

CLEANING UP GREENWASHING IN SINGAPORE AND THE EUROPEAN UNION

Introduction

- 1. This article is part of our series on legal-related environmental, social and governance ("**ESG**") matters.
- 2. This note provides a brief introduction to greenwashing and its risks, before comparing the legislative approach to greenwashing in Singapore with that of the European Union (the "EU").

Background on Greenwashing

- 3. Greenwashing refers to the making of false or misleading claims about the environmental merits of an organisation's products or services. This can be made deliberately, when organisations make exaggerated claims ("greenwash noise") or attempt to mask their damaging impact on the environment with minor positive actions ("unsubstantiated greenwash"). This can also occur inadvertently when organisations fail to communicate clearly ("misguided greenwash").1
- 4. In recent years, there are several high-profile instances of corporate greenwashing.
 - a. In 2024, European authorities launched investigations into several airlines over their potentially misleading practices. These include making unsubstantiated claims about moving toward net-zero emissions, and creating false impressions that paying additional fees to finance climate projects can reduce carbon dioxide emissions.²
 - b. In January 2025, the Advertising Standards Authority of Singapore ("ASAS") banned a promotional campaign by Vietnamese airline VietJet. The ASAS concluded that VietJet had made unsubstantiated environmental claims. Its investigations revealed that the environmental benefits which VietJet claimed to offer only applied to specific

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¹ These three categories of greenwashing were adapted from the SGS White Paper, see "Avoid Costly Unsubstantiated Sustainability Claims – Exploring Greenwashing and Ways to Prevent It (White Paper)" Société Générale de Surveillance (2023) https://www.sgs.com/-/media/sgscorp/documents/corporate/white-papers/sgs-kn-avoid-costly-unsubstantiated-sustainability-claims-en.cdn.en.pdf (accessed 14 October 2025).

² Levi McAllister, Pamela T. Wu, Patrick R. Panella and Christina Renner, "EU Investigation of Potential Airline Greenwashing Practices Underscores Risk to Global Aviation Industry" (2 May 2024) https://www.morganlewis.com/blogs/powerandpipes/2024/05/eu-investigation-of-potential-airline-greenwashing-practices-underscores-risk-to-global-aviation-industry (accessed 14 October 2025).



combinations of aircraft and engine types, which were not representative of the airline's entire fleet.³

5. Such instances of corporate greenwashing engender distrust. Scepticism and perceptions of corporate hypocrisy will arise where customers are certain that there is inconsistency between a company's stated goals and eventual implementation. This will hurt customer sentiment and also impact companies' bottom-lines.⁴ In some circumstances, greenwashing practices may even attract legislative and regulatory penalties. These can occur regardless of whether the greenwashing was intentional or inadvertent. As market regulators and industry leaders increasingly place emphasis on ESG reporting requirements (see our earlier article "Sustainability Reporting and ESG Reporting: A General Overview"), greenwashing will inevitably erode investor confidence in the long run.

Singapore's Approach to Greenwashing

6. In Singapore, greenwashing is not governed by any specific legislation. Instead, aspects of greenwashing are regulated through existing legal mechanisms, such as the Consumer Protection (Fair Trading) Act 2003, misrepresentation under common law, and the Misrepresentation Act 1967. Additionally, existing soft law and codes such as the Singapore Code of Advertising Practice play a role in addressing greenwashing practices.

(a) Legal mechanisms

Consumer Protection (Fair Trading) Act 2003 ("CPFTA")

Administering body

7. The CPFTA is administered by Competition and Consumer Commission of Singapore ("CCS"), with the Consumers Association of Singapore ("CASE") and the Singapore Tourism Board ("STB") as initial points of contact for local and foreign consumers respectively.⁵

How the CPFTA addresses greenwashing

8. The purpose of the CPFTA is to protect consumers against unfair practices,⁶ which include making false or misleading claims about products or services.⁷ Although greenwashing is not explicitly referenced in the CPFTA, the provisions are sufficiently broad to cover situations in

³ James Darley, "Inside VietJet's Controversial 'Greenwashing' Campaign" Sustainability Magazine (10 January 2025).

https://sustainabilitymag.com/articles/the-story-of-vietjets-controversial-greenwashing-campaign (accessed 14 October 2025).

⁴ Ioannis Ioannou, George Kassinis and Giorgos Papagiannakis, "How Greenwashing Affects the Bottom Line" *Harvard Business Review* (21 July 2022) https://hbr.org/2022/07/how-greenwashing-affects-the-bottom-line (accessed 14 October 2025).

⁵ "Overview of the Consumer Protection (Fair Trading) Act" *c* (26 September 2025) https://www.ccs.gov.sg/consumer-protection-fair-trading-act ("CPFTA Overview") (accessed 14 October 2025)

⁶ "Consumer Protection (Fair Trading) Act Guidelines" Competition & Consumer Commission Singapore (26 September 2025)

https://www.ccs.gov.sg/consumer-protection/legislation-and-guidelines/consumer-protection--fair-trading--act-guidelines (accessed 14 October 2025).

⁷ Consumer Protection (Fair Trading) Act 2003 ("CPFTA") s 4.



which businesses make false claims about their environmental initiatives⁸ or make deceptive or misleading environmental representations, including by omission. ⁹ To this end, recent parliamentary discussions have reaffirmed the role of the CPFTA in countering greenwashing. ¹⁰ The CCS has also commissioned a study into the use of vague environmental claims and confusing technical jargon in advertising, ¹¹ and has indicated that it is actively developing guidelines to clarify when environmental claims may amount to unfair practices under the CPFTA. ¹²

Consequences

9. Complaints of false or misleading claims can be made to the CASE and the STB. Repeat offenders are then referred to the CCS, which has extensive investigative powers, including the power to require documents, articles or information¹³ and the power to enter premises without a warrant.¹⁴ After gathering evidence, the CCS may enforce compliance via injunctions, or seek for criminal consequences for contempt of court.¹⁵

The law of misrepresentation

- 10. The law of misrepresentation can also be used to combat greenwashing. Greenwashing is not explicitly referenced, but the law of misrepresentation is broad enough to cover situations of false claims being made by businesses in relation to green practices. The main forms of misrepresentation relevant to greenwashing are fraudulent misrepresentation and negligent misrepresentation, which would generally be applicable where a party is induced into a contract by an environmental misrepresentation, and has suffered loss as a result.
- 11. The common law doctrine of misrepresentation is mainly used to show fraudulent misrepresentation of an organisation or its products' positive impact on the environment. Fraudulent misrepresentation is focused on the representor's own recklessness with regard to the statement made, ¹⁶ or the representor's belief that the statement made is untrue. ¹⁷
- 12. A claim under negligent misrepresentation can be pursued either via common law or by legislation. Unlike common law misrepresentation, which requires the mental element to be proven, the Misrepresentation Act 1967 ("MRA") only requires the claimant to prove that (1) they

⁸ CPFTA s 4(b).

⁹ CPFTA s 4(a).

¹⁰ Singapore Parliamentary Debates, Official Report (16 February 2024) vol 95 (Mr Alvin Tan, Minister of State for Trade and Industry (for the Minister for Trade and Industry)) https://sprs.parl.gov.sg/search/#/sprs3topic?reportid=oral-answer-3468 ("Singapore Parliamentary Debates 16 February 2024") accessed 14 October 2025.

^{11 &}quot;Study on Greenwashing in Online Marketing Funded by CCCS Finds Use of Vague Environmental Claims and Confusing Technical Jargon" *Competition & Consumer Commission Singapore* (16 November 2023) < <a href="https://isomer-user-content.by.gov.sg/45/f322bf70-b122-4b80-af8c-b1

efb8d5b1b9d2/Media%20release Study%20on%20Greenwashing%20in%20Online%20Marketing%20Funded%20by%20CCCS%20w %20Annex.pdf> (accessed on 31 July 2025).

¹² Singapore Parliamentary Debates 16 February 2024.

¹³ CPFTA s 20.

¹⁴ CPFTA s 21.

¹⁵ CPFTA Overview.

¹⁶ Wee Chiaw Sek Anna v Ng Li-Ann Genevieve [2013] SGCA 36 ("Anna Wee") at [85].

¹⁷ Anna Wee at [72].



had entered the contract because of a misrepresentation, and (2) they suffered a loss as a result.¹⁸ The relative simplicity in proving the requirements under the MRA makes legislation the preferred route for cases of negligent misrepresentation.

Key takeaways

- 13. Even though there is no legislation specifically targeting claims of greenwashing by companies, the existing laws in place remain sufficiently broad and flexible enough to cover misleading environmental claims. Thus, to minimise the risk of legal scrutiny and potential challenges, organisations should ensure that their environmental and sustainability claims are substantiated, factually accurate, and free from exaggeration.
- 14. Beyond avoiding misrepresentation, organisations can also leverage on existing sustainable certification schemes to distinguish their products in the market. One example is the Singapore Green Labelling Scheme, which requires certified products to undergo life cycle-based assessments by independently verified third parties, and is widely recognised across the region as a trusted benchmark.¹⁹

(b) Soft law mechanisms

Singapore Code of Advertising Practice ("SCAP")

Administering body

15. The SCAP is administered by the ASAS. It does not carry the force of law, but is a voluntary scheme which emphasises self-regulation and consultative dispute resolution.²⁰ Nonetheless, the SCAP empowers the ASAS to ask advertisers to amend or withdraw any advertisements that it finds to be contrary to the SCAP.²¹

How the SCAP addresses greenwashing

- 16. The SCAP establishes guidelines for advertisers, including a principle of "truthful presentation", by avoiding misrepresentations that may influence consumers' attitude to a product, and by avoiding the misuse of scientific jargon. ²² The SCAP also includes specific guidance on "Environmental Claims", where it rejects the unqualified or unsubstantiated use of terms such as "environmentally friendly" or "wholly biodegradable". ²³
- 17. To date, ASAS has taken two notable enforcement actions against misleading green claims in advertising. In addition to the VietJet sanctions mentioned earlier in the article, the ASAS had

¹⁸ Misrepresentation Act 1967 ("MRA") s 2(1).

¹⁹ "Certification Benefits" Singapore Environment Council < https://sgls.sec.org.sg/cms.php?cms_id=13> (accessed 14 October 2025).

²⁰ "Singapore Code of Advertising Practice (3rd Ed.)" Advertising Standards Authority of Singapore (February 2008)

https://asas.org.sg/Portals/0/SCAP%202008_1.pdf ("SCAP") (accessed 14 October 2025) at pg 4.

²¹ SCAP at pg 5.

²² SCAP at pg 11.

²³ SCAP at pg 53.



also issued a decision for local technology company PRISM+ to cease an advertisement campaign due to its incompatibility with the principle of "truthful presentation". ²⁴ In fact, that was the first time the ASAS found a company to be in breach of the SCAP for greenwashing. The advertisement in question gave the impression that using Prism+ air-conditioners was the "best tip" to "save Earth", and depicted Ms Xiaxue, a social media personality, setting the temperature to 23 degrees Celsius to "save Earth". The advertisement was held to mislead customers about the environmental friendliness of the company's air-conditioners. ASAS stated that any claims about energy savings must be supplemented and verified by tests conducted by independent parties in conditions reflective of the local context.²⁵ As some commentators have observed, this signals the importance of not misleading consumers to companies and businesses, and indicates a general movement against greenwashing.²⁶

18. These recent investigations by the ASAS underscore the increased scrutiny over greenwashing practices. Even though the SCAP operates on a voluntary basis and the complaints and dispute resolution practices are confidential, 27 the sanctions imposed by the ASAS can result in adverse publicity for organisations found to be in breach.²⁸

Environmental reporting

- 19. Additionally, the Singapore Exchange Regulation has enhanced its sustainability reporting regime, for listed issuers, requiring all listed issuers to start reporting on Scope 1 and Scope 2 greenhouse gas emissions from Financial Year 2025, 29 in line with the International Financial Reporting Standard ("IFRS") Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB")³⁰.
- 20. Such increased sustainability reporting followed a public consultation in 2024 and demonstrates the increasing recognition in Singapore on the importance of providing consistent, comparable and verifiable information about the exposure to, and management of, sustainability-related risks and opportunities".31

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²⁴ Ng Hong Siang, "PRISM+ air-con ad featuring Xiaxue deemed misleading by advertising standards watchdog" Channel News Asia (15 December 2023) https://www.channelnewsasia.com/singapore/prism-plus-air-con-ad-xiaxue-misleading-3991936 (accessed 14 October 2025).

²⁵ Carmen Sin, "Prism+ air-con ad deemed 'greenwashing' by S'pore watchdog; company defends it as 'tongue-in-cheek'" *The Straits* Times (15 December 2023) https://www.straitstimes.com/singapore/prism-air-con-ad-accused-of-greenwashing-is-removed-after-s- pore-watchdog-deems-it-misleading> (accessed 14 October 2025).

²⁶ Preston Wong, "Commentary: PRISM+ ad saga signals greater greenwashing accountability for Singapore companies" *Channel* News Asia (26 December 2023) (accessed 14 October 2025).

SCAP at pg 7.

²⁸ SCAP at pg 7.

²⁹ "Scope 1 and Scope 2 Inventory Guidance" United States Environmental Protection Agency (23 April 2025)

https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance (accessed 14 October 2025).

³⁰ "Sustainability Reporting" Singapore Exchange Limited < https://www.sgx.com/sustainable-finance/sustainability-reporting ("SGX") Sustainability Reporting") (accessed 14 October 2025).

³¹ SGX Sustainability Reporting.



The EU's Approach to Greenwashing

(a) Overview of EU legislation on greenwashing

21. The EU has implemented and is in the process of implementing further legislation which expressly targets the issue of greenwashing. As part of a broader EU Action Plan on Financing Sustainable Growth (the "EU Green Deal") launched in 2019,³² the EU has introduced the Empowering Consumers Directive ("ECD")³³ and the more recent Green Claims Directive ("GCD").³⁴

(b) Green Claims Directive

- 22. The GCD was proposed in 2023, and has yet to be passed by the European Parliament.³⁵ It aims to address the greenwashing concerns of consumers by ensuring that environmental claims by companies are credible and trustworthy.³⁶ The GCD sets out clear criteria on how such claims and labels on products can be substantiated, and requires these claims to be checked by independent and accredited verifiers.³⁷
- 23. However, following the recent European Parliament elections, there has been an increase in anti-green sentiment, which has cast uncertainty on the future of the GCD.³⁸ The European Commission has indicated its intention to scrap the directive due to its seemingly onerous requirements for businesses, particularly small businesses.³⁹ Though the GCD has not been formally withdrawn, its future is uncertain amidst the mixed messages from the European Parliament.⁴⁰

(c) Directive on Empowering Consumers for the Green Transition

24. The ECD was passed in 2024,⁴¹ and will apply across EU member states by 27 September 2026. The ECD amends two existing directives – the Unfair Commercial Practices Directive ("**UCPD**")

³² "The European Green Deal" (Communication) COM (2019) 640 final *EU Commission* (11 December 2019) < https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0640> (accessed 14 October 2025).

³³ "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" [2024] OJ L 825 *EU Parliament and Council of the EU* (6 March 2023) https://eur-lex.europa.eu/eli/dir/2024/825/oj/eng ("EU Directive: *Empower Consumers for the Green Transition*") (accessed 14 October 2025).

³⁴ "Proposal for a Directive of the European Parliament and of the Council on Substantiation and Communication of Explicit Environmental Claims (Green Claims Directive)" (Proposal) COM (2023) 166 final *EU Commission* (22 March 2023) < https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A0166%3AFIN (accessed 14 October 2025).

³⁵ "Green Claims" *EU Commission* https://environment.ec.europa.eu/topics/circular-economy/green-claims_en ("*EU Commission Green Claims*") (accessed 14 October 2025).

³⁶ EU Commission Green Claims.

³⁷ EU Commission Green Claims.

³⁸ Jon McGowan, "Future Of EU Greenwashing Law Uncertain As Green Claims Directive Falters" *Forbes* (26 June 2025) https://www.forbes.com/sites/jonmcgowan/2025/06/26/future-of-eu-greenwashing-law-uncertain-as-green-claims-directive-falters/

⁽accessed 14 October 2025).

39 "EU plans to scrap anti-greenwashing rules after pushback" *The Straits Times* (20 June 2025).

https://www.straitstimes.com/world/europe/eu-plans-to-scrap-anti-greenwashing-rules-after-pushback (accessed 14 October 2025).

⁴⁰ "EU Commission Confirms Green Claims Directive Not Withdrawn" *ESG News* (30 June 2025) https://esgnews.com/eu-commission-confirms-green-claims-directive-not-withdrawn/ ("*EU Scraps Anti-Greenwashing Rules*") (accessed 14 October 2025).

⁴¹ Director-General for Energy, "New EU rules to empower consumers for the green transition enter into force" *European Commission* (27 March 2024) https://energy.ec.europa.eu/news/new-eu-rules-empower-consumers-green-transition-enter-force-2024-03-27 en> ("New EU Rules for Green Transition") (accessed 14 October 2025).



and the Consumer Rights Directive ("**CRD**") – to address unfair commercial practices which may mislead consumers, and help consumers make sustainable consumption choices.⁴²

- 25. The amendments to the UCPD are targeted at the use of vague environmental claims by businesses. 43 This includes guidelines for sustainability claims and labels on products, and prohibiting the use of vague and generic environmental claims. 44 Meanwhile, amendments to the CRD addresses the issues of durability, reparability and early obsolescence of products. 45 The directive specifically mandates the use of harmonised notices and labels on products to ensure that consumers are properly informed about the durability of such products. 46
- 26. These changes aim to protect consumers from the companies' attempts at greenwashing, while empowering consumers to make more conscious consumption choices in line with their own values on sustainability.⁴⁷ However, as the changes have not been mandated at the point of writing this article, the effectiveness of such measures remain to be seen.

Comparing the Approaches

- 27. The key distinction between the approaches adopted by Singapore and the EU is the existence of legislation specifically targeting greenwashing. While Singapore primarily uses existing laws and soft law to tackle the problem, the EU has enacted legislation directly addressing greenwashing practices by companies. Singapore's broader and more flexible approach may thus lead to uncertainty as there is greater room for interpretation. It can be unclear to both businesses and consumers what laws are in place with regards to greenwashing, or whether such laws even exist. Hence, companies may be unsure whether their current practices comply with the relevant rules, and consumers may not have knowledge about any present guidelines or regulations. Undoubtedly, such ambiguity disadvantages both business and consumers.
- 28. At first glance, the EU's approach may seem to make up for the limitations of Singapore's approach, as the existence of legislation expressly targeting greenwashing provides clear guidance to both business and consumers on where the boundaries lie. However, as demonstrated by the EU, such legislation may be difficult to pass, and strict regulations may make compliance difficult and onerous.⁴⁸
- 29. Additionally, stringent compliance obligations may lead to "greenhushing" instead, triggering the reverse and surely unintended effect where companies choose to remain silent and refuse to report on sustainability initiatives for fear of being accused of greenwashing. ⁴⁹ There are indications that the EU Green Deal may lead to an increase in greenhushing, as the complex

⁴² EU Directive: *Empower Consumers for the Green Transition*.

⁴³ EU Directive: *Empower Consumers for the Green Transition* at Article 1.

⁴⁴ EU Directive: Empower Consumers for the Green Transition at Article 1.

⁴⁵ EU Directive: *Empower Consumers for the Green Transition* at Article 2.

⁴⁶ EU Directive: *Empower Consumers for the Green Transition* at Article 2.

⁴⁷ New EU Rules for Green Transition.

⁴⁸ EU Scraps Anti-Greenwashing Rules.

⁴⁹ Rob Fisher, Maura Hodge and Bridget Beals, "Greenwashing, greenhushing and greenwishing: Don't fall victim to these ESG reporting traps" *KPMG* (2023) https://kpmg.com/us/en/media/news/greenwashing-esg-traps-2023.html (accessed 14 October 2025).



requirements under its directives may discourage businesses from disclosing their sustainability efforts, even where they are legitimate.⁵⁰

- 30. Conversely, Singapore's approach gives authorities the flexibility to adapt more efficiently to the rapidly changing ESG landscape. By adopting a more consultative framework,⁵¹ authorities can react to urgent climate problems in a timely manner while providing some clarity and teeth through the introduction of initiatives such as the SG-Asia Taxonomy for green financial products.⁵²
- 31. The absence of specific legislation in Singapore on greenwashing also begs the question: is such legislation even necessary? Passing specific legislation solely for the purpose of combating greenwashing may be akin to passing a "Law of the Horse", where overly narrow rules addressing specific issues are created ⁵³. It may be better to simply rely on existing laws to regulate niche use cases. This is not untenable, as Singapore has already managed to use the existing consumer protection framework to take action against companies for greenwashing. ⁵⁴ Nonetheless, as climate concerns continue to intensify and environmental law continues to evolve, challenges unique to sustainability disclosures may eventually necessitate the need for bespoke rules and legislation. ⁵⁵

Conclusion

32. Ultimately, both Singapore's and EU's approaches to greenwashing have their own advantages and disadvantages. Perhaps neither approach is necessarily superior, and each approach has to be tailored to the needs of each jurisdiction. Though both Singapore and the EU have similar attitudes towards the importance of combating climate change and the role of companies, the different economies and societal attitudes towards greenwashing make it such that there is no such thing as a one-size-fits-all solution when it comes to greenwashing.

⁵⁰ "'Greenhushing': An Emerging Trend or Sign of Less Greenwashing?" NewClimate Institute (15 May 2024)

https://newclimate.org/news/greenhushing-an-emerging-trend-or-sign-of-less-greenwashing (accessed 14 October 2025).

51 See, for example, the references to the confidential nature of discussions under the SCAP "Procedure for making advertising

complaints", and the possibility of entering into a Voluntary Compliance Agreement for first-time offenders under CPFTA s 8.

52 See also the opening speech by Minister in the Prime Minister's Office Ms Indranee Rajah at the Sustainability Apex Programme Event On Opportunities In Sustainability For Professional Services In Singapore, where she reaffirmed Singapore's commitment to being a "sustainability hub" (26 March 2025) https://www.mlaw.gov.sg/opening-speech-by-ms-indranee-rajah-at-sustainability-apex-programme-event/ (accessed 14 October 2025).

⁵³ Frank H. Easterbrook, "Cyberspace and the Law of the Horse" 1996 University of Chicago Legal Forum 207 (1996).

⁵⁴ See for example, paragraphs 4 and 17 above.

⁵⁵ For more info, see Lawrence Lessig, "The Law of the Horse: What Cyberlaw Might Teach" Harvard Law Review 1999 Vol 113:501.



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