

Article

The Phenomenon of Greenwashing: An Analysis of the Hungarian Regulation

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ABSTRACT

The terms “sustainability”, “green”, “eco”, “eco-conscious” have become important buzzwords: they are fashionable, trendy; they make everything that comes into contact with them more attractive. Not only do a plethora of scientific articles cover the topic hallmarked by the above words, but they have also risen to the throne in the marketing communications of businesses and companies. They are used in many cases, even when the given product or service has either nothing to do with or only tangentially has a connection with the green character. The phenomenon of “greenwashing”, i.e., the case described above, when products and services are presented as environmentally friendly and green without real actions, is becoming more widespread. Today, consumers are also becoming more and more conscious; most of them demand correct information. In addition, the laws of individual countries place increasing demands on businesses, their environmental and social responsibility—so the use of green “practices” is often a means of staying on the market and surviving. The phenomenon is global. The European Union has recently adopted new legislation to prevent greenwashing, while countries are taking action against unethical corporate behaviour through their legislation and consumer protection authorities. This research aims to analyse the new EU directive and Hungarian legislation to see if there is a chance to eradicate the phenomenon completely. The research involved content analysis, as well as analysis of websites and case law. The results suggest that companies are always one step ahead and that only a unified trademark system can be the ultimate solution in the fight against greenwashing.

Open Access

Received: 17 August 2024

Accepted: 18 September 2024

Published: 08 October 2024

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KEYWORDS: greenwashing; Hungarian legal regulation; Hungarian competition authority; tourism; sustainability

JEL CLASSIFICATION: K10; K15; M37; D18; Q56; Z3

INTRODUCTION

Environmental concerns have become a topic of increasing interest—not only for scholars, for businesses and service providers, but also for consumers [1]. Thus, businesses often flaunt greenness even when their product or service has little to do with this character. They can also over-dimensionalize the green character or simply use it to as an excellent marketing-tool to dress up cutting costs falling into the sin of greenwashing.

Respect towards the environment, eco-consciousness is getting to be more and more important even for customers, who take these factors increasingly into account in their purchasing decisions. The transformation into green economies is on the agenda both on the international and on the national level as well [2]. People are changing their consumption habits as well. According to the International Institute for Sustainable Development ([3], p. 57), since the 1980's there has been a growing demand by consumers for products that don't harm the environment. In the same document IISD stated that only in the USA, in 1989, 24 products in the USA were claimed as green, in 1990 more than 600 ([3], p. 58). and nowadays more billion. To help consumers to identify green products and services, ISO standards can provide guidance. Nevertheless, there are many times when products are launched that do not meet these standards, but are sold as green products and services.

This brings with it opportunities in terms of how companies communicate. According to [4] “the practice of greenwashing can be seen as a positive communication of poor environmental performance”. This practice, which makes services, companies or businesses appear sustainable without any real action behind it or certification, is greenwashing. The misleading communication by companies is difficult to detect, given the lack of legal regulation of the concept [5].

The fight against greenwashing goes back for decades, its significance cannot be under evaluated. Companies misuse the trust vested in them by their customers and other stakeholders using different greenwashing strategies to win more consumers and present themselves in a better light.

Regarding the drivers of greenwashing both the “nonmarket” external factors: (Lax and Uncertain Regulatory Environment), and the market external elements (including consumer demand, investor demand, and competitive pressure) play a significant role in the greenwashing activity of firms [4].

More factors have an effect on the greenwashing actions of companies. A research found that there is a relationship between political connections and greenwashing, as companies with political connections show a greater activity regarding greenwashing, than the others [6]. Furthermore, firms located and seated in counties in the US, where religious faithfulness is strong, are less likely to do greenwashing according to the findings of [7]. However, CEO turnover increases the possibility of greenwashing, which effect is even stronger in cases of CEO-s coming from outside of the firm.

The reason can be, that they have to face a higher pressure and want to get fast results [8].

More levels of greenwashing were detected by the literature: the level of the entity setting, defining different standards on this field, product, service level, firm level, and the financial-intermediary level [9–11]. The readability of ESG disclosures can be used as a good prior assessment mechanism for investors to measure the greenwashing activity of a company. Since negative connection was detected between the readability of ESG disclosures and greenwashing by [12].

Greenwashing has already appeared also in social media, in which only some sectors, firms and themes arise, and only a small group of private persons, NGO-s and media induce the debates. The most important actors in the online disputes are the accused (organisations and events), the accomplices (branches, politicians), the accusers (individuals, organisations) and the allies (followers, media) [13].

Greenwashing has serious consequences affecting consumers, the company itself, its employees, existing and potential stakeholders (e.g., investors) and society as a whole [14]. Many consumers have already distrusted companies' green claims, becoming more sceptical regarding them [14–17]. These greenwashing practices undermine the trust vested in companies and consumers may even lose their faith in their trustworthiness ([4,7,18–20]. This technique can result in brand avoidance, which is proved by different researches [21,22]. Greenwashing can damage image and reputation of the brand [23]. Its consequences can be detected in the long run as well: less investors will appear on the market of green products, furthermore, even social welfare can be affected negatively [14]. In order to repair the brand trust lost due to greenwashing, different strategies and mechanisms were adopted [24]. Different greenwashing techniques have an impact even on the employees of the firms applying them: employees educated in sustainability issues show higher turnover intentions in companies which commit greenwashing. Since these actions impair the perception of firms in the eyes of these employees [25].

Since the phenomenon of greenwashing is a hot issue, it was already analyzed in several areas: in the field of tourism [1,21,26–28], in sport [29], in the transportation [30,31], in the fashion [32–34], in the metal industry [35], in construction projects [36] and in the banking and finance sector [18,37], as well. However, greenwashing is more and more widespread, according to [28] a positive shift can be detected in certain areas: the tourism and hospitality sector is proven to have fewer reputational scandals and cases, followed by the transportation industry. What is more, it is not worth for them, since those tourism service providers, that greenwash, experience a serious sales drop [28].

As it can be seen, there is a rich literature available examining many aspects of greenwashing. Greenwashing is present in everyday practice; despite the fact it has been proven that the organization that lives with it

risks many negative consequences. At the same time, it is encouraging from the point of view of the future that there are already areas where positive processes have started in this regard.

Materials and Methods

The research examines the situation of Hungarian legislation on consumer protection vs. greenwashing. From a methodological point of view, this document presents a non-exhaustive list of the most relevant legislation, focusing on the new directive of the European Union against greenwashing and on the activity and possibilities of the Hungarian Consumer Protection Authority.

The study primarily put the legal background of the communication of companies in focus with an overview of the European legal framework and cases compared with the current legislation and practice in Hungary. The article presents the legal background with an analysis of the laws and directives that regulate those campaigns that are aimed at attracting consumers.

The main question of the research (Q1) is to what extent the Hungarian Consumer Protection Authority can prevent unethical corporate communication while taking into account the legal regulatory environment.

The study has two hypothesis:

H1: Unethical corporate communication can't always be detected, despite the legal environment.

This study is based on a four-step research methodology, as shown in Table 1 below.

Table 1. Research methodology.

Research Methodology	
Step 1.	Literature overview of greenwashing in European and Hungarian contexts (definition, main characteristics, etc.)
Step 2.	Analyzes of the European framework and the newly accepted EU directive on greenwashing.
Step 3.	Analyzes of the work of the Hungarian Competition Authority and the legislative background of Hungary.
Conclusion	

The first part of the study presents the theoretical framework of greenwashing, focusing on definitions and the main characteristics of it.

As second pillar, the European framework and the newly accepted EU directive will be analyzed.

In the third part, the legal norms of Hungary will be studied. Since the Hungarian Competition Authority plays a special role in the legal battle against greenwashing, in this part, the related legal cases will be evaluated.

The Hungarian Competition Authority also conducts comprehensive market analyses in different areas to map and understand the practices of companies.

Legislative analyses will include the content analysis of laws, regulations and recommendations. These data are derived from primary sources (regulations, legislation, amendments, recommendations). In addition to this, the most typical research tools, checking webpages, data requests, and market research will be used as well [38].

DISCUSSION

Greenwashing is a complex phenomenon touching human rights, consumer rights and climate goals' issues at the same time. The power of consumers depends on access to information about the real (green) nature of products and services. Furthermore, effective access to justice is also a key to ensuring the enforcement of these rights [39].

There was a general trend regarding green claims: these claims, related abuses, misguided behaviours and practices have typically spread much faster than legislators could react. Thus, for the first time, the authorities issued various soft law acts and guidelines for businesses and consumers with the aim of educating and raising awareness. These guides are very similar in content across the whole European Union, partly due to the harmonization effect of the EU Directive and the close cooperation between the bodies involved [40].

Definition and Characteristics of Greenwashing

Analyzing the recent definitions of greenwashing, it can be concluded, that a generally accepted definition does not exist, however, the emphasis can be different. [41] argues, that there are different shades in greenwashing, and not all types of greenwashing activities are equal. Checking the keywords: over-communication [42]; a moral inconsistency [28,43] misleading, exaggerating, reflecting inability, dissemination of false or deceptive information reflect the essence of the phenomenon (See in Table 2). In summary, greenwashing embraces giving false information and exaggerating the green characteristics of different products and services in order to get more consumers.

Table 2. Definitions of greenwashing.

Definition	Author(s)
Over-Communication, Exaggeration	
“a phenomenon by which firms over-communicate their CSR aspirations or endeavors to be perceived as more responsible (environmentally or socially) than their actual CSR practices may justify”	[42]
“When products or companies appear overall to be more environmentally friendly than they really are”	[44]

Table 2. Cont.

Definition	Author(s)
Over-Communication, Exaggeration	
“The company can gain unearned benefits from exaggerating positive social and environmental impacts and/or downplaying negative ones, even though there is no correspondence between sustainability ‘talk’ and the underlying business realities (‘walk’)	[13]
Moral Inconsistency	
“It represents a moral inconsistency phenomenon whereby firms try to earn an undeserved moral benefit by appearing more sustainable than they really are”	[28,43]
Misleading	
“It involves misleading consumers about the environmental benefits of their products and services”	[18]
“Misrepresenting themselves as more socially and environmentally responsible than they actually are”	[28]
Greenwashing refers to the practice of falsely promoting an organisation’s environmental efforts or spending more resources to promote the organisation as green than are spent to engage in environmentally sound practices. Thus, greenwashing is the dissemination of false or deceptive information regarding an organisation’s environmental strategies, goals, motivations, and actions”	[45]
“The company’s marketing or PR strategy that portrays the given company as environmentally friendly and responsible for environmental protection, while no meaningful steps can be demonstrated in its actual operation to achieve these goals. Insofar as green removal appears in the company’s specific marketing communication, the term refers to environmental claims that cannot be verified”	[46]
Inability Of Companies	
“Reflects the inability of companies to substantiate their publicly made green claims”	[47]

Even though some consumers want to take environmental aspects into account when making purchasing decisions, it is often very difficult to decide whether a product or service is truly environmentally friendly [15]. Today it is a key challenge to effectively identify the presence of greenwashing.

Initiations were made to create algorithms to capture this phenomenon [48], furthermore, several research have assessed the key elements that make the identification of greenwashing possible [21,33]. The determined symptoms and their description help the detection of the phenomenon (Table 3).

Table 3. The signs of greenwashing.

Sympton	Description
Overselling	the aim is to exaggerate the significance of completed actions
Vagueness	to say ambiguous, unclear things to evoke greens
Irrelevance	to state things that are compulsory because of the legal norms or do not have any relevance
Concealing	to state things that emphasize the best facets and hide the worst ones
Misleading	to state thigs that are false, misleading, not true or is impossible to prove

Source: own edition based on [33].

According to Yang [14] selective disclosure, decoupling, attention deflection, deceptive manipulation, dubious authorizations and labels, inefficient public voluntary programs are the typical signs and portray the presence of greenwashing.

Zanasi et al. offer different recommendations to eliminate greenwashing specified on the agrifood sector: the whole life-cycle should be analysed, the ad contents should be verifiable, the language should be easy to understand and non-misleading, only effective and voluntary green practices should be communicated, green images should only be used when appropriate, finally, third party certifications should be used [49].

Even the several definitions of greenwashing prove that it is very difficult to wage a legal battle against a phenomenon that in many cases is extremely difficult to identify. After all, it is only possible to act effectively against a specific behavior, phenomenon if it is possible to determine what we are fighting against.

Different Norms and Initiations with the Aim to Eliminate Greenwashing—European Context

The growing awareness of consumer choices and the need to contribute to the protection of the environment is dynamically growing. For companies, this is both an expectation and an opportunity to communicate the uniqueness and diversity of their services. The results, presented above, show that the behaviour of companies is not always ethical.

To ensure that consumers' interests are not harmed in the process, the European Union has adopted various positions, recommendations and legislative frameworks, which are set out in Table 4.

In 2020, the European Commission and Member States' consumer authorities conducted a survey on services offered in the online space through the Consumer Protection Cooperation Network (CPC). The aim of the survey was to investigate advertising claims made to consumers. The results were shocking, as 42% of the claims made on the 344 websites surveyed contained false claims and were therefore considered misleading commercial practices. Based on the results, the European

Commission has issued a statement in 2020 on the need to better protect consumers from misleading information-[50].

Thanks to the above-mentioned facts, the European Commission proposed to update the EU consumer rules to support a better green transition.

In September 2023, Parliament and the Council concluded a provisional agreement on the updated rules. The Parliamentary Assembly passed the agreement in January 2024, followed by the Council the following month. EU Member States have 24 months to implement this update in their national legislation [51]. The regulation aims to make consumers better informed, better protected and better prepared to be real players in the green transition.

Table 4. European Union regulations and guidelines on greenwashing.

Number of regulation/guideline	Title of regulation/guideline	Issuing organization and year	Aim of the document
COM/2001/0366	Green paper—Promoting a European framework for corporate social responsibility	European Commission 2001	defined corporate social responsibility (CSR) [52]
COM (2011) 681	Communication from the commission to the Parliament, the Council, the European Economic and Social Committee of the Regions—A renewed EU strategy 2011-14 for Corporate Social Responsibility	European Commission 2011	proposed a new definition of CSR as “the responsibility of enterprises for their impact on society” [53]
2005/29 EK	Unfair Commercial Practices Directive	European Parliament and Council 2005	provides a legal basis to prevent traders from promoting unfair environmental claims [54]
SWD (2016) 163 final	Guidance on the implementation/application of directive 2005/29/EC on unfair commercial practices	European Commission 2016	Guidelines for the implementation of the Directive 2005/29 EK defines the claims of environmental friendliness and green labelling [55]

Source: own edition based [50].

Hungarian Framework and Practice

Hungarian legislation has not yet formulated specific rules on greenwashing, but the issue is receiving increasing attention from a consumer protection perspective [44]. According to the Hungarian legislation and the above definitions of greenwashing: “a commercial practice is misleading if it contains false information or presents a true fact, in the light of all the circumstances in which it appears, in such a way as to deceive or is likely to deceive the consumer as to one or more of the following, and thereby causes or is likely to cause the consumer to take a transactional decision that he would not have taken or is likely to take in the absence of the information” [56]. In case of suspicion of similar misleading behaviour, the Hungarian Competition Authority and the Hungarian Consumer Protection Authority are entitled to take action in Hungary.

Hungarian Competition Authority issued its 2016 “Green Advertisements” notice for customers, followed by the Green Marketing notice in 2020 to support businesses. It calls on companies to use clear, specific, unambiguous language in their marketing communications, not to exaggerate the claim, and their statements regarding their products and services should be verifiable. Then the guideline examined the typically emerging green claims (product composition, production, forward-looking and market leadership claims), and provided guidance in this regard. Finally, requirements relating to certification labels were touched [46]. It should also be added that already in 2016, the organization conducted an educational campaign called “Don’t be an easy prey!” The campaign also dealt with green advertising and drew attention to how conscious consumer decisions can be made [57].

The Hungarian Code of Advertising Ethics was renewed in 2023 and expanded to include also claims referring to environmental friendliness. The Code sets out ethical standards for the advertising of certain products and businesses. Although it is not legally binding, it has an impact on shaping commercial practice. The standards are in line with the advice of the FCA and reflects on ethical considerations more strongly, for example that advertising should not abuse consumers’ concern for the environment [44].

A significant, representative research was carried out by the Hungarian Competition Authority regarding the effect of green claims on consumers and their effect in 2022 [58]. The research concluded, that the displaying green claims on product packaging has an effect on consumers’ perception of a product and their intention to purchase. At the same time, it must be added, that a significant proportion of consumers are not aware of the exact content of the claims they see, and in many cases even misunderstand them [58].

In January 2023, the Competition Protection Authority reviewed the content of 59 websites. The research concluded that most green claims appear on websites and packaging. When it comes to sustainability,

companies communicated with a very broad spectrum in an unstructured way. The main and most common problem is that the information supporting these claims was difficult or simply impossible to find. It was also typical, that a sustainable brand image was emphasized [58].

The legal basis for action against greenwashing cases is Act XLVII of 2008 Act on Prohibition of Unfair Commercial Practices (“UCP Act”), which transposed the provisions of the EU Directive into the Hungarian legal system. The Act states that unfair commercial practices are prohibited [56]. Furthermore, misleading commercial practices are not allowed, either, which means that a commercial communication contains information or has the possibility to deceive the consumers in relation to the main characteristics of the goods ([56], Sect. 6). Within the list about the main characteristics of the goods the composition, the environmental impact, the impact on health of the goods can be found—which have special importance in related to our topic ([56], Sect. 6). The Hungarian Competition Authority has jurisdiction regarding any unfair commercial practices if it can have a material effect on competition on the market. However, there are certain exceptions: when the unfair commercial practice is apparent only on the product or on the packaging of the product or fixed to the product by other means (label), or on any warnings and instructions for its use and operation or in the warranty note ([56], Sect. 10).

However, legal regulation exists, the acceptance of new norms (directive) is in progress in the European Union [59].

In many countries the legal rules regarding consumer protection are the most relevant norms on this filed, which give the legal basis for the fight against greenwashing (e.g., in Germany, in the UK, in Australia) [60,61]. In the United Kingdom awareness raising is also important among both consumers and business companies: the Competition and Markets Authority (CMA) has created the Green Claims Code, which helps to identify if green claims are really green or not [61–63].

Legal Cases

Since the Hungarian Competition Authority has competence in cases related to this (Table 5), we analyse the jurisprudence of this body. If the authority becomes aware of a possible infringement, or if it comes to light as a result of market analyses or market surveillance activities carried out by this state organ, it initiates proceedings. Several cases have emerged in the practice of the authority regarding green claims. In most cases misleading consumers is the committed infringement, and fines are imposed on the companies. However, in two occasions the corporations did not have to pay fines, warnings and own commitments were undertaken instead.

In proceedings VJ/4/2002, the Competition Council imposed a fine on a coffee trading company for misleading consumers for claiming during an action between June and September 2001 that one of their products was

“the purest black, from the world’s most carefully maintained plantations, using environmentally friendly technologies”. During the proceedings, the Competition Council referred to the need to prove the truth and authenticity of the expression “purest black”. In this case, the term “purest black” means the effect, and the quality of crop production and processing referred to is the cause itself. The company was able to demonstrate compliance with the various—sometimes voluntarily undertaken—processing requirements. However, ‘since the undertaking has used a higher term in its communication referring to the uniqueness of its product, its proof must be directed towards the fact that its product possesses a more specific and superior characteristic than others’. In addition, credible data proving the conditions under which crops were grown do not exist [64].

In a 2008 case, proceedings were initiated against a dairy company for displaying the words ‘eco-friendly packaging’ and a symbol on one of its products. However, based on the manufacturer’s statement, reasons, and an independent study, it was concluded that the so-called ecolean packaging concerned does indeed meet the claims and is not misleading [65].

The Hungarian Competition Authority also started proceedings against a company producing and distributing organic cosmetics and was found to have published misleading advertising by displaying the Biokontroll trademark in several trade journals made for beauticians, invitations to professional events and on advertising bags. In addition, the Biokontroll trademark was included in the congressional brochure and product catalogue. Thus, ‘it gave the impression that the certification covered the production of the whole range of products, when in fact the undertaking was certified for the production of certain vegetable raw materials ([66], p. 32). However, the Board did not consider the imposition of a fine because of the following circumstances, inter alia: indeed, the company did not refer textually to the fact that the Biokontroll trademark refers to cosmetics, only the information provided that effect as a whole. In addition, even before acquiring the trademark, the company strived to use as pure plant raw materials as possible, and the Biokontroll trademark applied to about a third of the plant raw materials used by the company. However, the other raw materials can also be considered organic raw materials, and the user beauticians were familiar with the company’s philosophy, and the company’s perception did not fundamentally change because of this. The company continued to work closely with the authority [67].

Table 5. Cases of the Hungarian Competition Authority regarding green claims.

Enterprise, case number	The concerned statement or activity of the company	Legal qualification, Legal consequence	Reasoning
trade with coffee, VJ/4/2002	“The purest black, from the world’s most carefully maintained plantations, using environmentally friendly technologies”	misleading consumers, fines: 1,000,000 HUF	The company should have been able to prove that his product had a more special, superior quality than others. Furthermore, credible data proving the conditions under which the crop was grown do not exist [64]
dairy product company; Vj-105/2008/12	“Environmentally friendly packaging on the product”	no infringement	The company was able to prove the environmental friendliness of the packaging [65]
trade and production of cosmetics; VJ/103/2009.9	Displaying Biocontrol trademark in advertisements	misleading consumers, unfair commercial practice, establishing that an infringement has occurred without imposing a fine	“The company’s advertisements gave the impression that the certification covered the production of the entire range of products, when in fact the undertaking was certified for the production of certain plant raw materials” [67]
vitamin trading company, VJ/59/2011	“100% bio”	unfair commercial practice, fines: 700,000 HUF	“It is only proven that products are made with the use of organic raw materials, but not every single ingredient has been certified organic” [68]
vitamin trading company; Vj-68/2015/106	“100% natural”	unfair commercial practice, fines: 2,000,000 HUF	The company could not verify its claim [69]
a healthcare business providing dental services; VJ/2/2021	“Environmentally conscious practice”	misleading consumers; warning, commitment on the part of the company	“Consumers do not know exactly how the environmentally conscious nature of the clinic manifests itself” [70]
solarium franchise company; Vj/4/2019		fines: 7,000,000 HUF	“The company did not explain what was meant by claims such as ‘green organic’, ‘organic’ and ‘by the power of nature’” and “it is worrying to unjustifiably present as healthy a service which, according to the current state of science, may be particularly harmful to health” [66]

Source: own edition.

Another company that falsely claimed in its direct marketing communications about cosmetics that they were ‘100% organic’ also engaged in unfair commercial practices against consumers and was fined. ([68], p. 1). Indeed, the Board argues: “there is no reason to claim that they qualify as 100% organic cosmetics, as Ecocert certificates and product packaging only prove that products are made from organic raw materials, but not all ingredients are certified organic ([68], p. 12)”.

A vitamin company engaged in a misleading commercial practice and had to pay a fine for displaying the words “100% natural” and a green pictogram with the words 100% natural on vitamin packaging and in advertisements but could not prove these statements [69].

A procedure concerning a healthcare company providing dental services ended with a commitment from the company. The proceedings were initiated, among other things, because “It presented its facilities as an environmentally friendly clinic. The company referred to the fact that Environmental awareness is related to the EcoEngage sign, since disinfectants and techniques that do not harm the environment are used. In addition, it introduced additional measures, for example, it does not print copies of invoices, but stores them electronically certified—uses recycled paper for printing. However, the Competition Council emphasized that “when promoting the environmentally friendly operation of an enterprise, activities and measures that bring some realised environmental benefit must also be clearly identified” [69]. However, the claim used by the company is general and comprehensive, it is not clear whether the service or the activity of the undertaking relates only to a narrower, specific area of operation and not of a general nature. Consumers do not know exactly how the environmentally conscious nature of the clinic manifests itself [70].

The Authority started a procedure against a company operating a tanning network franchise for making claims such as “green organic” and “organic” in advertisements for tanning beds. As a result of the procedure, the company was fined HUF 7 million and banned from continuing the unlawful practice. According to the explanatory memorandum, it did not explain what he meant by ‘green organic’, ‘organic’ and ‘by the power of nature’, Furthermore, “there is concern about unjustifiably portraying as healthy a service which, according to the current state of science, may be particularly harmful to health” [66].

CONCLUSION

The research aimed to shed light on the phenomenon of greenwashing and its implications for Hungary in a European context.

Our analyzes summarised the definitions and characteristics of the phenomenon currently in use. Following the presentation of the European framework, the Hungarian legislative environment was presented, highlighting the work of the Hungarian Consumer Protection Authority.

The misleading corporate communications and the fight against them were presented through case studies.

Despite of the legal fight and the above-mentioned initiations, awareness-raising actions of different consumer authorities, greenwashing is still an everyday phenomenon in business life. However, both legislators and law enforcement authorities make stricter and stronger actions to combat it. Consumers are also more conscious partly because of the many awareness-raising actions, campaigns.

The Hungarian Competition Authority has made several recommendations both for the companies and the legislators. It is extremely important for the companies to map, understand the type of environmental effect generated during the production even before creating their green statements. The life-cycle analysis could be a good tool for that. Those activities of the companies should appear in their communication with which the greatest impact can be achieved in reducing environmental load. The claims, logos, labels displayed by the companies in the communication, (e.g., on the product itself, in advertisements) must be verifiable, made public and available to the consumer. The overly general, vague statements should be eliminated. If a claim or logo refer to only to one or only some aspects of the product (e.g., its packaging), the company should indicate it clearly [58].

Regarding the recommendations made for legislators, the authority emphasized that the certifications should take into account the whole life cycle of the product. The data used during the lifecycle analysis may also originate from own measurements besides generic data bases to take the administrative and financial burden off the shoulders of business entities. The qualification, its method should be made public; and should be first only a voluntary mechanism [58]. Finally, further educational campaign is still inevitable and essential both for the companies and the consumers.

The acceptance of a new EU directive is in progress. This new legal norm is in harmony with the recommendations of the Competition Authority. The directive gives a list of claims, that should be considered always unfair, thus prohibited: among others the usage of “sustainability” labels that lack an independent, third-party certification scheme, or they are not based on the qualifications of public authorities. It is also forbidden to spread the green claim on the whole product when it affects only one part of that [71].

The research has clearly shown that the dynamic changes in the market and the creativity of companies make it difficult to fight greenwashing effectively. Although the European Union and Hungary are doing their utmost to ensure that consumers are not harmed by unethical communication and actions by companies, the analysis showed that the authorities are not always able to prevent these cases (Q1). Rather, they tend to detect and sanction problems after the event. The results, therefore, support our hypothesis and confirm that the legal environment can react ex-post to cases of malpractice (T1), but that the diversity of

sectors and dynamic market changes make prevention less suitable for 100%.

Preventing greenwashing often depends not on the authorities behind the scenes, but on consumers making conscious choices. Educating them is as important as the regulations imposed on companies to protect consumers.

In the future, we would like to continue our research to assess the information content behind consumer decisions.

DATA AVAILABILITY

No data were generated from the study.

AUTHORS' CONTRIBUTIONS

VK and IE designed and wrote the paper.

CONFLICTS OF INTEREST

The authors declare no conflicts of interest.

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How to cite this article:

Kundi V, Ernszt I. The Phenomenon of Greenwashing: An Analysis of the Hungarian Regulation. J Sustain Res. 2024;6(4):e240066. <https://doi.org/10.20900/jsr20240066>