

# Greenwashing

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# Agenda

- Defining greenwash
- Examples
- Guidance
- Discussion

# Defining 'greenwash'

## Firstly, over to you...

- What does the term 'greenwash' mean to you?
- Do you have any specific examples of where you have encountered it?
- Do you think your organisation might ever have been involved in greenwashing, whether deliberately or not?

# The origin of the term

- ‘Greenwashing’ was coined by environmentalist Jay Westerveld in 1986
- It sought to expose the practices of some hotels which urged guests to reuse towels despite the hotels wasting resources elsewhere
- The term was more broadly adopted as a response to marketing strategies that sought to leverage growing environmental awareness without genuine commitment to sustainability

## For instance...

- In this example from Hallmark Hotels in 2018, they've gone further with their '*thank you*'
- Besides environmentalism, what other motive might they have?



**LOVE THE  
ENVIRONMENT?**

*Have a **FREE DRINK** on us  
for reducing your carbon footprint*

If you're staying with us for more than one night, help us reduce the impact on the environment by not having your bedroom refreshed and cleaned. As a thank you, you'll get a free drink per person to enjoy at the bar during your stay. Simply call reception to arrange. Thank you!

# Characteristics

- Deceptive practices used in marketing
- Creating a false impression of environmental responsibility
- Providing misleading or false information about the environmental impact of a company's products, services or operations

## From The Law Society:

- Untrue or misleading statements made about the environmental performance or impact of a business, product or service
- Environmental claims can be implicit or explicit
- They can include words/statements, symbols, logos, graphics, product names or the use of colour (usually green, of course)



The Law Society

# From the European Commission

- To trick consumers into thinking a brand or product is green when, in fact, it isn't really



# The Client Earth view

- The use of advertising and public messaging to appear more climate friendly and environmentally sustainable than a company really is
- A technique used by some companies to distract consumers from the fact that their business model and activities actually do environmental harm and damage
- They also identify multiple varieties...



# ‘Greencrowding’

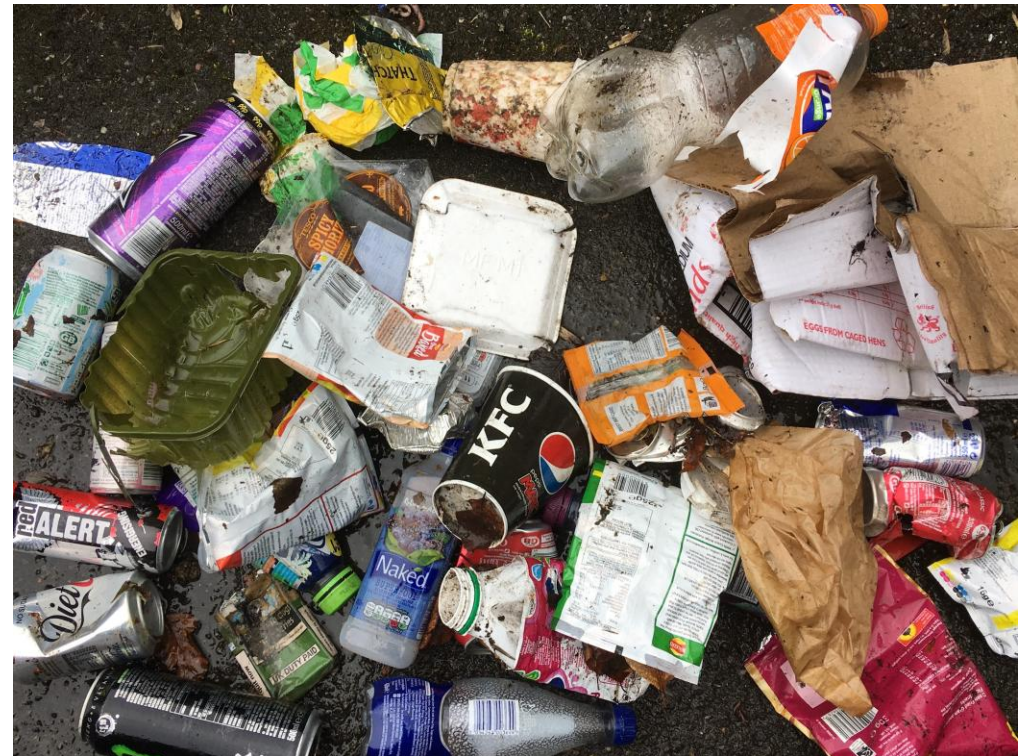
- Hide in a group (such as a trade body) to ‘avoid discovery’
- Uses the principle of safety in numbers
- Movement typically at the speed of the slowest

# ‘Greenlighting’

- Company communications (including advertisements) spotlight a particularly green feature of operations or products, however small
- Draws attention away from environmentally damaging activities being conducted elsewhere

# ‘Greenshifting’

- Implying that the customer is at fault and moving the blame to them



# ‘Greenlabelling’

- Calling something ‘green’ or sustainable when closer examination reveals the truth to be different

# ‘Greenrinsing’

- Changing targets before they are achieved to hide a lack of progress

# ‘Greenhushing’

- Under-reporting or hiding sustainability credentials
- Maybe out of legitimate concern that the numbers are not robust despite best efforts
- Maybe to evade investor scrutiny as other areas may be performing less well

# The CMA approach

- Rather than defining greenwash, the CMA focuses on the features of well-formulated environmental claims



# Business risk

- Reputation, of course, but...
- Under the Digital Markets, Competition and Consumers Act 2024 (DMCCA) the CMA has the direct power to investigate, determine breaches and impose sanctions for unfair commercial practices in the promotion or supply of products
- This includes fines up to 10% of annual group turnover for misleading practices such as greenwashing, without the need to go to court

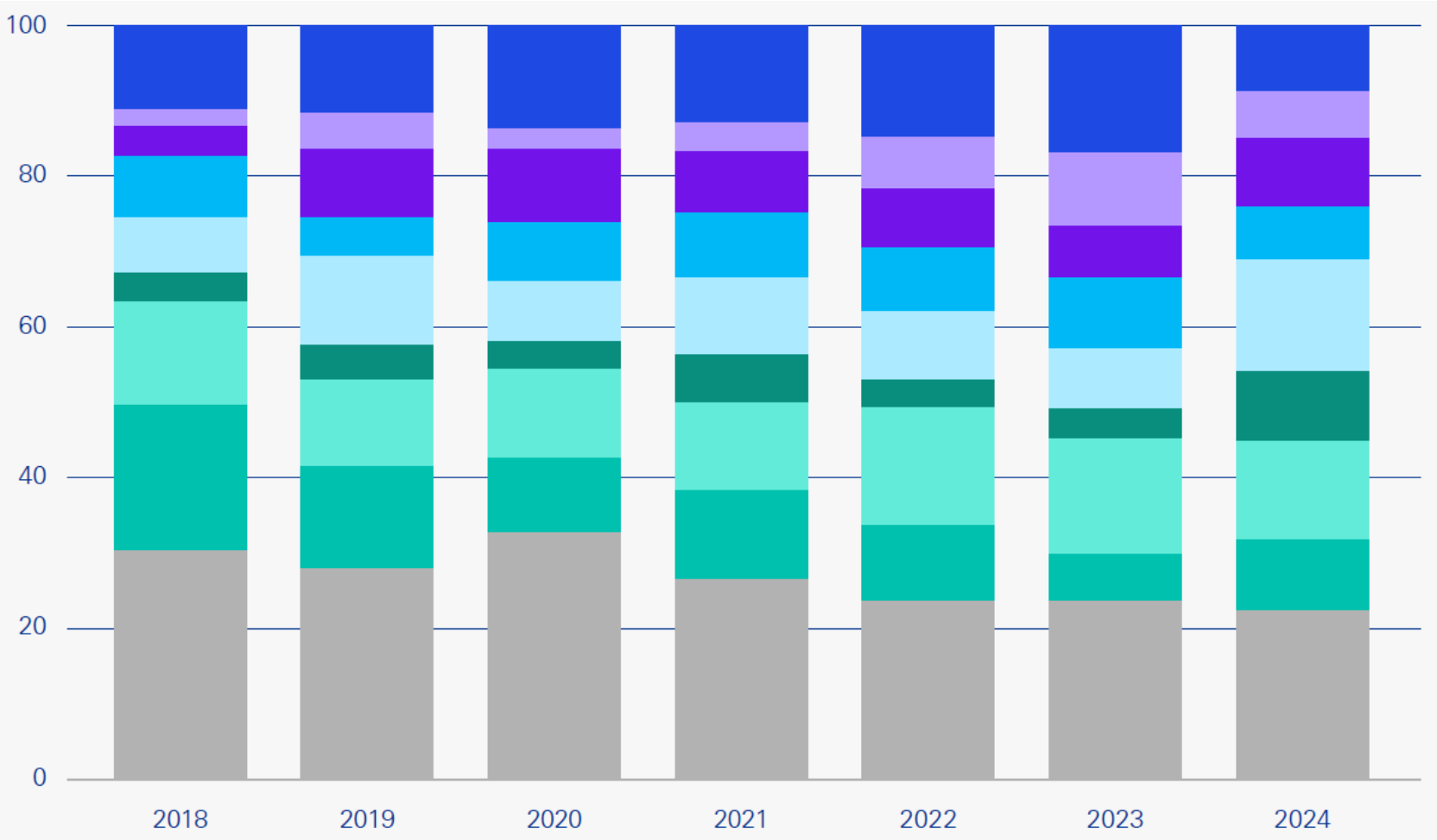
# Business risk

- Large companies have further exposure
- The Economic Crime and Corporate Transparency Act 2023 (ECCTA) came into force in September 2025
- Greenwashing could now be prosecuted as a criminal offense under the “failure to prevent fraud” (FTPF) provisions of the act

# Business risk

- The UK Sustainability Reporting Standards are due for release later this year and compliance from 2027
- Listed companies and large organizations operating in UK capital markets will be the first in scope
- Potential expansion to other companies
- Part S2 covers climate reporting aimed at disclosure to investors and other interested parties

# Incidents by sector

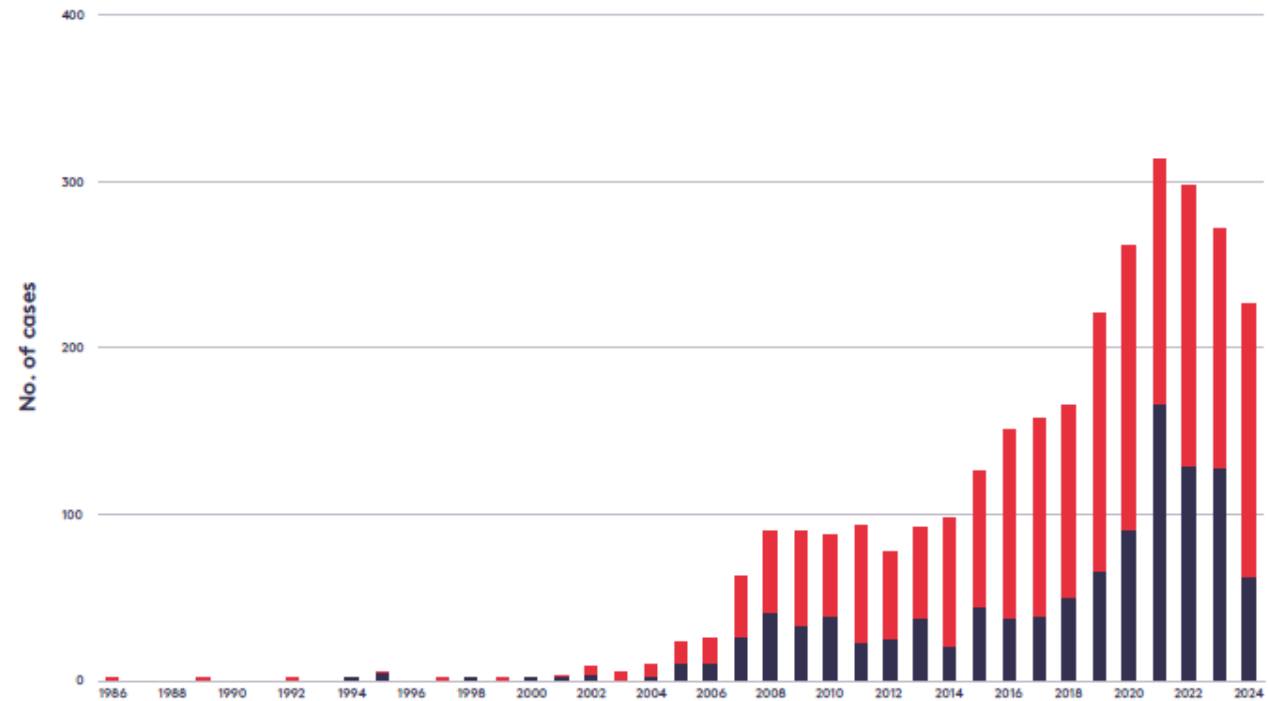


Source: KPMG

# Examples

# The scale of the problem

- In 2021 the International Consumer Protection Enforcement Network found 40% of online ‘green claims’ may be misleading
- Legal activity has been rising until recently



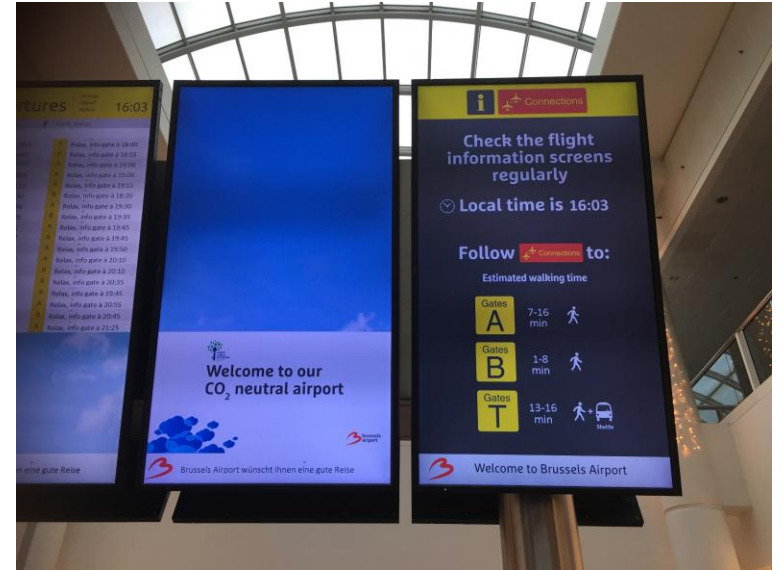
Climate litigation cases in the **US** and **RoW** to 2024

Source: LSE Grantham Research Institute

# Facts in isolation

These high speed, high efficiency hand dryers are helping us to conserve the environment by using 80% less energy than conventional hand dryers or towels

London  
BAA Stansted

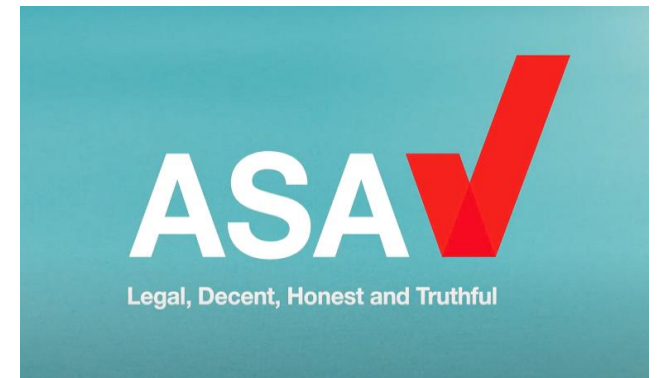


# Not all accreditation is equal



## Partial truths

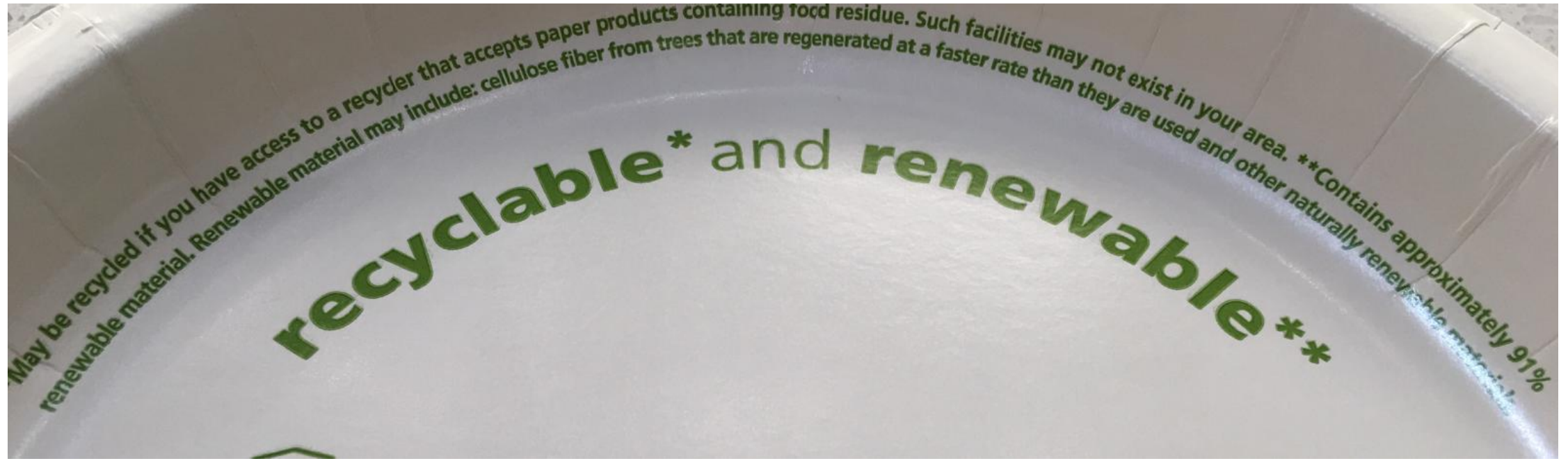
- The ASA ruled against HSBC over the claim it was “aiming to provide up to \$1 trillion in financing and investment to help [its] clients transition to net zero”
- This was because the bank contributes to CO<sub>2</sub> and other GHG emissions through its financing of oil and gas production



# ASA and the cruise sector 2025

- Adverts from different organisations stated:
  - “Powered by LNG, the world’s cleanest marine fuel”
  - “Uses new green technologies”
  - “Strong focus on sustainability and eco-friendly practices”
  - “One of the most eco-friendly cruise ships afloat”
- All were banned, as they had not been fully explained or backed up with evidence and so were likely to mislead

# Explaining claims



# What does this claim suggest?

- A UK manufacturing business made this statement about their company car fleet
- “Our cars run on sunshine”

# Which of these would be legitimate?

- We have diesel cars, but oil was formed from plant matter, after all, which required sunlight to grow
- The fleet comprises EVs which consume , more-or-less, the same kWh of electricity from all sorts of sources as are generated by solar panels which feed part of the power needs of a factory
- The EVs are charged on mains electricity purchased on a green tariff
- The EVs are only charged directly with power generated by solar panels on the organisation's own building

# Guidance

# Managing risk

- Keep up with regulation
- Validate your claims
- Risk management
- Start ESG oversight early
- Effective governance systems and training

# What do you want to say (CMA)?

- 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
- Be substantiated



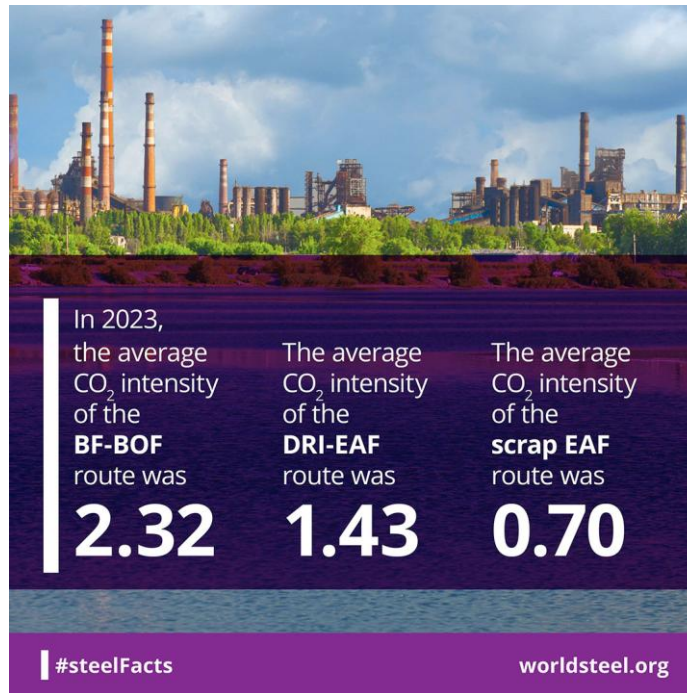
Image credit – The Royal Society

# Geographical regulatory divergence

- UK – enforcement focus
  - CMA
  - ASA
  - FCA
- EU – regulatory simplification but still present
  - Omnibus
  - EGCD parked
- US – de-prioritisation at the federal level

# Use appropriate data sources

- Claims must reflect reality
- If not, they can be highly misleading
- Independent verification of claims is best practice



# Is this a Green claim?

- This article was published in Business Green and other media in April 2026



The government is under increasing international and domestic pressure to agree to new North Sea exploitation of oil and gas. But, hundreds of licences granted over 14 years of the previous government produced just 36 days of gas between them. We believe the government should hold fast against this dead end approach which would only deepen UK dependency on fossil fuels, and will not markedly affect supply or bring energy bills down. Going faster to develop clean homegrown energy is the answer.

Our analysis shows that independence from oil and gas will insulate some UK drivers from the brunt of this crisis. The country's two million EV drivers will pay 60 per cent less to power their vehicles over the next year than if they had to fuel up with petrol or diesel, with a collective saving of £1.5 billion.

# What about this?

- What looks like it might be wrong with it?
- Do you think the brand owner deliberately set out to mislead?
- What do you think the truth probably is?



Image credit – Staples

# CMA best practice 1

| Topic                                | Approach  |
|--------------------------------------|---|
| Who is responsible?                  | Treat green claims as a shared legal risk across the supply chain and map exposure for each actor involved  |
| Meaning of “making” a claim          | Review not only claim wording but also visuals, labels and contextual information provided to consumers     |
| Reliance on supply chain information | Implement procedures to obtain and review supporting information from upstream partners before using claims |
| Access to substantiation             | Ensure contractual arrangements facilitate access to relevant and timely evidence                           |
| Inability to verify claims           | Narrow, qualify or remove claims where substantiation cannot be reasonably verified                         |

## CMA best practice 2

| Topic                                 | Approach   |
|---------------------------------------|--|
| Quality of evidence                   | Periodically review supporting documentation, especially following changes in sourcing or production |
| Changes in supply chain circumstances | Introduce change-management triggers for reassessing existing green claims                           |
| Contractual assurances                | Use contractual assurances as a complement, not a substitute, to substantive verification            |
| Retailer responsibilities             | Apply a risk-based approach to reviewing claims, prioritising high-impact or absolute statements     |
| Supplier and brand responsibilities   | Maintain clear communication channels and update downstream actors promptly                          |

# CMA best practice 3

| Topic                             | Approach   |
|-----------------------------------|--|
| Provision of consumer information | Avoid relying on hidden disclosures; place key limitations close to the claim itself       |
| Intent and good faith             | Focus compliance efforts on objective accuracy rather than subjective good faith           |
| Due diligence and enforcement     | Document internal review processes and corrective actions taken when issues are identified |
| CMA enforcement approach          | Identify internally who can act swiftly to correct or withdraw problematic claims          |

# Case study

- UK owned manufacturer of food products with facilities and customers in several EU countries
- Their website features claims including “sustainably sourced ingredients”
- They only buy product certified against one of a group of recognised standards, but this fact is not visible to consumers
- What process should they follow for verification?

# Methodology

- Define what they intend ‘sustainably sourced’ to mean
- Assess procurement policies and procedures for consistency with the claim
- Review internal systems against regulation and best practice
- Overlap/gap analysis of the specified standards
- Map the value chain
- Conduct a traceability exercise for physical compliance

# Discussion

# Thank you

