

Guidelines against greenwashing in the works to fight false claims

Study finds that one in two products sold online had overstated eco-friendly status

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The Competition and Consumer Commission of Singapore (CCCS) is working on a set of guidelines to nudge online advertisers to be truthful after a study found that one in two products sold online had overstated their environmental claims.

Specifically, they were marketed as “environmentally friendly”, “eco-friendly”, “green”, “sustainable” and “good for the earth” even though the claims could not be verified, according to the study conducted in October 2022. It was commissioned by the CCCS.

“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,” said the CCCS.

The study – conducted by the Centre for Governance and Sustainability at the National University of Singapore (NUS) Business School – looked at over 1,000 products on 100 of the e-commerce sites most visited by Singapore residents. Its findings were released on Nov 16.

Unsubstantiated claims were the most common form of greenwashing (51 per cent of sampled products), followed by the use of technical jargon to misinform consumers about a product’s environmental impact (14 per cent).

Greenwashing generally refers to claims that could mislead consumers into believing that the supplier’s practices or goods and services are more environmentally positive or have greater environmental benefits than is actually the

case.

The CCCS has advised suppliers to avoid vague claims or the use of technical jargon and to make only claims that can be substantiated with valid and credible evidence.

The products in the study belonged to 10 categories, including books, electronics, fashion and beauty, and food and personal care. Some of the better-known sites include barnesandnoble.com, tumi.sg, aliexpress.com, qoo10.sg, shopee.sg, etsy.com, and iuiga.com.

The three categories of products most prone to unsubstantiated green claims were electronics and physical media (29 of 43 products), books (14 of 23 products), and marketplace, comprising miscellaneous items such as personal care products (196 of 321 products).

For example, a product that is labelled “environmentally friendly” on the basis of being made of 10 per cent recycled material may be misleading if it is marketed to give consumers the impression that the product was entirely made out of recycled material.

Greenwashing via misleading technical jargon was most common in the furniture and appliances (61 of 259 products) and marketplace (56 of 321 products) categories.

According to the study, technical jargon can be used to mislead consumers in two key ways: “using terms that are not widely understood, only used by the industry or invented by the company” and “labelling environmentally harmful materials as environmentally friendly”.

Based on the potential greenwashing identified in the study, CCCS is developing a set of guidelines to provide greater clarity to suppliers on the environmental claims that could amount to unfair



The study conducted by the Centre for Governance and Sustainability at the National University of Singapore Business School found that unsubstantiated claims were the most common form of greenwashing. PHOTO: ISTOCKPHOTO

Common forms of greenwashing

Here are some greenwashing instances that the study had found online.

1 UNSUBSTANTIATED CLAIMS

There was a lack of sufficient elaboration or details to support the green claim. Common examples are businesses claiming that their product is made from natural, sustainable or eco-friendly material without providing evidence of such attributes in the product description. For example, commonly found were statements that the product was made with recycled materials but there were no details about the component or the origins of the recycled content.

2 TECHNICAL JARGON

This refers to terms that are not well understood by the layman. Some terms may come up as new materials are developed to reduce environmental impact. For example, Tencel is a brand providing lower-impact materials like lyocell derived from wood from sustainably grown forests and processed in a closed-loop system to reduce waste and pollution.

But some terms have been used to exploit consumers’ lack of technical knowledge. Labelling ABS (acrylonitrile butadiene styrene) or EVA (ethylene-vinyl acetate) as environmentally friendly is misleading because both are petroleum-based plastics.

3 UNNECESSARY DISCLOSURES

Some product claims were not required, as they are already mandated by the law. Some LED lamps, for instance, claim to provide environmental benefits because they do not contain mercury, a prohibited material in LED lamps as required by the National Environment Agency (NEA).

4 UNVERIFIED ECO-LABEL

Products certified to be eco-friendly did not come with certification. For example, a wearable blanket for infants was certified as an eco-friendly product, but no certification was specified or displayed. Consumers can look out for certifications like Forest Stewardship Council (FSC), Oeko-Tex, Fairtrade, as well as NEA’s tick rating system for electrical appliances.

practices under the Consumer Protection (Fair Trading) Act. It added that views from the public will be sought on the guidelines in due course.

In the meantime, CCCS and the Consumers Association of Singapore (Case) have developed a set of tips for consumers to understand environmental claims and make more informed purchasing decisions. These include researching unfamiliar features and technical terms used in the environmental claim, or comparing features of competing goods or services to find out if a particular environmental claim is a standard feature.

The consumer tips developed by CCCS and Case can be found at go.gov.sg/greenwashingconsumertips.

Consumers may also report advertisements with potentially misleading environmental claims to the Advertising Standards Authority of Singapore (ASAS) online. If an advertisement infringes the Singapore Code of Advertising Practice, ASAS may get the advertiser to either amend or withdraw the advertisement.

For the first 10 months of 2023, ASAS received one piece of feedback pertaining to greenwashing.

The rise of greenwashing coincides with an increase in consumer demand for sustainable products, according to the NUS study, citing a 2018 Nielsen global survey revealing that 41 per cent of consumers are willing to pay a premium for all-natural or organic ingredients.

Professor Lawrence Loh, director of the Centre for Governance and Sustainability at NUS Business School, called for key stakeholders such as regulatory bodies, non-governmental organisations and green advocates to collaborate, “and call out businesses that may engage in greenwashing to capitalise on market opportunities”.

He added: “Consumers who are concerned about climate change can play a key role in the green transition by making informed and responsible purchasing choices. This in turn will drive businesses to meet consumer demands and cater for more credible, sustainable products and business practices.”

“By tackling greenwashing, we can then level the playing field and incentivise businesses to take socially responsible action.”

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