

**7 October 2021****Green Claims – New Trading Standards  
Responsibility**

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**Purpose of the report**

To inform the Committee of a new 'Green Claims Code' published by the Competition and Markets Authority.

**The Code**

1. The aim of the Code is to help businesses understand how to communicate their green credentials while reducing the risk of misleading shoppers. It focuses on six principles which are based on existing consumer law and follows extensive consultation with businesses of all sizes and consumer groups.
2. The CMA plan to carry out a full review of misleading green claims, both on and offline, at the start of 2022. Businesses should check their green claims against the Code and seek legal advice if they are unsure whether their claims comply with the law.
3. Green claims (also known as environmental claims or eco-friendly claims) are claims that suggest that a product, service, brand or business provides a benefit, or is less harmful to the environment.
4. Typically, businesses use these claims when promoting or selling their products or services and they can be advertised in a range of ways. Green claims are genuine when they properly describe the impact of a product, brand, business or service, with evidence to back it up. Claims can be misleading if any information is untrue or hidden, if information is misrepresented or if it is taken out of context.

**Green claims checklist**

5. 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.
6. When making a green claim, a business should be able to answer 'yes' or agree to each of the following statements:
  - The claim is accurate and clear for all to understand.

- There's up-to-date, credible evidence to show that the green claim is true.
- 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.
- The claim doesn't contain partially correct or incorrect aspects or conditions that apply.
- 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.
- If conditions (or caveats) apply to the claim, they're clearly set out and can be understood by all.
- The claim won't mislead customers or other suppliers
- The claim doesn't exaggerate its positive environmental impact, or contain anything untrue – whether clearly stated or implied
- Durability or disposability information is clearly explained and labelled
- The claim doesn't miss out or hide information about the environmental impact that people need to make informed choices.
- Information that really can't fit into the claim can be easily accessed by customers in another way (QR code, website, etc.)
- Features or benefits that are necessary standard features or legal requirements of that product or service type, aren't claimed as environmental benefits.
- If a comparison is being used, the basis of it is fair and accurate, and is clear for all to understand.

### **Advice and further information**

7. 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.
8. If a claim is found to be in breach of consumer protection law businesses can be forced to make changes to their claim or make a payment of redress to any consumers that may have been harmed by the breach. It's therefore recommended that they seek independent legal advice.

### **Recommendation**

9. The Committee is asked to note the information.

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