

Research Summary

Study on Greenwashing on E-Commerce sites by NUS Business School

1. Methodology

The Centre of Governance and Sustainability (CGS) at the NUS Business School assessed the green claims on over 1,000 products on e-commerce sites frequently visited by Singapore residents. It covered ten website categories including books, department stores, electronics and physical media, fashion and beauty, food and personal care, furniture and appliances, marketplace, outdoor and sporting goods, toys, DIY and hobbies, and travel.

Each product was evaluated against eight greenwashing indicators (see Table 1) based on the product information available on the e-commerce sites. A greenwashing indicator is “Not Applicable” when there is no disclosure related to the indicator. “Supported green disclosure” refers to disclosures related to the indicator that are not misleading, and “Greenwashing” refers to unsupported or misleading claims related to the indicator.

Table 1: Indicators and definitions

Indicator	Definition
Incomplete follow-through on certification	The company failed to follow through with its commitments after obtaining certification
Inconsistent environmental claim	The product function contradicts its environmental claims
Unnecessary disclosure of regulatory claim	The company made a claim when in fact it is a standard practice required by law and thus unnecessary
Unsustainable supplier	The supplier (the company that manufactures the products) that the business engages with does not practice sustainable practices
Unverified ecolabel	The label/seal attached to the claim is not verified by an independent third-party
Technical jargon	Claim contains technical language or complex scientific jargon that makes it difficult for people to understand and verify
Unsubstantiated claim	Claim that has unclear or ambiguous meaning that misleads people about the business's, product's or service's environmental impact
Irrelevant green image	Claim features green or natural images in a way designed to imply that the product/company is more environmentally friendly than it really is

2. Key findings:

- **Unsubstantiated Claims**

The most prevalent form of greenwashing is unsubstantiated claims, found in **51%** of the sampled products. These claims lacked sufficient supporting information, often featuring vague sweeping statements such as ‘eco-friendly’, without any elaboration. Unsubstantiated claims were particularly high in website categories such as electronics and physical media, books, and marketplace.

- **Misleading Technical Jargon**

Another common form of greenwashing is the use of technical jargon to mislead consumers, found in **14%** of the sampled products. This practice was most common in website categories including furniture and appliances, and marketplace, while it was not found in the outdoor and sporting goods and travel categories. When technical terms were

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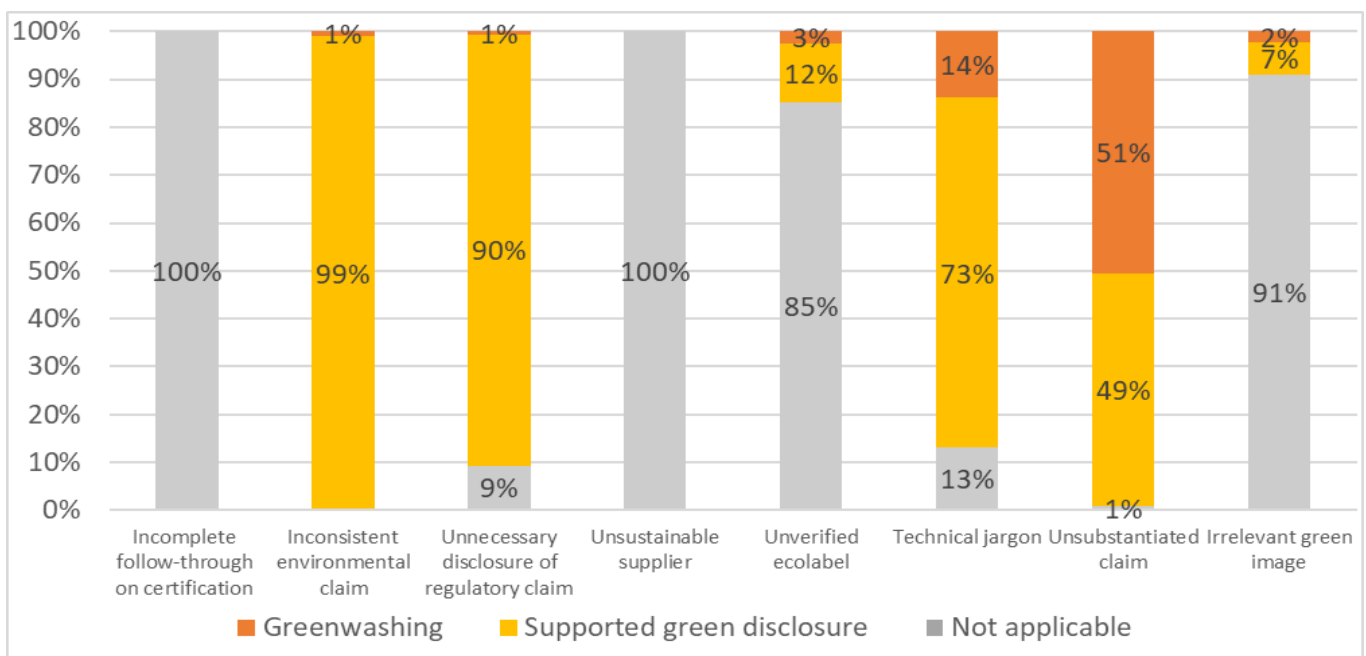
used in the outdoor and sporting goods and travel categories, they were readily understandable or explained in detail.

The use of technical jargon is misleading when it misinforms and exploits consumers' lack of technical knowledge. Technical jargon can be used to mislead consumers in two key ways, (1) Using terms that are not widely understood, only used by the industry or invented by the company, and (2) Labelling environmentally harmful materials as environmentally friendly. This is often done by using technical material names such as labelling plastic varieties like ABS and EVA as environmentally friendly.

- **Unverified Ecolabel and irrelevant green image**

Although **12%** of green claims were supported by independent third-party verified certifications or eco-labels, it is important to note that **3%** of the products displayed labels without third-party verification. The study also found **2%** of the products featuring green images unrelated to the products, giving the perception of the product being more sustainable than it really is.

Figure 1: Greenwashing claims by indicators



Professor Lawrence Loh, Director of Centre for Governance and Sustainability at NUS Business School, said, “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.”

“It is also important for other key stakeholders such as regulatory bodies, NGOs and green advocates to work in collaboration and call-out businesses that may engage in greenwashing to capitalise on market opportunities. By tackling greenwashing, we can then level the playing field and incentivise businesses to take socially responsible action,” he added.