental labels where consumers can check symbols and descriptions of all Type I labels certified by reliable authorities.³⁴ In the **United States**, the Environmental Protection Agency operates its own ecolabel programmes, and issues a recommendation on private standards and labels to help federal purchasers identify and procure environmentally preferable goods and services.³⁵

To tackle the challenges posed by the proliferation of environmental labels in the **EU** more directly: i) the Unfair Commercial Practice Directive was amended to prohibit voluntary sustainability labels which were not based on a third-party verification scheme or established by public authorities (EU, 2022^[71]); and ii) a new Directive on Green Claims (EC, 2023^[53]) limiting the proliferation of labelling schemes and ensuring that new ones provide added value. Additionally, any new private labelling scheme will need to meet stringent criteria and pre-approval prior to its implementation. These measures are expected to introduce greater transparency and credibility in labelling, ultimately empowering consumers to make more informed choices.

Information disclosure and standards on measurement

Many jurisdictions require businesses to hold evidence to substantiate the claims they are making. It may also be beneficial in appropriate cases to make the evidence, or related key information, available to consumers or to other businesses in the supply chain. Such evidence and disclosure requirements can have several benefits, including that they:

- enable consumers to check whether the claims they see are supported by evidence, and to make more informed choices
- can make it easier for retailers to ensure that the environmental claims on products which they sell, but do not manufacture, are true
- may make it easier for consumer authorities and other entities such as consumer groups to identify cases of greenwashing, since the same claim may be judged true or false depending on the presence or absence of appropriate substantiating evidence.

It is also worth noting that while there are undoubtedly benefits of information disclosure, it is not a silver bullet against greenwashing. Often, the evidence which businesses rely on to support their green claims will be highly technical or scientific, and it may be very difficult for consumers to comprehend. In relation

to supply chains, in some cases, the information will be proprietary information, and businesses in the supply chain may also be competitors. This can create an additional barrier to disclosure.

As discussed in the section in relation to business guidance, some jurisdictions encourage businesses to disclose such information. For instance, in **Australia**, the ACCC recommends that businesses make this information easily accessible and comprehensible to consumers as a best practice. The guidance provides practical examples such as using brochures, dedicated websites, or QR codes (ACCC, 2023^[25]). In **France**, advertisers are required to make a substantiation report when making environmental claims such as “carbon neutral” and “zero carbon”, which they must publish on their website or via a QR code on a mobile app.

In **Korea**, the Environmental Industry and Technology Institute (KEITI) manages the Environmental Information Disclosure Programme (ENV-INFO Verification).³⁶ It offers consulting services to resolve difficulties faced when registering environmental information and provides document inspection as well as on-site verification to improve the reliability of disclosed environmental information.

Establishing common standards for measuring environmental performance can also be a valuable tool to make transparent and comparable claims. When there are products with the same environmental claim measured using disparate criteria, consumers face difficulties in making informed choices. By aligning measurement methods, exaggerated claims can be curbed, and products can be more accurately and fairly represented, promoting transparency and reliability in environmental claims.

An example of common standards is a measurement standard on carbon footprint. **The Greenhouse Gas (GHG) Protocol**, a global multistakeholder partnership of businesses, non-governmental organisations (NGOs), governments, and other stakeholders, sets the Product Life Cycle Accounting and Reporting Standard. It provides a methodology that can measure the greenhouse gases associated with the full life cycle of products, including raw materials, manufacturing, transportation, storage, use and disposal (GHG Protocol Team, 2011^[72]). This global standard can be used, not only for improving product design and removing risks at the stage of production, but also for responding to customer demand for environmental information and communicating environmental aspects of products with consumers.

In 2021, the **EC** adopted a revised Recommendation on the use of Environmental Footprint Methods (EC, 2021^[73]). This initiative is aimed at helping companies accurately measure their environmental performance. These measurements can then be provided to stakeholders, including authorities and consumer groups, enhancing access to reliable, verifiable, and comparable information. These methods encompass 16 different environmental impacts and enable organisations to conduct product and organisation-specific assessments.

Information disclosure on a product’s environmental performance calculated under standardised measurement could help consumers make fair comparisons between products. As it provides an objective substantiation of product claims, the risks of making misleading claims may be reduced. However, it is also important that businesses are in some way held accountable for appropriate use of those measurements.

Self-regulation

In addition to government regulations, there is a widespread practice of voluntary rules within relevant industries. For instance, advertising and marketing associations have established guidelines and standards their members are expected to adhere to. While the rules may be applicable only to limited member entities and lack enforceable outcomes, they often provide valuable insights into industry-specific interpretations of general regulations and offer practical examples, complementing authorities’ guidance.

For example, in 2022, the **World Federation of Advertisers (WFA)**, a global association representing multinational marketers and national advertiser associations, issued Global Guidance on Environmental

Claims (WFA, 2022^[74]). This guidance outlines six key principles that marketers should adhere to in order to maintain trustworthiness and prevent their brands from being accused of greenwashing. It also offers global best practices for environmental claims in advertising. Similarly, the **International Chamber of Commerce (ICC)**, representing 45 million companies across over 170 countries, introduced the ICC Framework for Responsible Environmental Marketing Communications in 2021 (ICC, 2021^[75]). This framework presents a concise summary of the principles from the ICC Code, including those found in its chapter on environmental claims. It supplements these principles with additional commentary and guidance to assist practitioners in applying them effectively in environmental advertising. Additionally, the framework includes a detailed checklist to aid in the creation of appropriate environmental claims as well as providing learning courses and certification.³⁷

In some instances, there is collaboration between a regulator and a self-regulatory body. In **Portugal**, the consumer protection authority co-published the Guidelines on Environmental Claims in Marketing Communications with the Advertising Self-Regulatory entity which is a private body that promotes self-regulation in the marketing communication sector.³⁸

4 Conclusion

Greenwashing has been a focus of policy attention and enforcement action in many countries due to the prevalence of misleading environment claims, the vulnerability of consumers to such claims, and the resulting harms for consumers, competing businesses and economies more broadly.

In response, consumer authorities in many jurisdictions have undertaken market surveillance, investigations, and enforcement actions. While there are different types of greenwashing, authorities typically assess compliance based on how consumers perceive and understand environmental claims. Authorities face several challenges, including a lack of agreed definitions of commonly used environmental terms, the difficulty of assessing the technical evidence provided by businesses to substantiate their claims, and understanding how an environmental claim will be interpreted by consumers. International co-operation, through networks such as ICPEN, can assist in tackling these issues.

To address greenwashing and empower consumers to make greener choices, jurisdictions are using a range of consumer policy tools while considering different advantages and trade-offs in their effectiveness. Common approaches include general prohibitions of misleading claims, combined with supplemental business guidance on environmental claims. In some countries, more prescriptive sector-specific or economy-wide legislation and regulation are also observed. While principle-based regulations can be flexible to adapt to new types of claims and changes in the marketplaces with case-by-case assessment and supplemental guidance, more prescriptive regulation may provide greater predictability and legal certainty. Under both systems, complementary endeavours, including consumer education and awareness raising activities, certification schemes, information disclosure and standards, and self-regulation can further help to limit the number of misleading green claims or their harmful impact.

The effectiveness of regulatory regimes also depends on the level of enforcement capacity and authorities' ability to take appropriate action. Such action not only addresses specific incidences of greenwashing but also sets a precedent for other businesses. International fora, such as the OECD and ICPEN, enable countries to exchange experiences and insights, and to take co-ordinated action, for example, through conducting sweeps to map the extent of the problem with misleading environmental claims. These global collaborations are expected to strengthen consumer policy and enforcement, supporting transparent markets where consumers can make informed choices.

References

- ACCC (2023), *Greenwashing by Businesses in Australia - Findings of the ACCC's Internet Sweep of Environmental Claims*, <https://www.accc.gov.au/about-us/publications/greenwashing-by-businesses-in-australia-findings-of-acccs-internet-sweep> (accessed on 4 July 2024). [7]
- ACCC (2023), *Making Environmental Claims: A Guide for Business*, <https://www.accc.gov.au/about-us/publications/making-environmental-claims-a-guide-for-business> (accessed on 4 July 2024). [25]
- ACCC (2023), *Senate Inquiry into Greenwashing*, <https://www.accc.gov.au/system/files/ACCC%20submission%20-%20Senate%20inquiry%20into%20Greenwashing%20-%202022%20June%202023.pdf> (accessed on July July 2024). [11]
- ACCC (2008), *De Longhi Alters "Environmentally Friendly" Claims*, <https://www.accc.gov.au/media-release/de-longhi-alters-environmentally-friendly-claims> (accessed on 22 August 2024). [33]
- ACM (2023), *Consumenten Hebben Recht op Duidelijke Informatie over Duurzaamheid*, <https://www.acm.nl/nl/publicaties/acm-consumenten-hebben-recht-op-duidelijke-informatie-over-duurzaamheid> (accessed on 4 July 2024). [64]
- ACM (2023), *Guidelines regarding Sustainability Claims Markets that Work Well for People and Businesses*, <https://www.acm.nl/en/publications/guidelines-regarding-sustainability-claims> (accessed on 4 July 2024). [46]
- ACM (2023), *Ryanair Clearer About CO2 Compensation Following ACM Action*, <https://www.acm.nl/en/publications/ryanair-clearer-about-co2-compensation-following-acm-action> (accessed on 4 July 2024). [42]
- ACM (2022), *Consumers Find Claims regarding Carbon Offset Unclear*, <https://www.acm.nl/en/publications/acm-consumers-find-claims-regarding-carbon-offset-unclear> (accessed on 4 July 2024). [40]
- ASA (2023), *ASA Ruling on Shell UK Ltd t/a Shell*, <https://www.asa.org.uk/rulings/shell-uk-ltd-g22-1170842-shell-uk-ltd.html> (accessed on 4 July 2024). [38]
- ASA (2022), *ASA Ruling on HSBC UK Bank plc*, <https://www.asa.org.uk/rulings/hsbc-uk-bank-plc-g21-1127656-hsbc-uk-bank-plc.html> (accessed on 4 July 2024). [44]
- Belgian Federal Government (2023), *Trop vert pour être vrai ?*, https://www.belgium.be/fr/actualites/2023/trop_vert_pour_etre_vrai (accessed on 28 April 2025). [63]

- BEUC (2023), *The Great Green Maze - How Environmental Advertising Confuses Consumers*, [1]
<https://www.beuc.eu/green-maze> (accessed on 2025 February 7).
- Capgemini Research Institute (2021), *How Sustainability Is Fundamentally Changing Consumer Preferences*, [10]
<https://www.capgemini.com/insights/research-library/how-sustainability-is-fundamentally-changing-consumer-preferences/> (accessed on 4 July 2024).
- Carlson, J. et al. (2017), "Economics at the FTC: Deceptive Claims, Market Definition, and Patent Assertion Entities", *Review of Industrial Organization*, Vol. 51/4, pp. 487-513, [9]
<https://doi.org/10.1007/s11151-017-9596-6>.
- CI (2022), *The State of Sustainability Information: Critical Trends, Trade-offs, and Solutions*, [20]
<https://www.consumersinternational.org/media/451292/the-state-of-sustainability-information.pdf> (accessed on 4 July 2024).
- CI and IISD (2023), *E-commerce and Product Sustainability Information: An Overview of Policies and Practices*, [19]
<https://www.consumersinternational.org/news-> (accessed on 4 July 2024).
- CI and IISD (2023), *Policy Action Framework: Improving Product Sustainability Information in E-commerce*, [21]
<https://www.consumersinternational.org/media/451293/policy-action-framework.pdf> (accessed on 4 July 2024).
- CMA (2023), *Fashion Greenwashing: Investigation into ASOS, Boohoo and Asda*, [50]
<https://www.gov.uk/cma-cases/asos-boohoo-and-asda-greenwashing-investigation> (accessed on 4 July 2024).
- CMA (2021), *CMA Guidance on Environmental Claims on Goods and Services Helping Businesses Comply with Their Consumer Protection Law Obligations*, [55]
<http://www.nationalarchives.gov.uk/doc/open-government-> (accessed on 4 July 2024).
- CMA (2021), *Global Sweep Finds 40% of Firms' Green Claims Could Be Misleading*, [5]
<https://www.gov.uk/government/news/global-sweep-finds-40-of-firms-green-claims-could-be-misleading> (accessed on 4 July 2024).
- CMA (2021), *Guidance - Green Claims Code for Shoppers*, [61]
<https://www.gov.uk/government/publications/green-claims-code-for-shoppers/green-claims-code-for-shoppers> (accessed on 4 July 2024).
- CMA (2021), *Making Environmental Claims: a Literature Review*, [78]
[https://assets.publishing.service.gov.uk/media/63d01328d3bf7f3c3fa85a33/MGC_Literature_r](https://assets.publishing.service.gov.uk/media/63d01328d3bf7f3c3fa85a33/MGC_Literature_review_-_1_.pdf)
[eview_-_1_.pdf](https://assets.publishing.service.gov.uk/media/63d01328d3bf7f3c3fa85a33/MGC_Literature_review_-_1_.pdf) (accessed on 4 July 2024).
- Commerce Commission (2013), *Rubbish Bag Company Fined Heavily for Misleading Environmental Claims*, [29]
<https://comcom.govt.nz/news-and-media/media-releases/2013/rubbish-bag-company-fined-heavily-for-misleading-environmental-claims>
(accessed on 4 July 2024).
- Commerce Commission (2008), *'Greenwashing' Can Be Misleading - Taxi Company Warned*, [34]
<https://comcom.govt.nz/news-and-media/media-releases/archive/greenwashing-can-be-misleading-taxi-company-warned> (accessed on 4 July 2024).
- Commerce Commission (2006), *Organic Means 100% Organic, and Fresh Means 100% Fresh*, [37]
<https://comcom.govt.nz/news-and-media/media-releases/archive/organic-means-100-organic,-and-fresh-means-100-fresh> (accessed on 4 July 2024).

- CPRC (2023), *Seeing Green*, <https://cprc.org.au/report/seeing-green/> (accessed on 4 July 2024). [23]
- CPRC (2022), *The Consumer Experience of Green Claims in Australia*, https://cprc.org.au/wp-content/uploads/2022/12/CPRC-Green-Claims_Final.pdf (accessed on 4 July 2024). [2]
- de Freitas Netto, S. et al. (2020), “Concepts and Forms of Greenwashing: a Systematic Review”, *Environmental Sciences Europe*, Classification is useful to discribe scope of greenwashing., p. 19, <https://doi.org/10.1186/s12302-020-0300-3>. [24]
- EC (2023), *Directive on Substantiation and Communication of Explicit Environmental Claims*, https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1692 (accessed on 4 July 2024). [53]
- EC (2022), *Impact Assessment for EU Proposal on Green Transition*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022SC0085> (accessed on 4 July 2024). [4]
- EC (2022), *Proposal for a Directive of the European Parliament and of the Council Amending Directives 2005/29/EC and 2011/83/EU*, <https://data.consilium.europa.eu/doc/document/ST-7808-2022-INIT/en/pdf> (accessed on 4 July 2024). [52]
- EC (2021), *Environmental Footprint Methods*, https://environment.ec.europa.eu/news/environmental-footprint-methods-2021-12-16_en (accessed on 4 July 2024). [73]
- EC (2021), *Screening of Websites for ‘Greenwashing’: Half of Green Claims Lack Evidence*, https://ec.europa.eu/commission/presscorner/detail/en/ip_21_269 (accessed on 4 July 2024). [6]
- EC (2014), *Consumer Market Study on Environmental Claims for Non-food Products*, <https://op.europa.eu/en/publication-detail/-/publication/ae7f9aa1-bdea-4ad2-82d1-835549c3ce2a/language-en> (accessed on 4 July 2024). [70]
- EC (2010), *Regulation (EC) No 66/2010 of the European Parliament and of the Council*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32010R0066> (accessed on 4 July 2024). [69]
- EU (2022), *Proposal for a DIRECTIVE amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and better information*, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32005L0029#d1e32-35-1> (accessed on 25 September 2023). [71]
- FTC (2022), *FTC Seeks Public Comment on Potential Updates to its ‘Green Guides’ for the Use of Environmental Marketing Claims*, <https://www.ftc.gov/news-events/news/press-releases/2022/12/ftc-seeks-public-comment-potential-updates-its-green-guides-use-environmental-marketing-claims> (accessed on 4 July 2024). [56]
- FTC (2022), *FTC Uses Penalty Offense Authority to Seek Largest-Ever Civil Penalty for Bogus Bamboo Marketing from Kohl’s and Walmart*, <https://www.ftc.gov/news-events/news/press-releases/2022/04/ftc-uses-penalty-offense-authority-seek-largest-ever-civil-penalty-bogus-bamboo-marketing-kohls> (accessed on 4 July 2024). [30]
- FTC (2020), *In Final Court Summary, FTC Reports Volkswagen Repaid More Than \$9.5 Billion To Car Buyers Who Were Deceived by “Clean Diesel” Ad Campaign*, [8]

- <https://www.ftc.gov/news-events/news/press-releases/2020/07/final-court-summary-ftc-reports-volkswagen-repaid-more-95-billion-car-buyers-who-were-deceived-clean>.
- FTC (2019), *Federal Trade Commission, Plaintiff, v. Truly Organic Inc., a Corporation, and Maxx Harley Appelman, Also Known as Maxx Harley, Defendants.*, <https://www.ftc.gov/legal-library/browse/cases-proceedings/192-3077-truly-organic-inc> (accessed on 4 July 2024). [27]
- FTC (2017), *Federal Trade Commission, Plaintiff, v. Volkswagen Group of America, Inc., a Corporation, Also doing Business as Volkswagen of America, Inc., Also Doing business as Audi of America, Inc., Defendant.*, <https://www.ftc.gov/legal-library/browse/cases-proceedings/162-3006-volkswagen-group-america-inc> (accessed on 4 July 2024). [28]
- FTC (2017), *FTC Approves Final Consent Order in Moonlight Slumber, LLC Advertising Case*, <https://www.ftc.gov/news-events/news/press-releases/2017/12/ftc-approves-final-consent-order-moonlight-slumber-llc-advertising-case> (accessed on 4 July 2024). [48]
- FTC (2017), *Paint Companies Settle FTC Charges That They Misled Consumers; Claimed Products Are Emission- and VOC-free and Safe for Babies and other Sensitive Populations*, <https://www.ftc.gov/news-events/news/press-releases/2017/07/paint-companies-settle-ftc-charges-they-misled-consumers-claimed-products-are-emission-voc-free-safe> (accessed on 4 July 2024). [31]
- FTC (2012), *Guides for the Use of Environmental Marketing Claims*, <https://www.ftc.gov/legal-library/browse/federal-register-notices/guides-use-environmental-marketing-claims-green-guides> (accessed on 4 July 2024). [45]
- GHG Protocol Team (2011), *Product Life Cycle Accounting and Reporting Standard*, https://ghgprotocol.org/sites/default/files/standards/Product-Life-Cycle-Accounting-Reporting-Standard_041613.pdf (accessed on 19 January 2024). [72]
- GIZ (2021), *Barrier Analysis and Strategies*, <https://www.oneplanetnetwork.org/knowledge-centre/resources/barrier-analysis-and-strategies-ecolabels-and-sustainable-public> (accessed on 4 July 2024). [68]
- GVH (2022), *GVH Warns a Dental Undertaking for Misleading Advertising Practices*, https://www.gvh.hu/en/press_room/press_releases/press-releases-2022/gvh-warns-a-dental-undertaking-for-misleading-advertising-practices (accessed on 4 July 2024). [47]
- ICC (2021), *ICC Framework For Responsible Environmental Marketing Communications*, <https://iccwbo.org/news-publications/policies-reports/icc-framework-for-responsible-environmental-marketing-communications-2/> (accessed on 4 July 2024). [75]
- ICCPA (2024), *Guidelines for the Prevention and Regulation of Greenwashing*, <https://consumeraffairs.nic.in/sites/default/files/file-uploads/latestnews/Draft%20Guideline%20with%20approval.pdf> (accessed on 4 July 2024). [26]
- ICPEN (2021), *Consumers International and ICPEN Joint Statement World Consumer Rights Day 2021 and Fraud Prevention Month*, <https://icpen.org/news/1164> (accessed on 4 July 2024). [60]
- Indecopi (2023), *Guía de Publicidad Ambiental*, <https://www.gob.pe/institucion/indecopi/informes-publicaciones/4749865-guia-de-publicidad-ambiental>. [57]
- Indecopi (2023), *Resolución N° 012-2023/CCD-INDECOPI*, [32]

- <https://servicio.indecopi.gob.pe/buscadorResoluciones/getDoc?docID=workspace://SpacesStore/2ca99a0f-b712-4e12-b1b0-35c9b0a270ef> (accessed on 4 July 2024).
- Indecopi (2022), *Todo lo Que Debes Saber Para No Ser Víctima de Promociones y Descuentos Falsos en Navidad*, <https://www.gob.pe/institucion/indecopi/noticias/680416-todo-lo-que-debes-saber-para-no-ser-victima-de-promociones-y-descuentos-falsos-en-navidad> (accessed on 4 July 2024). [62]
- ISO (2018), *ISO 14024:2018 Environmental Labels and Declarations — Type I Environmental Labelling — Principles and Procedures*, <https://www.iso.org/standard/72458.html> (accessed on 4 July 2024). [65]
- ISO (2016), *ISO 14021:2016 Environmental Labels and Declarations — Self-declared Environmental Claims (Type II Environmental Labelling)*, <https://www.iso.org/standard/66652.html> (accessed on 4 July 2024). [66]
- ISO (2006), *ISO 14025:2006 Environmental Labels and Declarations — Type III Environmental Declarations — Principles and Procedures*, <https://www.iso.org/standard/38131.html> (accessed on 4 July 2024). [67]
- Józwik-Pruska, J. et al. (2022), “Consumer Awareness of the Eco-Labeling of Packaging”, *Fibres and Textiles in Eastern Europe*, Vol. 30/5, pp. 39-46, <https://doi.org/10.2478/ftce-2022-0042>. [49]
- Konsument verket (2023), *Domstolen Förbjuder Arlas Netto Noll-reklam*, <https://www.konsumentverket.se/aktuellt/nyheter-och-pressmeddelanden/pressmeddelanden/2023/domstolen-forbjuder-arl原因-netto-noll-reklam/> (accessed on 22 August 2024). [41]
- Konsument verket (2020), *Klimatpåståenden - Svåra att Förstå för Konsumenter*, <https://stpubshop.blob.core.windows.net/publikationer/klimatpastaenden-i-marknadsforing-2020-konsumentverket.pdf> (accessed on 4 July 2024). [39]
- NCA (2020), *The Consumer Authority’s Guidance on Sustainability Claims Used for Marketing Purposes*, <https://www.forbrukertilsynet.no/english/guidelines/the-consumer-authoritys-guidance-on-sustainability-claims-used-for-marketing-purposes> (accessed on 4 July 2024). [58]
- OECD (2014), *Recommendation of the Council on Consumer Policy Decision Making*, <http://legalinstruments.oecd.org> (accessed on 4 July 2024). [76]
- OECD (2011), *Environmental Claims Findings and Conclusions of the OECD Committee on Consumer Policy Environmental Claims*, https://www.oecd-ilibrary.org/environment/environmental-claims_5k9h3633prbq-en (accessed on 4 July 2024). [14]
- OECD (2010), *Consumer Policy Toolkit*, OECD, https://www.oecd.org/en/publications/2010/06/consumer-policy-toolkit_g1ghc0d8.html (accessed on 4 July 2024). [54]
- OECD (2009), *Consumer Education Policy Recommendations of the OECD’S Committee on Consumer Policy*, <https://web.archive.oecd.org/2012-06-14/112042-44110333.pdf> (accessed on 4 July 2024). [13]
- OECD (2008), *Promoting Sustainable Consumption - Good Practices in OECD Countries*, <http://www.oecd.org/publishing/corrigenda>. (accessed on 4 July 2024). [12]

- OECD (forthcoming), “Empirical Study on Sustainable Consumption”, *OECD Publications*. [3]
- Parguel, B., F. Benoit-Moreau and C. Russell (2015), “Can Evoking Nature in Advertising Mislead Consumers? The Power of ‘Executional Greenwashing’”, *International Journal of Advertising*, Vol. 34/1, pp. 107-134, <https://doi.org/10.1080/02650487.2014.996116>. [22]
- Reklamombudsmannen (2020), *Reklamfilm för Kött Från Scan*, <https://reklamombudsmannen.org/beslut/enskilt-beslut/?caseid=2004-107#> (accessed on 22 August 2024). [35]
- South Pole (2024), *Destination Zero - A Deep Dive Into the Global State of Corporate Climate Action*, <https://www.southpole.com/publications/destination-net-zero-report> (accessed on 4 July 2024). [59]
- UNCTAD (2023), *Competition and Consumer Protection Policies for Sustainability*, <https://unctad.org/publication/competition-and-consumer-protection-policies-sustainability> (accessed on 4 July 2024). [16]
- UNCTAD (2015), *United Nations Guidelines for Consumer Protection*, <https://unctad.org/topic/competition-and-consumer-protection/un-guidelines-for-consumer-protection> (accessed on 4 July 2024). [15]
- UNCTAD and SIC (2022), *Initiatives Report on Environmental Claims in E-commerce*, https://unctad.org/system/files/information-document/ccpb_WG_EC_Report_Environmental_Claims_FINAL_en.pdf (accessed on 4 July 2024). [51]
- UNEP (2023), *Guidelines for Providing Product Sustainability Information in E-Commerce*, <https://www.oneplanetnetwork.org/programmes/consumer-information-scp> (accessed on 4 July 2024). [18]
- UNEP (2023), *Regulatory Frameworks to Combat Greenwashing*, <https://www.oneplanetnetwork.org/knowledge-centre/resources/regulatory-frameworks-combat-greenwashing> (accessed on 4 July 2024). [77]
- UNEP (2017), *Guidelines for Providing Product Sustainability Information*, <https://www.oneplanetnetwork.org/knowledge-centre/resources/guidelines-providing-product-sustainability-information> (accessed on 4 July 2024). [17]
- VZBV (2022), *vzbv Sues Tesla*, <https://www.vzbv.de/en/vzbv-sues-tesla> (accessed on 4 July 2024). [36]
- VZBV (2022), *World Cup in Qatar: vzbv Sends Written Warning to FIFA over Greenwashing*, <https://www.vzbv.de/en/world-cup-qatar-vzbv-sends-written-warning-fifa-over-greenwashing> (accessed on 4 July 2024). [43]
- WFA (2022), *Global Guidance on Environmental Claims*, <https://wfanet.org/planetpledge> (accessed on 4 July 2024). [74]

Notes

¹ See also the definition of “consumer detriment” in the OECD’s Recommendation on Consumer Policy Decision Making (OECD, 2014^[76]).

² Those resources are available for ICPEN members (closed to the public). Their activities can be seen at ICPEN website <https://icpen.org/>.

³ More information on the Consumer Information Programme for Sustainable Consumption and Production is available at the OnePlanet website www.oneplanetnetwork.org/programmes/consumer-information-scp (accessed 4 July 2024).

⁴ More information on the GreEnCommerce project is available at the Consumer International website www.consumersinternational.org/what-we-do/sustainable-consumption/greencommerce/ (accessed 4 July 2024).

⁵ Information provided by the Belgian Directorate General for Economic Inspection, 5 September 2024.

⁶ The Netherlands’ authority investigated unsubstantiated and inadequate green claims made by some supermarkets, requesting them to stop using claims, such as “most sustainable supermarket” or “climate-neutral supermarket.” See: <https://www.acm.nl/en/publications/dutch-supermarket-chain-albert-heijn-remove-incorrect-sustainability-claims-following-acm-action>; and <https://www.acm.nl/en/publications/supermarket-chain-plus-removes-incorrect-sustainability-claims-after-acm-intervention> (accessed 6 November 2024).

⁷ In another case, the Netherlands’ authority investigated non-concrete climate claims from a company, which were difficult to understand or compare with claims from other suppliers. See: <https://www.acm.nl/en/publications/vattenfall-stop-using-claim-fossil-free-living-within-one-generation> (accessed 6 November 2024). The ACM also investigated sustainability claims from the parcel delivery providers that used several general claims to give the impression that parcel delivery has no negative impact on the environment. See: <https://www.acm.nl/en/publications/dhl-and-postnl-adjust-their-sustainability-claims-following-acm-action> (accessed 6 November 2024).

⁸ In the EU directive amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and through better information (Directive 2024/825), a ban on climate compensation claims is added to the so called “blacklist”. It will in all circumstances be considered an unfair commercial practice to claim, based on the offsetting of greenhouse gas emissions, that a product has a neutral, reduced, or positive impact on the environment

in terms of greenhouse gas emissions. EU countries are required to transpose the Directive into their national law by 27 March 2026. The rules will apply from 27 September 2026.

⁹ Netherlands' authority dealt with another case where a company claimed "climate neutral." See their website <https://www.acm.nl/en/publications/eneco-stop-using-claim-faster-towards-climate-neutral-following-acm-action> (accessed 6 November 2024).

¹⁰ For example in Colombia, when specific or technical expertise is required, the Superintendence of Industry and Commerce regularly seeks technical support from specialized agencies, such as the National Accreditation Body (ONAC), the National Institute for Food and Drug Surveillance (INVIMA), the Ministry of Environment and Sustainable Development, or the Colombian Agricultural Institute (ICA).

¹¹ In the United Kingdom, the CMA has undertaken a literature review to explore consumer preferences for environmentally friendly products and consumer understanding of environmental claims, as well as the impact of these types of claims. See (CMA, 2021^[78]).

¹² The provisions of the Act are available at the FTC website <https://www.ftc.gov/legal-library/browse/statutes/federal-trade-commission-act> (accessed 4 July 2024).

¹³ Information on the regulation of unfair labelling and advertising in Korea is available at the KCA website <https://www.ftc.go.kr/eng/contents.do?key=3057> (accessed 4 July 2024).

¹⁴ A report reviewing regulatory frameworks to combat greenwashing in 11 countries points out that jurisdictions have different levels of regulatory frameworks from general consumer laws to combat false and misleading publicity, to specific legislation on misleading and false environmental advertising and that makes the availability of product sustainability information mandatory. See (UNEP, 2023^[77]) for more detail.

¹⁵ The provisions of the Act are available in French at [https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043956924#:~:text=LOI%20n%C2%B0%202021%2D1104,ses%20effets%20\(1\)%20%2D%20L%C3%A9gifrance.](https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043956924#:~:text=LOI%20n%C2%B0%202021%2D1104,ses%20effets%20(1)%20%2D%20L%C3%A9gifrance.)

¹⁶ The provisions of the Act are available at https://elaw.klri.re.kr/eng_mobile/viewer.do?hseq=54144&type=sogan&key=16.

¹⁷ The decree is available at https://www.funcionpublica.gov.co/eva/gestornormativo/norma_pdf.php?i=58571 (accessed 7 February 2025).

¹⁸ Article 3 of the regulation sets out requirements related to the following aspects: objectivity and verification; technical and scientific evidence; clarity and precision criteria; scope specification; internal comparisons; and external comparisons. Specific definitions and requirements to be applied when enforcing the regulation are, as of January 2025, yet to be issued by the Ministry of Environment and Sustainable Development as the technical authority on the matter.

¹⁹ The principles include: be truthful and accurate; be clear and unambiguous; not omit or hide important information; only make fair and meaningful comparisons; consider the full life cycle of the product; and be substantiated (CMA, 2021^[55]).

²⁰ The definition of “sustainable development” can be found on the United Nations website <https://www.un.org/sustainabledevelopment/development-agenda/> (accessed 4 July 2024).

²¹ See <https://mediasmart.uk.com/greenwashing/> (accessed 28 April 2025).

²² See [Green Marketing Challenge | UNSSC | United Nations System Staff College](#) (accessed 28 April 2025).

²³ See www.youtube.com/watch?v=wwYwOhSRmOY (accessed 28 April 2025).

²⁴ See <https://tropvertpouretrevrai.be/#claim1> (accessed 28 April 2025).

²⁵ See www.acm.nl/nl/publicaties/acm-consumenten-hebben-recht-op-duidelijke-informatie-over-duurzaamheid (accessed 28 April 2025).

²⁶ See <https://www.ecologie.gouv.fr/indice-reparabilite>. More information on the reparability index is available at www.ecologie.gouv.fr/indice-reparabilite. (accessed 28 April 2025)

²⁷ As of July 2024. The directory of ecolabels is available at www.ecolabelindex.com/ (accessed 4 July 2024).

²⁸ More information on the Blue Angel is available at <https://www.blauer-engel.de/en> (accessed 16 January 2025).

²⁹ More information on the Nordic Swan Ecolabel is available at <https://www.nordic-swan-ecolabel.org/> (accessed 4 July 2024).

³⁰ More information on the Fairtrade Marks is available at <https://www.fairtrade.net/about/fairtrade-marks> (accessed 4 July 2024).

³¹ More information on the FSC label is available at <https://connect.fsc.org/> (accessed 4 July 2024).

³² The guide is available at [FTC's Endorsement Guides: What People Are Asking | Federal Trade Commission](#) (accessed 7 February 2025)

³³ The Siegelklarheit.de also aims to give guidance to public procurers with regard to sustainable purchase practices. The website is available in German at https://www.siegelklarheit.de/siegelverzeichnis#/sort:rating_desc (accessed 4 July 2024).

³⁴ The website is available in Japanese at <https://www.env.go.jp/policy/hozen/green/ecolabel/> (accessed 4 July 2024).

³⁵ More information on EPA Ecolabel Programs and recommended standards on ecolabels in the US is available at <https://www.epa.gov/greenerproducts/buying-green-consumers> (accessed 4 July 2024).

³⁶ More information on the Environmental Information Disclosure program is available at <https://www.keiti.re.kr/site/eng/02/10203030000002018121306.jsp> (accessed 4 July 2024).

³⁷ See <https://icc.academy/wp-content/uploads/2024/05/RGMC-Certificate-flyer-final.pdf> (accessed 28 April 2025).

³⁸ See [Informative Guide on Environmental Claims in Commercial Communication Launched - XXII Government - Portuguese Republic \(portugal.gov.pt\)](#) (accessed 5 September 2024).