



### **Panelists**

#### **Moderator**

**Speakers** 



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## **Greenwashing litigation trends shaping 2025**

#### **Overview**

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Greenwashing claims relate to statements about the environmental impact or benefits of a company's products or operations.

#### Challenge

- Greenwashing claims are increasing
  - Jurisdictions to watch
  - Claims to anticipate
  - Regulatory update
- US and UK/Europe have divergent positions on greenwashing/sustainability laws creating significant challenges

#### **Solution**

DLA Piper's Greenwashing Intelligence Hub identifies data around litigation to track US claims involving greenwashing lawsuits against most impacted industries

#### Methodology

- The DLA Piper Greenwashing Intelligence Hub is based on the US CNS Case Portal and Courtlink searches and alerts informed by our Greenwashing Litigation Search Terms
- Covers US federal and state class actions, shareholder derivative litigation, and private litigant actions asserting greenwashing claims and is updated weekly
- Searches date from 2015 to present
- Provides a detailed view of case status. For example, motion to dismiss outcomes, providing an overview of the grounds for dismissal asserted and a summary of how the court has treated specific arguments

## Using data analytics to anticipate what's coming

## Responsibly navigating between "greenhushing" and exposure to unnecessary risk

Consumers demanding that companies be transparent about practices such as the environment, sustainability of products and sourcing of ingredients.

Meanwhile, heightened scrutiny from NGOs, some regulators, and the plaintiff's bar.

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## DLA Piper's Greenwashing Intelligence Hub

Currently tracking US cases only

The DLA Piper Greenwashing Intelligence Hub provides data-driven insights into trends to anticipate what's coming

- Monitoring filings, ruling trends, jurisdictions to watch, and claims to anticipate
- Helps evaluate what arguments are successful
- Tracking over 370 actions between 2015 –2024

## Navigating the rise in greenwashing claims

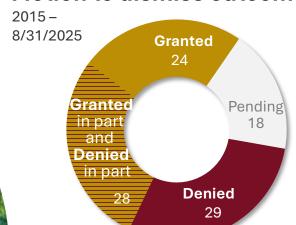
#### **How DLA Piper can help:**

- Analyzing exposure
- Mitigating litigation risk
- Evaluating claims

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Experience defending claims

#### Motion to dismiss outcomes



#### **Overview of ESG litigation**

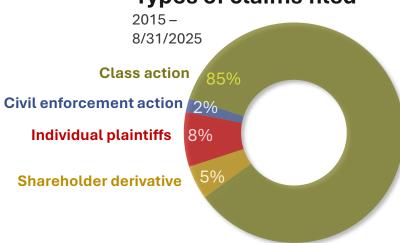
Class actions represent majority of cases filed in this space.

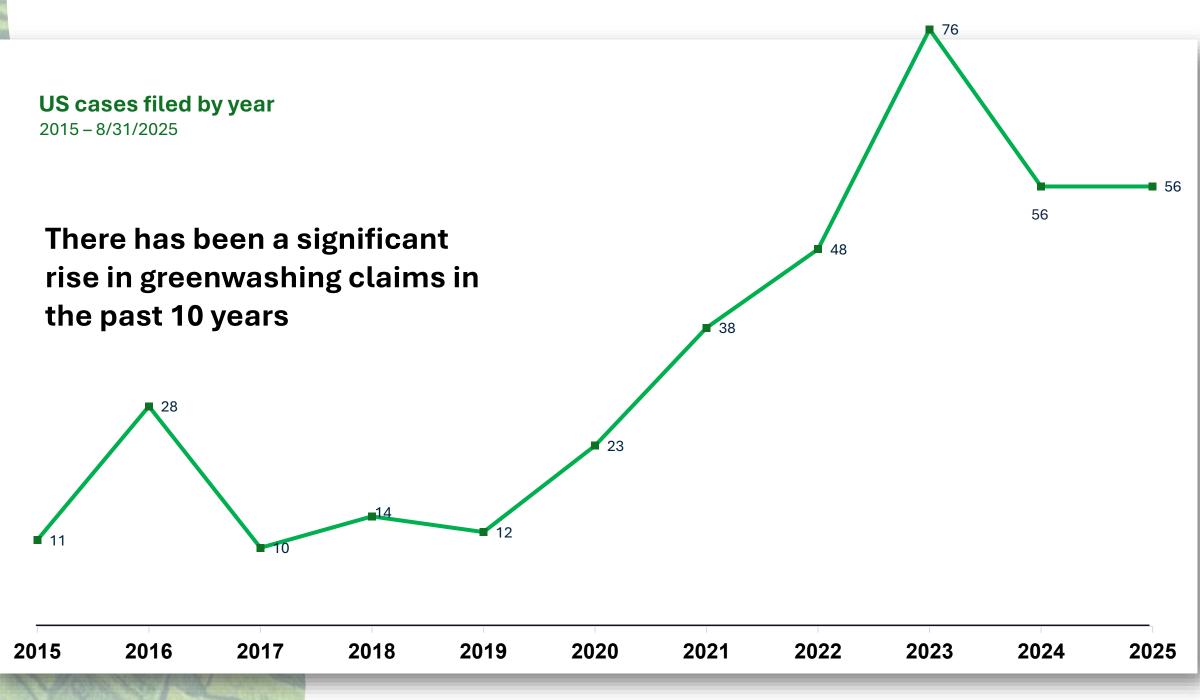
Who is filing these complaints?

Class action attorneys Environmental groups Private parties Government agencies

Regulators

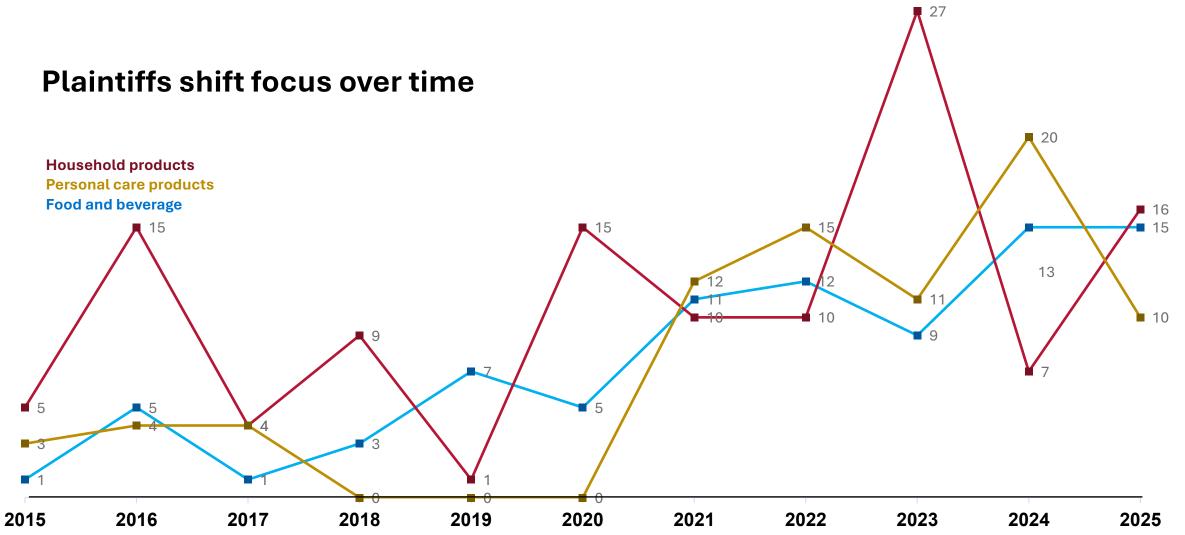
#### Types of claims filed

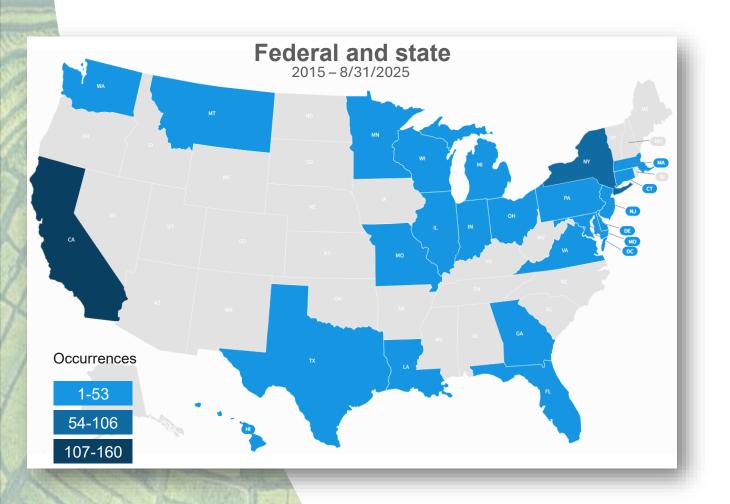




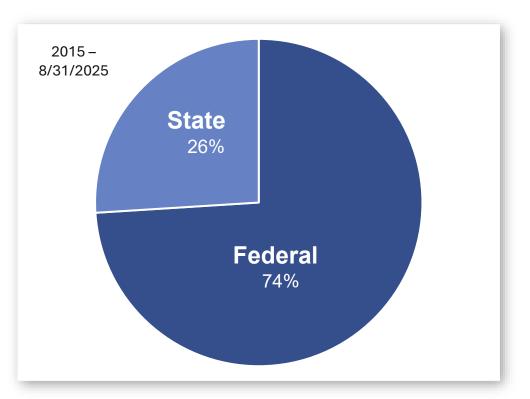
#### **Claims by industry**

2015 - 8/31/2025

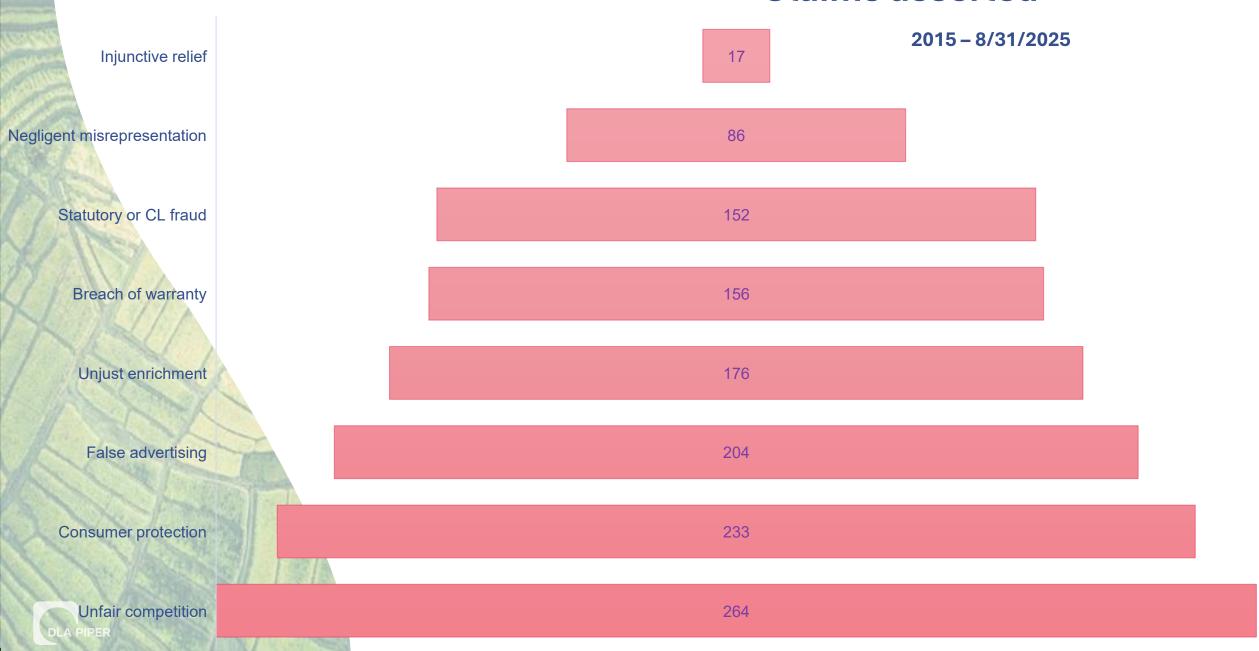




### Jurisdictions to watch

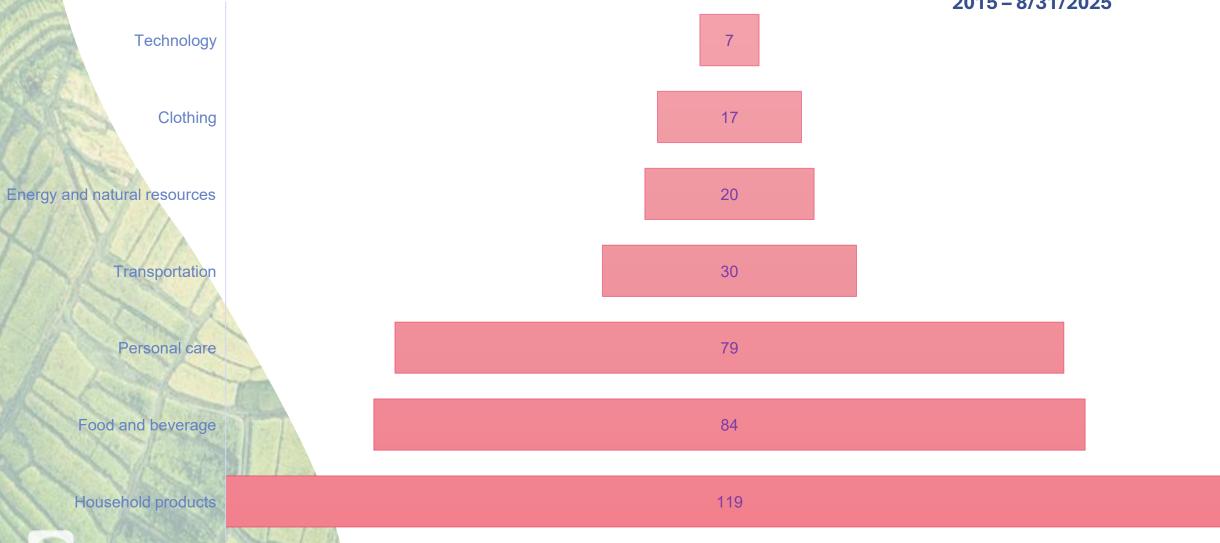


#### **Claims asserted**



## Claims by industry

2015 - 8/31/2025



## Trends at sector level Supply chain **Consumer products Environmental** Financial services DLA PIPER

## Target: Consumer products

#### Types of claims

- Consumer protection
- Unfair competition or deceptive trade
- False advertising
- Breach of contract
- Breach of warranty

#### Challenges

- "sustainable"
- "natural"
- "eco friendly"
- "plant based"
- "recyclable"
- "compostable"
- "low carbon footprint"
- "reef safe" or "dolphin safe"
- "campaigns/website statements/initiatives"
- Pure

#### **Industries**

#### **Clothing companies**

Low carbon footprint; recycled or organic materials

#### Food and beverage

Not environmentally friendly; "eco friendly"; "All natural" or "100% natural"; recyclable; compostable; microplastics, etc.

#### **Household products**

Natural; "nontoxic"; "eco friendly"; undisclosed chemicals; "clean"

#### Personal care products

PFAS, parabens, sulfates;
"sustainable" or "safe"; "plantbased"; "natural" or "naturally
derived"; "Reef conscious" or
"reef friendly"; "clean" or
"biodegradable"

#### **Airlines**

Sustainability, carbon offsets, SAF



## Target: Consumer products

Attack on sustainability initiatives, across industries

Sustainability reports

Additional claims aimed at sustainability include:

- Claims that the company falsely states it is promoting sustainability programs and is committed to responsible manufacturing
- Claims that products are "sustainably sourced"
- Claims that products are marketed as recyclable yet are not recyclable (a rise in these cases in CA given changing state regulations about recyclability

Recent NYAG loss



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ESG WINS

"Carbon neutral" certification/Dorris

**Microplastics** 

Sustainability and carbon offsets





## Impact on financial services

Banks and financial services companies face risk stemming from public filings and external statements around sustainability practices.

#### **REGULATIONS TO WATCH**

The SEC rule standardizes the climate disclosures by public companies to assist investors but emboldens certain states to push disclosure-based laws: for example, California has passed the Climate Corporate Data Accountability Act, an attempt at the EU's Corporate Sustainability Disclosure Regulation.

Currently not a major focus of consumer class actions, but ESG is currently a core driver of financial services so this will change.

#### OF FINANCIAL SERVICES COMPANIES ...

46%	want to be leade <mark>rs and</mark> innovators in ESG
63%	view sustainable financial products as a major opportunity and growth area
58%	consider ESG one of their bigges challenges in the next two years
40%	believe that implementation and accurate reporting are significant challenges

#### POTENTIAL AREAS TO WATCH

- Breach of fiduciary duty
- Exchange Act and state laws
- Misrepresentations/unfair business practices
- Antitrust

# Greenwashing claims hindering supply chain logistics

#### **Supply chain disruption**

Discovery of supplier greenwashing may force companies to terminate contracts and source alternative suppliers, causing delays and increased costs.

#### **Impact**

Disrupted production timelines and difficulty meeting consumer demand.



#### Regulatory and legal risks

Companies are increasingly held accountable for misleading environmental claims in their supply chains under laws like the EU's Corporate Sustainability Due Diligence Directive or the US Green Guides.

#### <u>Impact</u>

Fines, lawsuits, and bans on products from unethical supply chains can disrupt operations and lead to financial losses.

#### Reputational damage

Association with suppliers engaging in greenwashing can tarnish a company's brand reputation, even if the company itself complies with environmental standards

#### **Impact**

Loss of consumer trust, decreased sales, and negative media coverage can harm long-term growth.

#### Loss of investor confidence

ESG-focused investors demand transparency and accountability in supply chains. Greenwashing allegations can lead to divestment or exclusion from sustainable investment indices.

#### **Impact**

Reduced access to capital and diminished stock value.

#### **Competitive disadvantage**

...

Competitors that prioritize genuine sustainability efforts may attract more ecoconscious consumers and investors.

#### **Impact**

Companies linked to greenwashing through suppliers risk losing market share to more transparent rivals.

### **Claim Shift From Health to Environment Focus**

**Human health-based claims:** not going away, but not the only play

Human health-based claims (including personal injury and "toxic tort" cases) are more difficult to mount:

- Identifying individual plaintiffs;
- General and specific causation evidence;

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Multiple jurisdictions or coordinated proceedings.

**Environmental claims:** can have broader impacts with limited costs

Advocates are able to leverage tools to make these claims more effective:

- Well-funded state prosecutors, NGOs and sophisticated counsel;
- Claims like public nuisance and product liability can effect broad impacts
- Social and news media activate strong public interest in environmental matters

## Strategies for Mitigating Environmental Claims Risks

#### **Battle-test Environmental Claims**

- Assume litigation; avoid overpromising.
- Relentless documentation: on-product and website or social marketing.
- Market-research regarding consumer perceptions.

## Monitor Emerging *Environmental* Science (not just HH impacts)

- Invest: market vigilance is a resource.
- Regulatory attention often means a risk is moderately well-studied/developed.
- Early science comes from journals and universities.
- Trade groups are key, but you know your products best.

## **Engage Proactively – Caution re non-US Entities**

- Relationships with key academics.
- Consider NGO partnerships.
- Don't sleep on what your non-US colleagues are publishing and communicating!



## ESG litigation trends – Europe/Germany

#### **Overview**

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ESG litigation in Europe is gaining momentum, driven by new regulations and growing stakeholder pressure.

## Climate change litigation

Climate change litigation across Europe is intensifying, with courts increasingly affirming corporate accountability.

#### **Greenwashing**

More than ever, companies risk being taken to court for making overly optimistic green claims.

#### **PFAS**

PFAS litigation in Europe is accelerating, with landmark rulings, collective actions, and regulatory reforms highlighting the increasing legal accountability for environmental and health risks associated with 'forever chemicals'.

### Greenwashing

The focus in Europe is primarily on lawsuits filed by environmental organizations challenging statements made about environmental friendliness, in particular advertising claims of alleged "climate neutrality" or " $CO_2$  neutrality."

#### **Finance**

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- DWS Group: Overstated the ESG characteristics of investment funds.
- Fined EUR 25 million by German prosecuting authorities in April 2025 and with USD 23.5 million by the U.S. SEC (2023)

Other Examples: Commerzbank subsidiary.

#### **Automotive/Mobility**

 Lufthansa: Lost lawsuit in March 2025 over climate neutrality promise – unclear compensation payments for CO2 emissions. Proceeding is pending in second instance.

#### Consumer

- Adidas: Had to abandon claim of "climate neutrality by 2050" due to lack of evidence of concrete measures. Judgment of March 2025 is final.
- Other Examples: German food manufacturer.



Tighter regulations under discussion in Europe: Environmental advertising claims would need to be scientifically substantiated and verified by an independent body.

### Climate change litigation

Mostly socio-politically motivated claims in Europe, aiming to attract public attention. Any company can become a target, regardless of actual wrongdoing.

#### **Automotive Companies**

- Lawsuits filed by NGOs in 2021, aimed at specific CO<sub>2</sub> reduction targets or even a mandatory phaseout of sales of combustion engine vehicles from 2030 onwards.
- Lawsuits were dismissed in first and second instance, as the manufacturers were found to be in full compliance with all applicable legal requirements.
  - Lawsuits against certain automotive companies are still pending before the German Federal Court of Justice;
    Judgment in favor of one automotive company is final.

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#### **RWE**

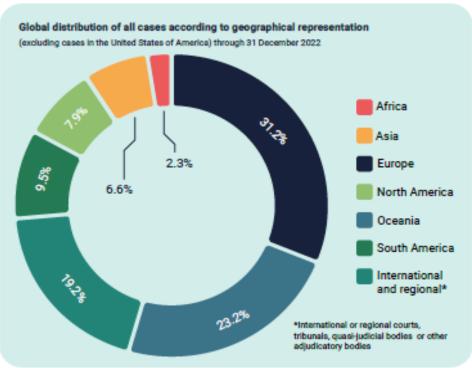
- Lawsuit filed by a Peruvian farmer against the energy company RWE.
- The plaintiff demanded that RWE contribute in proportion to its share of global greenhouse gas emissions (0.38%) to the financing of protective measures for his property against a potential glacial flood.
- The proceedings lasted over 10 years and and ended with the dismissal of the lawsuit.

Proceedings received extensive media coverage.

## Climate change litigation – Overview of worldwide distribution



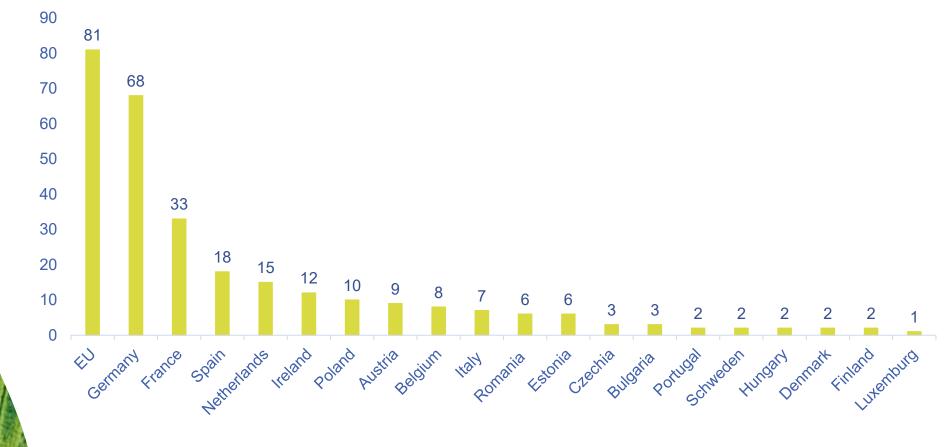




(Global Change Data Lab 2015)

UNEP Global Climate Litigation Report 2023 Status Review

## ESG litigation trends – Cases pending in the European Union



Climate Change Litigation Databases - Sabin Center for Climate Change Law

## **PFAS** "Forever Chemicals" General Per- and polyfluorinated alkyl substances. Estimated 5,000–10,000 different chemicals. Water-, grease-, and dirtrepellent. DLA PIPER

#### Use

- Wherever the characteristics of PFAS (water, dirt and oil repellent) are useful, e.g.:
  - Household
  - Medicine
  - Medical devices
  - Toys
  - Construction
  - Textiles
  - Fire protection
  - Automotive industry
  - Cosmetics
  - Sun protection

## **Environmental and health** relevance

- End up in the environment during production and use.
- Can accumulate in the body (e.g., in the blood).
- Are suspected of causing serious health problems (e.g. cancer).

### **PFAS** – litigation

Goal: Not only compensation, but also far-reaching social change beyond individual lawsuits (strategic litigation)

#### **Typical plaintiffs**

- Private individuals
- Water suppliers

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- Government agencies
- Environmental organisations

#### **Typical allegations**

- Contamination of drinking water
- Health risks
- Inadequate public warning about the risks

#### Important legal disputes

- 3M (Belgium): Settlement with the Flemish government (2022) for more than EUR 500 million (late 1970s onwards) Antwerp plant)
- Chemours (Netherlands):
   According to interim ruling
   (2023), liable even though
   company had permits at the
   time (1984-1998, Dordrecht
   plant)



Growing number of lawsuits against companies that are manufacturing or using PFAS

### **PFAS – regulation**

#### **EU** level

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- Various Directives and Regulations as e.g. REACH Regulation, CLP Regulation and EU Drinking Water Directive and EU POP Regulation.
- EU's Chemical Strategy for Sustainability of October 2020 part of the EU's zero pollution ambition, which is a key commitment of the European Green Deal.
- Continuous further gradual restriction of the use of PFAS (latest adaption to REACH in September 2024 regarding undecafluorohexanoic acid (PFHxA) and PFHxA -related substances).

#### **National initiatives**

- Germany, the Netherlands, Denmark, Sweden and Norway: Proposal for EUwide restriction of PFAS submitted to the European Chemicals Agency in January 2023.
- France: From 1 January 2026, the manufacture, import and sale of certain products containing PFAS will be prohibited.
- Denmark: Danish Environmental Protection Agency withdrew approval for 23 pesticides that contaminate groundwater with PFAS in July 2025.



Clear trend towards greater regulation and thus also a higher liability risk.



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