FUTUREPLUS

AVOIDING GREENWASHING GUIDE

INTRODUCTION

“Greenwashing” is a marketing or public relations (PR) practice where a company, organisation, or product is falsely portrayed as environmentally friendly or more sustainable than it actually is.

The term combines "green" (referring to environmentalism) and "whitewashing" (meaning to cover up wrongdoing), and describes efforts to mislead consumers or stakeholders about the true environmental impact of business activities.

Examples:

- Making unsubstantiated or exaggerated claims about environmental benefits.
- Using vague or misleading terms like "eco-friendly," "natural," or "green" without credible evidence or certification.
- Making claims without accessible or credible supporting information.
- Using poorly defined or broad terms that are easily misunderstood.
- Implying third-party certification or endorsement where none exists.
- Highlighting minor sustainable features while ignoring significant negative impacts.
- Employing imagery, colours, or labels that imply environmental responsibility, even if the product or company does not meet those standards.
- Making outright false claims about environmental benefits.

WHY GREENWASH?

Companies often engage in greenwashing to:

- Capitalise on growing consumer demand for environmentally friendly products.
- Improve their public image and reputation.
- Appeal to investors interested in environmental, social, and governance (ESG) criteria.
- Avoid regulatory scrutiny or criticism for unsustainable practices.

However, not only is greenwashing illegal in some circumstances (potentially breaching consumer protection laws if claims are found to be misleading or unsubstantiated), it is also unethical, and undermines genuine environmental efforts by creating consumer skepticism about all green claims and distracting from real solutions to environmental problems.

A global survey published in 2025 found that 62% of consumers across 13 countries believe companies are greenwashing, up from 33% in 2023. And among investors, a 2023 survey by PwC found that 94% believe corporate sustainability reports contain some level of unsupported claims.

EXAMPLES

There are many cases of greenwashing that have been reported to bodies such as the UK's Advertising Standards Authority (ASA), or called out by environmental campaign groups and the media.

- Coca-Cola was called out for greenwashing in May 2025 after the European Consumer Organisation filed a complaint with EU authorities, arguing that the company's claims about bottles being made from "100% recycled plastic" were misleading.

- A major Australian energy company, Energy Australia, recently apologised to 400,000 customers and settled greenwashing legal action after it acknowledged that carbon offsets do not prevent or undo damage caused by greenhouse gas emissions.

- In 2023, Shell was called out for greenwashing in the UK after running a marketing campaign promoting its clean energy business, including claims that "*78,000 homes use 100% renewable electricity from Shell Energy*." The campaign group Adfree Cities filed a complaint with the ASA, arguing that Shell's ads were misleading because the electricity actually came from the National Grid, not directly from Shell, and that the company's overall environmental impact was not disclosed.

REPERCUSSIONS

When companies are called out or caught for greenwashing, the damage can be significant and multifaceted. Companies risk legal action, including fines and litigation for misleading consumers and breaching advertising or consumer protection laws.

Reputational harm is often immediate, as public trust and perceived integrity decline, which can lead to lost customers and reduced competitiveness - especially as consumers increasingly value genuine sustainability.

Regulatory scrutiny is intensifying globally, with new laws and enforcement powers leading to potentially severe financial penalties and stricter oversight. In the UK for example, the Digital Markets, Competition and Consumers Act 2024 (DMCCA 2024) extended the regulatory and enforcement powers of the Competition and Markets Authority (CMA) to impose fines (e.g. up to 10% of a business's global turnover) for breaches of consumer law, including misleading environmental claims.

ETHICAL COMMUNICATIONS

Greenwashing can occur even if an organisation has good intentions and it's important to understand how to avoid it. Tips to avoid greenwashing include:

- **Make your claims clear and easy to understand** – include details on methodologies and include specific units of measurement.

- **Back up all sustainability claims with clear data** – keep data readily available, and only use data that can be verified.

- **Reasonable comparison** – be weary of making any comparative claims that your product or service is environmentally "superior" to another without backing it up with robust data which meets relevant environmental standards.

- **Clean up your operations** – to market your products as 'sustainable', you should engrain sustainability within your entire business model and operations, not such specific products.

- **Be honest about your brand's sustainability practices and plans** – when discussing plans or goals, be specific and transparent about targets and timelines.

- **Make sure images don't mislead** – avoid any green marketing that may imply that your products or brand are sustainable if that's not the case.

A NOTE ON "GREENHUSHING"

Greenhushing is when companies deliberately *under-communicate* or conceal their genuine sustainability initiatives or climate goals, often out of fear of criticism, accusations of greenwashing, or failing to meet targets. Unlike greenwashing, which exaggerates environmental claims, greenhushing keeps positive environmental actions quiet, leaving stakeholders unaware of a company's true progress, which can also be reputationally damaging.

NEED MORE HELP?

You can get in touch with the team at: info@future-plus.co.uk