**PRESS RELEASE**

**South Korea to penalize greenwashing, a major win for climate litigation**

**Companies can now more easily be fined for false or exaggerated advertising of environmental impacts, according to draft law**

**17 February 2023 –** TheSouth Korean Ministry of Environment, under a draft law, plans on introducing a fine of up to three million won (USD 2,300) for companies that mislead the public about their environmental impacts.

While the regulator is currently able to fine greenwashing companies, it needs to follow a complex process to determine the penalty amount. The new regulation is expected to simplify this process and allow the ministry to take a stronger stance on greenwashing.

This move follows a string of warnings issued by the environment ministry to major energy and steel companies in the country, recommending “evidence-based, factual” advertising, according to documents provided by National Assembly member Sungjoon Jin.

The companies include SK Enmove, which was hit with legal action last year by Seoul-based climate organization Solutions for Our Climate for using questionable offsets to promote oil products as “carbon neutral”. The regulator also gave SK Energy, POSCO and GS Caltex administrative guidance for greenwashing advertisements.

“Companies should be on alert. The recent move from the South Korean environment ministry shows that climate litigation plays a key role in strengthening regulation. Three million won may not be a lot, but it’s a step in the right direction”, said **Jihyeon Ha, head of legal operations at SFOC**.

The fine comes on the heels of a global crackdown on greenwashing. Last August, [France](https://grist.org/beacon/fossil-fuel-ads-mais-non/) banned fossil fuel advertisements, which will also include fossil gas later this year. The European Union is also expected to publish an ‘anti-greenwashing law’ that will [ban green claims](https://www.reuters.com/business/sustainable-business/eu-plans-law-forcing-companies-prove-green-claims-are-real-draft-2023-01-13/) unless backed up with evidence.

However, experts say that the government needs to take further steps to proactively monitor and regulate greenwashing.

“There is a risk that corporations simply pay the fine while reaping the monetary and reputational benefits of greenwashing”, added Ha. “The Ministry of Environment must now demonstrate it is serious about curbing greenwashing by enforcing the fine and further strengthening regulation against greenwashing.”

The Ministry of Environment will release a set of guidelines against greenwashing later this year.

**ENDS.**

*Solutions for Our Climate (SFOC) is a South Korea-based group that advocates for stronger climate policies and reform in power regulations. SFOC is led by legal, economic, financial, and environmental experts with experience in energy and climate policy and works closely with policymakers.*

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