

# 'Green' claims: CMA sets out the dos and don'ts for businesses

Last year, the Competition and Markets Authority (CMA) announced that it was [investigating the impact of green marketing on consumers](#), in line with its annual plan commitment. As part of this, the CMA recently led on an analysis of websites – alongside other global authorities – which found that [40% of green claims made online could be misleading](#).

The CMA is now seeking views on draft guidance for businesses about 'green' claims. This is based on a careful review of how these claims are being made and how people respond to them. It explains the best way for businesses to communicate their green credentials, while reducing the risk of misleading customers.

This direction comes at a time when more than half of UK consumers take environmental considerations into account when buying products.

## **Example:**

A loaf of bread is labelled as "Organic Sourdough". Sector-specific rules mean food products must be made from at least 95% organic ingredients to be labelled as organic. A claim would be misleading if that threshold is not met.

In particular, the proposed guidance sets out 6 principles that environmental claims should follow.

They:

- must be truthful and accurate: Businesses must live up to the claims they make about their products, services, brands and activities
- must be clear and unambiguous: The meaning that a consumer is likely to take from a product's messaging and the credentials of that product should match
- must not omit or hide important information: Claims must not prevent someone from making an informed choice because of the information they leave out
- must only make fair and meaningful comparisons: Any products compared should meet the same needs or be intended for the same purpose

- must consider the full life cycle of the product: When making claims, businesses must consider the total impact of a product or service. Claims can be misleading where they don't reflect the overall impact or where they focus on one aspect of it but not another
- must be substantiated: Businesses should be able to back up their claims with robust, credible and up to date evidence

### **Example:**

A company selling toiletries online presents a range of products with a green banner across the corner of the image stating, "save our seas – these are micro bead free". This is likely to be misleading as it suggests a benefit in comparison to other products, when in fact micro beads are banned in the UK and should not be in any products.

Andrea Coscelli, Chief Executive of the CMA, said:

Whether it's buying clothes, cosmetics or cleaning products, more people than ever are trying to make choices which are better for the environment.

Many businesses are already doing the right thing by being clear and upfront about how green a product really is, but that's not always the case. We're concerned that people are paying extra for so-called 'eco-friendly' products and those businesses which are genuinely investing in going green aren't getting the recognition they deserve.

We're seeking views on our draft guidance, which clearly sets out what we propose businesses should do, to reduce the risk of misleading their customers. People must be able to trust the claims they see and businesses must be able to back them up.

### **Example:**

A comparative claim that a clothing range is now "greener" is unlikely to be fair and meaningful on its own. It risks misleading consumers as the claim does not make clear the basis for the comparison.

The CMA is inviting views on its guidance and is particularly keen to hear from anyone who buys or sells products which claim to be eco-friendly, including whether any further information is needed to help companies comply with the law.

The consultation will run until 16 July 2021, with the aim of publishing the

final guidance by the end of September 2021. More information can be found on the CMA's [Misleading environmental claims web page](#).

Notes to editors.

1. The key piece of consumer protection legislation relevant to the CMA's guidance is the Consumer Protection from Unfair Trading Regulations 2008 (CPRs). The CPRs contain a general prohibition against unfair commercial practices and specific prohibitions against misleading actions or misleading omissions.
2. The statistic that "half of UK consumers take environmental considerations into account when buying products" is taken from a [2014 European Commission Market Study](#).
3. Related figures and statistics on this topic can be found in the CMA's '[Making environmental claims: a literature review](#)'.
4. The examples used in the press release are drawn from the draft guidance, which the CMA is currently consulting on.
5. More examples and case studies can be found in the CMA's [Draft Guidance on Environmental Claims](#).
6. Read more about how the CMA is supporting the transition to a low carbon economy in its [2021/22 Annual Plan](#).
7. Media enquiries should be directed to [press@cma.gov.uk](mailto:press@cma.gov.uk) or 020 3738 6460.