

CMA Issues Greenwashing Guidance for Fashion Brands

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I Outline

On September 18, 2024, the Competition and Markets Authority in the UK ("**CMA**") issued compliance guides titled "Green claims in fashion - Guide to help businesses follow the consumer law" and "Complying with consumer law when making environmental claims in the fashion retail sector" (collectively, "**Guidance**"). The Guidance applies the principles set out in the CMA guidance on environmental claims on goods and services ("**Code**"). The Guidance is intended to help ensure shoppers looking at environmental claims in fashion can trust that the claims they see are appropriate and not misleading. The Guidance provides all fashion brands with practical examples and a clear understanding of what they can and cannot do when it comes to making environmental claims about their fashion products.

Among other things, the Guidance includes practical tips on how fashion brands should:

- give clear, accurate, and complete information about their products
- make sure the criteria used to decide which items are included in green collections should be identified clearly; also, products should not be labelled as sustainable unless they meet these criteria
- be clear and specific when using filters or other navigational tools to search for green products
- be clear, if the claim is based only on specific parts of a product's life cycle

The Guidance followed the conclusions reached earlier in 2024 by the CMA's investigations into [ASOS](#), [Boohoo](#), and [George at Asda](#), and largely reflected the undertakings offered by those firms to conclude the investigations.

Although the Guidance is believed to be non-legally binding, it was issued on the basis of the CMA's new enforcement powers under the Digital Markets, Competition and Consumers Act 2024 ("**DMCC Act**"), which are expected to come into force in April 2025. The DMCC Act empowers the CMA to impose financial penalties of up to 10% of a business's global turnover for breaches of consumer protection laws.

It should be noted that, as well as issuing the Guidance, CMA recently advised 17 high-profile fashion brands to review their environmental claims, without disclosing the names of the relevant brands. CMA issued letters to the brands, advising them to review their practices. The letters highlight areas of concern in the companies' environmental claims, for example, the use of broad or general terms and questions as to whether certain products are being wrongfully included in 'eco' lines.

II Greenwashing Guidance

1. Overview

Fashion customers increasingly demand products and services that do less harm to, or benefit, the environment. The Guidance, which is based on the Code, aims to drive compliance with consumer protection law and create a level playing field for all fashion businesses, and provides visible, concrete examples of appropriate conduct. The Guidance makes fashion brands responsible for making sure that their claims are accurate and backed up. The Guidance also aims to help customers make informed choices based on claims they can trust.

2. Scope

The Guidance applies to all businesses that make environmental claims about: (i) clothing, (ii) footwear, (iii) fashion accessories, and (iv) related services, for example packaging, delivery, and returns.

¹ Special thanks to [Eleanor Rockett](#) and [Lawrence Kumazawa](#), who provided insights and contributions to this newsletter.

This Guidance focuses on retailers, but also is relevant to those who manufacture or distribute products, and those in the supply chain. The Guidance contains no territorial definition of the businesses that fall within its scope, but it can be anticipated that businesses that make environmental claims about clothing, footwear, fashion accessories, and related services, and that are involved in the UK market, will fall within the scope of the Guidance. Each business that makes environmental claims about these items, and is part of a supply chain that serves the UK market, should ensure that its claims are accurate and substantiated.

3. Content

The main points of the Guidance for fashion brands are summarized in the table below.

Point	Content
Summary	
Make environmental claims clear and accurate	<ul style="list-style-type: none"> • All environmental claims must be clear and accurate. This is true whether or not the claims are made on a physical product (including on labels), in advertising materials, in stores, or online. • This includes content on a website or app or on someone else's social media.
Don't hide important information	<ul style="list-style-type: none"> • When fashion brands present information to their customers, they should include all important information that is necessary to ensure a claim is not misleading. Important information should be clear and prominent. • Information should be: (i) in plain language and accurate, (ii) presented in a way that consumers can identify, read and understand the relevant information easily, (iii) clearly visible, and not hidden by other information shown to consumers, and (iv) presented close to the environmental claims.
Avoid using unclear terms	<ul style="list-style-type: none"> • Broader, general, or absolute claims, such as 'green', 'sustainable', or 'eco-friendly', are much more likely to be inaccurate and to mislead consumers. • The meaning of words like these is unclear; consumers are likely to assume that the product as a whole has a positive environmental impact, or at least no adverse impact. • Fashion brands should make sure that: (i) each claim is accurate, (ii) the meanings of any terms used are clear to consumers, and (iii) there is evidence to support any broad or general terms that are used.
Do not use imagery and icons in a misleading way	<ul style="list-style-type: none"> • Fashion brands should not use visual signs, such as logos, icons, and imagery, in a manner that gives or reinforces a misleading impression of the product's impact on the environment.
Ensure comparisons are clear	<ul style="list-style-type: none"> • If fashion brands make comparisons in their environmental claims, such as saying that one product has a lower carbon footprint than another, at a minimum they should set out a clear and prominent summary of the basis for any comparisons. Consumers should be able to make informed choices about competing products and businesses, or between different versions of a similar product.
Be clear when using filters and other navigational tools	<ul style="list-style-type: none"> • If fashion brands use navigational tools like filters or drop-down menus on a website or app to allow customers to find products based on environmental credentials, the brands should present these tools in a manner that does not mislead consumers. • Brands should avoid giving the impression that a group of products, or individual products within a group, are better for the environment than they really are. • For example, avoid using words like 'sustainable' in filters unless the products truly are sustainable, based on verifiable criteria. Instead, refer to specific characteristics, like '50%+ recycled'. Only products that meet the characteristics of the navigational tool should be included in search results.
Product ranges / Range-based claims	
Product ranges	<ul style="list-style-type: none"> • Fashion brands should make the criteria for product ranges (examples of environmental product ranges include collections, capsule collections, and limited product releases) clear. If they don't, consumers might mistakenly believe that products in a given range

	have a lower or more beneficial impact on the environment than they actually do.
Explain the criteria for each range	<ul style="list-style-type: none"> • Fashion brands should make the full criteria for a given range available to consumers. The full criteria should be displayed clearly and prominently. • Brands should provide a summary of the criteria when a range is advertised or marketed, or when a product is advertised or marketed as being part of a range. Include any minimum thresholds that are part of the criteria and provide access to further details, like a link to the full criteria.
Don't mislead consumers with the name of the range	<ul style="list-style-type: none"> • Fashion brands should not mislead consumers with the name of a product range. Terms that are broad or unclear might give the impression that products in the range are better for the environment than they are.
Make sure range marketing is not misleading	<ul style="list-style-type: none"> • Fashion brands should not include products as part of a product range unless the product meets the relevant criteria for inclusion in the range. • Brands should confirm that: (i) the range name is not misleading, (ii) the range criteria are available, and a summary is provided, or (iii) all products in the range meet the criteria before making a range-related claim.
Descriptions of Fabrics	
Describe fabrics clearly and precisely	<ul style="list-style-type: none"> • Fashion brands should refer to the objective properties of each fabric, such as 'recycled polyester' or 'organic cotton', rather than using a more subjective or ambiguous description like 'environmentally-conscious nylon' or 'responsible cotton'. • Brands should not imply that a product is made entirely of a single fabric if that is not true. For example, they should not describe a product as 'recycled' or 'organic' if it contains fibres that are not recycled or organic, unless the proportion of non-recycled or non-organic fibres is negligible. Generally, excluding components such as buttons, zippers, and threads from this assessment is unlikely to make a claim misleading. • If fashion brands describe a product as being made with fibres that possess a particular characteristic, like 'recycled' or 'organic' fibres, or if environmental claims are made based on a product's fabric composition, they should clearly state: (i) the specific percentage of the relevant fibres in the relevant product, and (ii) the minimum percentage of relevant fibres that the product must have. • Brands must have evidence to support percentage information, including certificates obtained as part of supplier checks or appropriate testing.
Affiliations and Accreditations	
Don't mislead consumers when referring to affiliations and accreditations relating to individual products	<ul style="list-style-type: none"> • There are affiliation and accreditation schemes that provide certain assurances, for example, about raw materials and fabrics. Some affiliation or accreditation schemes prove that a product has particular characteristics. • Fashion brands should refer to affiliation or accreditation schemes only in relation to an individual product where the product has those particular characteristics.
Provide additional details about affiliations and accreditations	<ul style="list-style-type: none"> • If fashion brands make an environmental claim that is based on or references an affiliation or accreditation scheme, brands should provide: (i) a summary of the environmental benefits properly associated with the relevant affiliation or accreditation scheme, (ii) where relevant, details about any material connections the brand has to that third party or scheme, (iii) a reference to a place where additional details can be found (for example, a hyperlink or QR code), and (iv) a clear and prominent link to the third party or accreditation scheme's website.
Make it clear if a claim is based on specific parts of a product's life cycle	<ul style="list-style-type: none"> • If fashion brands make a claim based on a specific part of a product's life cycle, they should provide a clear and prominent summary of the aspect of the life cycle to which the claim relates, as well as access to

	additional information.
Ensure environmental targets are presented clearly	<ul style="list-style-type: none"> • Fashion brands only should make environmental claims that are based on corporate targets where the brands have a clear and verifiable strategy in place to meet those targets. • Brands should make sure that consumers can understand the relevant terms and provide a clear and prominent summary of the nature of the targets. They should include additional information about: (i) what the target is aiming to achieve, (ii) the date on which the target is expected to be met, and (iii) the main ways by which they intend to achieve the target. They can provide this information through a link, a web address, hyperlink, QR code, or by another method.
Think about the overall presentation of claims	<ul style="list-style-type: none"> • As well as considering all of these issues separately, fashion brands should consider the overall presentation of the environmental claims they make, on a comprehensive basis. • Different misleading claims, taken together, can have an even greater impact on customer decisions and make products and businesses look better for the environment than they really are.
Put Processes in Place to Ensure Claims Are Correct	
Put processes in place to ensure claims are correct	<ul style="list-style-type: none"> • Fashion brands should have internal processes in place to ensure all of their environmental claims are accurate and do not mislead consumers. It is good practice for these processes to include appropriate policies and regular training for staff, and systems to check that product listings are correct and that particular products meet advertised range criteria. • Fashion brands should (i) be able to back up any claims they make before the relevant claims are made, (ii) have robust, credible, relevant, and up-to-date evidence that supports all claims, (iii) have internal processes in place to minimise and correct mistakes when listing products for sale.
Make sure suppliers can back up claims	<ul style="list-style-type: none"> • Fashion brands' suppliers should be able to back up the claims they make, with evidence. This evidence often includes final scope certificates and final transaction certificates. Make sure that suppliers can provide relevant certificates on request. • It is good practice for fashion brands: (i) to conduct regular spot checks of relevant certificates, (ii) to obtain confirmation from suppliers that the suppliers have read, understand, and will comply with the fashion brands' policies and contractual terms relating to environmental claims, and confirmation including a declaration from the supplier, that product information is accurate, prior to offering products for sale.
Check any claims third parties make about their products	<ul style="list-style-type: none"> • Fashion brands are responsible for any claims made relating to third-party products they sell. They need to satisfy themselves that these claims are not misleading. • Fashion brands should have proper processes in place to ensure that their third-party suppliers can back up all claims they make about their products. For example, fashion brands can ask suppliers to complete a self-assessment questionnaire or provide evidence of an independent verification process.

4. Consequences of Non-compliance

Although the Guidance is believed to be non-legally binding, it was issued based on the CMA's new enforcement powers under the DMCC Act, and on the principles of in the Code. The Guidance provides information for fashion brands to use to avoid making misleading environmental claims to consumers. If fashion brands fail to comply with the Guidance, it is possible that those brands will be in breach of consumer protection law, which may lead to obligations to compensate customers and significant harm to the business's reputation.

III Recent Activities of the CMA

In addition to issuing the Guidance, the CMA advised 17 well-known fashion brands to review their business practices. The letters to these businesses pointed out areas of concern relating to the businesses' environmental claims, including the use of broad or general terms and concerns that certain products are being wrongfully included in 'eco' ranges.

The letters also remind fashion brands that the CMA soon will have strengthened consumer powers under the DMCC Act. This will enable the CMA to impose financial penalties on the businesses, in amounts **up to 10% of worldwide turnover**, if businesses violate consumer protection laws, meaning businesses should take steps now to make sure their claims are accurate and do not mislead shoppers.

IV Considerations for Fashion Brands and Other Businesses

Based on discussions about the Guidance, it is advisable for fashion brands to make sure that environmental claims relating to fashion are accurate, not misleading and backed up. Fashion brands also should set up appropriate internal policies, implement staff training, ensure an adequate internal control system is in place to detect and address misleading environmental claims, and have evidence to support all such claims made.

Although specifically addressed to the fashion sector, the Guidance provides helpful direction for any business making consumer-facing environmental claims.

It is expected that enforcement actions against misleading environmental claims will continue to be at the top of the CMA's agenda, particularly given that the productive and sustainable growth of the economy is an important priority. As discussed above, the Guidance provides a further reminder that potential future enforcement activities in this area may result in the imposition of financial penalties, particularly where evidence shows that the Guidance has been ignored. In addition to legal and financial risks, it is worth considering the reputational risk fashion brands may face.

It also should be noted that this Guidance is expected to apply to non-UK fashion brands (including Japanese companies) that make environmental claims in the UK market. These companies should be aware of the Guidance and pay attention to recent trends relating to greenwashing in the fashion industry in the UK.

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