

16 November 2023

Study on Greenwashing in Online Marketing Funded by CCCS Finds Use of Vague Environmental Claims and Confusing Technical Jargon

1. To better understand greenwashing on e-commerce websites in Singapore, the Competition and Consumer Commission of Singapore (“**CCCS**”) awarded a grant to researchers from the Centre for Governance and Sustainability at the National University of Singapore Business School to look into such practices.¹
2. “Greenwashing” generally refers to a supplier's conduct that deceives or misleads consumers into believing that the supplier's practices or goods and services, are more environmentally positive or have greater environmental benefits, than is indeed the case.
3. Based on samples surveyed, 51% of online product claims were found to be vague with insufficient elaboration or details to support the claims.² The study also found that 14% of the online product claims use technical language that made it difficult for consumers to understand or verify the claim.

On Vague Environmental Claims

4. CCCS notes that environmental claims (such as “environmentally friendly”, “eco-friendly”, “green”, “sustainable”, “good for the Earth”, “natural”, “conscious”, “responsible”) are vague and prone to overstatement or exaggeration as to the actual environmental benefits of the product.³
5. For example, a claim from a supplier that its product is “environmentally friendly” on the basis that the product is made of 10% recycled material may be misleading if it is marketed to give consumers the impression that the product was made of 100% recycled material.

¹ The CCCS Research Grant was awarded to the NUS Business School in March 2022. <http://www.cccs.gov.sg/media-and-consultation/newsroom/media-releases/cccs-research-grant-award-2022>

² The study reviewed environmental claims made on over 1,000 products offered on the 100 most visited e-commerce sites by Singapore residents in October 2022. The study has been completed in 2023. The summary of the study can be found at <https://tinyurl.com/cgs-online-marketing-summary>. The full study can be found at <https://tinyurl.com/cgs-online-marketing-report>.

³ The study noted that the claims reviewed were only evaluated based on information found on the e-commerce websites and where suppliers are able to back up their claims with evidence, the claims would not amount to greenwashing.

6. In making environmental claims, CCCS advises suppliers to:
 - a) Be specific in their environmental claims, presenting any qualifying or supporting information accurately and clearly alongside such claims;
 - b) Avoid making claims that would imply or convey an overall impression that the environmental benefit of the product is more than it is (e.g. degree of recycled material used); and
 - c) Ensure that all environmental claims can be substantiated with valid and credible evidence.

On Use of Technical Jargon

7. CCCS notes that claims containing technical jargon may confuse or mislead consumers on the environmental benefit of the suppliers' goods, services or businesses, e.g. "made of high-quality ABS eco-friendly material".
8. In this regard, CCCS advises suppliers, when making environmental claims, to:
 - a) Use language that is easier for consumers to understand; and
 - b) Explain the meaning or implications of technical terms.

Other Types of Potential Greenwashing Conduct

9. To address these and other potential greenwashing conduct by suppliers identified in the NUS Business School study⁴, CCCS is developing a set of guidelines to provide greater clarity to suppliers on the environmental claims that could amount to unfair practices under the Consumer Protection (Fair Trading) Act. Views from the public will be sought on the guidelines in due course.

Advice to Consumers

10. CCCS and the Consumers Association of Singapore ("**CASE**") have developed a set of tips in the Annex to help consumers better understand environmental claims and make more informed purchasing decisions.
11. Consumers who encounter potentially false or misleading environmental claims by suppliers can approach CASE for assistance. CASE is the first point-of-contact for consumers with business-to-consumer disputes in Singapore. CASE can assist consumers in seeking redress from suppliers through negotiation or mediation if

⁴ The NUS Business School study has also identified other potential greenwashing conduct including highlighting of mandatory or standard product features which are not meaningful, referring to non-genuine environmental certifications or mischaracterising the type of certification obtained, and the use of misleading branding and imagery.

they encounter disputes in the purchase of goods and services. For more information, please visit <https://case.org.sg> or call 6277 5100.

12. Consumers may also report suppliers' advertisements which contain potentially misleading environmental claims to the Advertising Standards Authority of Singapore ("**ASAS**") via <https://asas.org.sg/Feedback/Online-Complaint> so that they can be reviewed. The ASAS, an advisory council under CASE, is the self-regulatory body of the advertising industry in Singapore and administers the Singapore Code of Advertising Practice ("**SCAP**"). If an advertisement is objectionable under the SCAP, ASAS may get the advertiser to either amend or withdraw the advertisement.

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About the Competition and Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore (“CCCS”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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TIPS WHEN BUYING PRODUCTS WITH ENVIRONMENTAL CLAIMS

BE WARY OF BROAD AND VAGUE ENVIRONMENTAL CLAIMS

Check whether the supplier has provided any other information along with the environmental claim and whether the information provided contradicts the headline claim.

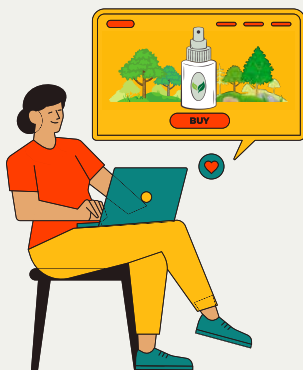


LOOK UP FEATURES AND TECHNICAL TERMS

Look up the features and technical terms referred to in the environmental claim which you are not familiar with to better understand their associated environmental benefit. Compare features of competing goods or services to determine whether the feature highlighted in the environmental claim is a standard feature.

FAMILIARISE YOURSELF WITH ENVIRONMENTAL CERTIFICATIONS OR LABELS

Learn about the scope, evaluation criteria, validity and reputability of the environmental certification or label by looking up information on the certification scheme. Look for information on a supplier's environmental track record from credible sources such as news articles or reports from reputable environmental organisations.



LOOK BEYOND BRANDING AND IMAGERY

Consider whether the branding or imagery used is relevant to the product, service or business, and verify with information from credible sources.

UNDERSTAND THE ENVIRONMENTAL IMPACT OF CONSUMPTION

All goods, services or businesses have an impact on the environment. By understanding the environmental impact and trade-offs of our consumption habits and the businesses we buy from, we can make more informed decisions in our purchases and support suppliers who make genuine efforts to provide goods and services which are better for the environment.

