

## **CMA GREEN CLAIMS CODE**

### **Guidance on making environmental claims on goods and services**

The Competitions and Market Authority (CMA) has published a useful and comprehensive document: 'CMA Guidance on Environmental Claims on Goods and Services. Helping Businesses Comply with their Consumer Protection Law Obligations'. The guidance is a timely reminder that, when making green claims, businesses must comply with consumer protection law.

It is also essential to comply with any sector- or product-specific laws that apply to a product or service. Before making a green claim, businesses should understand how their product, brand or business has an impact – both positively and negatively – on the environment for its whole life cycle.

The guidance is based on a Check List of statements. When making a green claim, a business should be able to answer 'yes' or agree to each as follows

- 1. The claim is accurate and clear for all to understand.*
2. There's up-to-date, credible evidence to show that the green claim is true.
3. The claim clearly tells the whole story of a product or service; or relates to one part of the product or service without misleading people about the other parts or the overall impact on the environment.
4. The claim doesn't contain partially correct or incorrect aspects or conditions that apply.
5. Where general claims (eco-friendly, green or sustainable for example) are being made, the claim reflects the whole life cycle of the brand, product, business or service and is justified by the evidence.
6. If conditions (or caveats) apply to the claim, they're clearly set out and can be understood by all.
- 7. The claim won't mislead customers or other suppliers.*
8. The claim doesn't exaggerate its positive environmental impact, or contain anything untrue – whether clearly stated or implied.
9. Durability or disposability information is clearly explained and labelled.
10. The claim doesn't miss out or hide information about the environmental impact that people need to make informed choices.
11. Information that really can't fit into the claim can be easily accessed by customers in another way (QR code, website, etc.).
12. Features or benefits that are necessary standard features or legal requirements of that product or service type, aren't claimed as environmental benefits.
13. If a comparison is being used, the basis of it is fair and accurate, and is clear for all to understand.

The full Guidance document can be accessed and downloaded [here](#) and a webpage version is available on the [Gov.uk website](#).

If a business doesn't comply with consumer protection law, the CMA and other bodies – such as Trading Standards Services or sector regulators – may bring court proceedings. The Advertising Standards Authority (ASA) can also take action for misleading green claims which appear in advertising.

If your claim is found to be in breach of consumer protection law, you can be forced to make changes to your claim or make a payment of redress to any consumers that may have been harmed by the breach. The CMA Guidance is not legal advice, so it's therefore recommended that you seek independent legal advice.

The following link maybe helpful: <https://www.gov.uk/find-legal-advice>

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See below examples of greenwashing across industries

### **Greenwashing in the fashion industry**

<https://www.gov.uk/government/news/asos-boohoo-and-asda-investigated-over-fashion-green-claims>

In January 2022, the CMA turned its eye to the fashion sector, and its initial review identified concerns around potentially misleading green claims. These included a number of companies creating the impression that their products were 'sustainable' or better for the environment – for example by making broad claims about the use of recycled materials in new clothing – with little to no information about the basis for those claims or exactly which products they related to.

The CMA has launched investigations into ASOS, Boohoo and George to get to the bottom of its concerns. Among other things, these include whether:

- the statements and language used by the businesses are too broad and vague, and may create the impression that clothing collections – such as the 'Responsible edit' from ASOS, Boohoo's current 'Ready for the Future' range, and 'George for Good' – are more environmentally sustainable than they actually are
- the criteria used by some of these businesses to decide which products to include in these collections may be lower than customers might reasonably expect from their descriptions and overall presentation – for example, some products may contain as little as 20% recycled fabric
- some items have been included in these collections when they do not meet the criteria

- there is a lack of information provided to customers about products included in any of the companies' eco ranges, such as missing information about what the fabric is made from
- any statements made by the companies about fabric accreditation schemes and standards are potentially misleading, such as a lack of clarity as to whether the accreditation applies to particular products or to the firm's wider practices

**From this it can easily be seen how this could be translated to the bed industry. This also applies to any other components, not just fabrics. Product and component certifications are a way to help prove environmental credentials, but as mentioned above, it needs to be clearly communicated which elements of a product or range contain the credentials.**

#### **Oatly ads banned by UK watchdog over 'misleading' green claims**

<https://www.theguardian.com/media/2022/jan/26/oatly-ads-banned-by-uk-watchdog-over-misleading-green-claims>

Dairy Free milk brand Oatly, have recently been reprimanded by the Advertising Standards Authority (ASA) for making claims about their products that overstated any environmental claims.

In paid-for ads on Twitter and Facebook, Oatly claimed the "dairy and meat industries emit more CO<sub>2</sub> than all the world's planes, trains, cars, boats etc, combined".

When the ASA investigated the claim, it found Oatly had "overstated" the emissions of the meat and dairy industry because the company did not take into account emissions covering the full life cycle of transport, only emissions when a vehicle is driven.

Two TV ads claimed that Oatly "generates 73% less CO<sub>2</sub>e v milk, calculated from grower to grocer". The ASA said it expected to see the blanket claim based on evidence comparing all Oatly products and types of cow's milk. However, it was based on a single product.

Whilst the point they were trying to make may have scientific merit, the lack of specificity in their claims was where they were pulled up. When making green claims they need to be full representative of the claims you are making. It is obvious that blanket statements and creative wording can, and will, be scrutinised.