DRAFT GUIDELINES: Environmental/ GREEN CLAIMS

Preamble:

Consumers are increasingly demanding products and services which minimise harm to, or have a positive effect on, the environment. As a result, there has been a proliferation of products, services and businesses which claim to meet that demand. If claim of being green and sustainable are not reliable, comparable and verifiable, consumers cannot fully leverage their purchasing decisions to reward better environmental performance. In addition, they may be misled in choosing products or services based on unclear or false claims.

In view of the above, the goal of this guideline is to – i) demonstrate how advertisers can make true, clear, evidence-based claims that consumers can understand and trust; ii) assist consumers make more informed choices if they want to make purchasing decisions based on environmental claims and iii) explain the approach ASCI would take in investigating whether environmental claims are likely to contravene the ASCI Code

'Environmental Claims/Green Claims'

Environmental claims include claims that suggest or create an impression that a product or a service:

- 1) has a neutral or positive impact on the environment;
- 2) is less damaging to the environment than a previous version of the same product or service; or
- 3) is less damaging to the environment than competing goods or services; or
- 4) has specific environmental benefits.

Environmental/Green claims can be explicit or implicit. They can appear in advertisements, marketing material, branding (including business and trading names), on packaging or in other information provided to consumers. All aspects of a claim would be relevant, such as:

- the meaning of any terms used;
- the qualifications and explanations of what is said;
- the evidence that supports those claims;
- the information that is not included or hidden;
- the colours, pictures and logos used; and
- the overall presentation.

<u>Greenwashing</u>

Greenwashing refers to false, deceptive, misleading environmental claims about products, services, processes, brands or operations as a whole, or claims that omit or hide information, to give the impression they are less harmful or more beneficial to the environment than they really are. Greenwashing violates Chapter I of the ASCI code on misleading advertisements. In order not to breach Chapter I of ASCI code, advertisements must adhere to the following guidelines.

GUIDELINES:

- 1. Absolute claims such as but not limited to "environment friendly", "eco-friendly", "sustainable", "planet friendly" that imply that the product advertised has no impact or only a positive impact must be supported by a high level of substantiation. Comparative claims such as "greener" or "friendlier" can be justified, for example, if the advertised product or service provides a total environmental benefit over that of the advertiser's previous product or service or competitor products or services and the basis of such comparison is made clear.
- 2. Environmental claims must be based on the full life cycle of the advertised product or service, unless the advertisement states otherwise, and must make clear the limits of the life cycle. If a general claim cannot be justified, a more limited claim about specific aspects of a product or service might be justifiable. Claims that are based on only part of an advertised product or service's life cycle must not mislead consumers about the product or service's total environmental impact.
- 3. Unless it is clear from the context, an environmental claim should specify whether it refers to the product, the product's packaging, a service, or just to a portion of the product, package, or service.
- 4. Advertisements must not mislead consumers about the environmental benefit that a product or service offers by highlighting the absence of an environmentally damaging ingredient if that ingredient is not usually found in competing products or services by highlighting an environmental benefit that results from a legal obligation if competing products are subject to the same requirements.
- 5. Certifications and Seals of Approval should make clear which attributes of the product or service have been evaluated by the certifier, and the basis of such

- certification provided. Certifications and Seals used in an advertisement should be from a Nationally/Internationally recognised certifying authority.
- 6. Visual elements in an ad should not give a false impression about the product/service being advertised. For example, logos representing a recycling process on packaging and/or in advertising material can significantly influence a consumer's impression of the environmental impact of a product or service.
- 7. Advertisers should refrain from making aspirational claims about future environmental objectives unless they have developed clear and actionable plans detailing how those objectives will be achieved.
- 8. For carbon offset claims advertisers should clearly and prominently disclose if the carbon offset represents emission reductions that will not occur for two years or longer. Ads should not claim directly or by implication that a carbon offset represents an emission reduction if the reduction, or the activity that caused the reduction, was required by law.
- 9. For claims pertaining to the product being compostable, biodegradable, recyclable, non-toxic, free-of etc. advertisers should qualify the aspects to which such claims are being attributed, and the extent of the same. All such claims should have competent and reliable scientific evidence to show that:
 - a) The product or the qualified component where applicable will break down within a reasonably short period of time after customary disposal.
 - b) The product is free of elements that can lead to environmental hazards.