



# Increased scrutiny of Greenwashing

2024.04.15

Greenwashing occurs when companies falsely portray their products or practices as environmentally friendly, despite having little to no positive impact on the environment or even causing harm. This misleading practice, also known as "disguised environmentalism," undermines consumers' trust and dilutes genuine efforts towards sustainability.

In Korea, the labeling and advertising related to the environment are regulated by the Labeling and Advertising Act and the Environmental Technology and Industry Support Act. More specifically, the FTC's "Review Guidelines for Environmental Labeling and Advertising", and the Ministry of Environment's "Notice on Environmental Labeling and Advertising Management System", require the companies to be cautious not to use inaccurate descriptions, and to have specific and factual evidence supporting the descriptions in the labels and advertisements.

Key expressions like "eco-friendly," "non-toxic," and "pollutant-free" are particularly scrutinized, as their vague and absolute nature can mislead consumers. The emphasis is on providing specific, verifiable information about a product's environmental properties and efficacy.

In cases where comprehensive and unqualified expressions such as "eco-friendly" and "non-toxic" are used to label and advertise an adhesive with a test report in which only one volatile organic compound (VOCs) is not detected, consumers may mistakenly presume that the product does not contain or expose users to toxic substances. Therefore, it is necessary to label and advertise it as a 'product with no volatile organic chemicals detected' (FTC Review Guidelines for Environmental Labeling and Advertising IV.a.).

Recently, a Korean civic group also reported eight companies to the FTC and the Korea Environmental Industry and Technology Institute for their advertising of reduced greenhouse gas emissions and payment of green premium. As the environment labeling and advertising are becoming a serious legal issue, the companies are urged to review their labeling and advertising strategies to ensure compliance with regulations and avoid legal repercussions.

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