NAVIGATING GREENCLAIMS GREENCLAIMS YOUR ENVIRONMENTAL EFFORTS

www.esgmark.co.uk

info@esgmark.co.uk

ENVIRONMENTAL. SOCIAL

Today's business world is filled with buzzwords which very often have no universally agreed definition – in fact most you see can be used in varying, and sometimes misleading, ways. This has made it easy to use these terms regardless of the actual impact of their products - which, in turn, has made it harder for consumers to decipher which businesses are truly committed to minimising their environmental impact.

Building trust is critical to the sustainability movement, so that businesses paving the way for a better world are recognised, and those who aren't are incentivised to make a change.

It's important that every business - even value-led businesses with the best intentions - considers their communications and marketing in line with the Green Claims Code.

For many businesses who make real effort to be responsible in their practices, this decreasing tolerance for greenwashing is welcomed to build accountability and consumer trust, but many are also worried about inadvertently making unclear or misleading claims about their products.

Here, we break down the key takeaways from the Green Claims Code and offer guidance on navigating your environmental communications to accurately relay your efforts in line with emerging UK regulations, and to build back trust amongst your customers and clients.

ESGmark® is a symbol of trust and distinction, which allows consumers to identify organisations who believe in and act to deliver a fairer, more sustainable future.

Our mission is to:

- Inform, educate and empower organisations to act
- Help them navigate their ESG journey
- Promote their ESG credentials to the growing population of environmentally and socially-conscious consumers



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What is the Green Claims Code?

At its most basic, the Green Claims Code (GCC) is a UK government mandated antigreenwash guide for all and any brand making environmental claims. The 56 page guide was put together by the Competition and Markets Authority (CMA) - a nonministerial government department - after studies suggested that up to 40% of 'green' claims globally could be misleading to consumers.

The aim of the GCC is to ensure that any claim made is truthful, accurate and can be corroborated by solid data/fact.

The CMA has given brands until the New Year 2022 to make sure that their environmental claims comply with the code.

What are "green claims"?

- Also sometimes called 'environmental claims' or 'eco-friendly claims', 'green claims' are claims that show how a product, service, brand or even entire business provides a benefit or is less harmful to the environment.
- There are myriad ways to make a claim to help market goods and services including statements, symbols, emblems, logos, graphics, colours, affiliations and product brand names. In short, anything that suggests an environmentally positive impact.



GCC Key takeaways

The guidance can be condensed down to 6 key principles:

- Claims must be truthful and accurate
- Claims must be clear and unambiguous
- Claims must not omit or hide important information
- Claims must only make fair and meaningful comparisons
- Claims must consider the full life cycle of the product
- Claims must be substantiated

Crucially, the GCC inextricably ties sustainability to marketing. It is no longer enough to leave compliance to your legal department because your marketing team will ultimately be responsible for the green claims you are publicly making.

A central aspect of the guidance is the sheer depth of information that brands will need to provide. For your sustainability credentials there is nowhere to hide and for your marketers there will be added pressure on your packaging and websites. Communicating sustainability effectively within the confines of your product packaging is impossible. The GCC specifically recommends QR codes as a means to share all the product's sustainability credentials and if you plan to share sustainability content online, the GCC recommends that information is made available in a single click through link.

Terms like 'green', 'sustainable' or 'eco-friendly,' used without explanation, suggest that a product, service, process, brand or business as a whole has a positive environmental impact, or at least no adverse impact. This will no longer be permitted. Specificity will be key to anything you say; you'll need to define what you mean by sustainable (for example) along with the specifics of what part of the product is sustainable and how. As the CMA's Director of Consumer Protection Cecilia Parker Aranha says " if a label says 'Sustainably Sourced Fabric' and only 5% of the fabric in the garment is sustainably sourced, that's likely to be misleading and a problem from a consumer protection perspective."



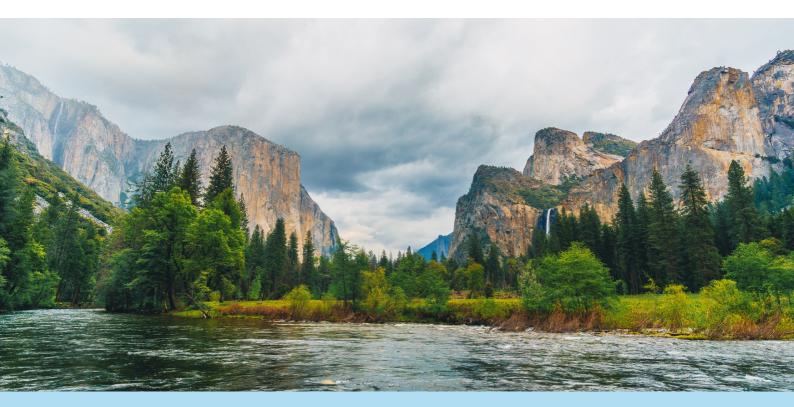
Our take on the Green Claims Code

For brands already engaged in meaningful, environmentally responsible practices, this is an exciting opportunity. Such a thorough, no-nonsense clampdown on greenwashing levels the playing field and gives legitimately 'green' businesses the chance to reap the commercial and reputational rewards. As Andrea Coscelli, chief executive of the CMA, says of the code: "...too many businesses are falsely taking credit for being green, while genuinely eco-friendly firms don't get the recognition they deserve".

In a sense this is your chance to get it right. The government has set out a very specific, rigorous framework of what best practice looks like and organisations who have been doing the work to mitigate their social and environmental impact, and who have the data to support their communications, have much to gain by telling the story of their products credibly.

You cannot make a claim that is factually incorrect, nor overstate or exaggerate the sustainability or environmental impact of your products, services, brand or activities. You also cannot claim that you are environmentally friendly if you are simply complying with legal requirements or an expected minimum standard.

Avoiding greenwashing isn't rocket science, but it does take commitment. Taking action can be straightforward, and we can show you how.



DEFINE YOUR MISSION AND VALUES

When you develop your business or work on forthcoming strategy, don't overlook creating a mission statement that will guide your environmental and social responsibilities. Consider your values, your goals, your priorities, and the overall positive impact you want to achieve. Be intentional with your word choices, so that your mission is one which you can stand behind.

Your goals and desired environmental impact may change over time, which is perfectly normal.

If your understanding of terminology changes or there is an update to legislation, be proactive and change your mission statement accordingly right away.

BE TRUTHFUL, ACCURATE AND TRANSPARENT WHEN PROMOTING YOUR ENVIRONMENTAL CREDENTIALS

Any environmental claim must be transparent and properly defined. The terms you use need to be clearly explained and anything with a multiple meaning ('green' for example) should be contextualised.

When putting together a marketing campaign or product launch, be absolutely crystal clear as to what your words means and how they are specific to the product(s) or business. If you have substantiating data or proof, add that to the details on your website.

Claims about future goals or ambitions must only be used if you have a clear, measurable and verifiable strategy to deliver on those goals. The more these goals are embedded in your overall business strategy, the better.



AVOID MAKING GENERAL CLAIMS

Be wary of general claims like "environmental preferability", "environmentally friendly" or "Earth smart".

These don't provide purchasers with any specific information that can be used to evaluate the product or make a comparison. Such claims are meaningless unless there is an accompanying explanation of what, exactly, this entails.

DO NOT OMIT OR HIDE IMPORTANT INFORMATION

One common way of greenwashing is to lie by omission and highlight one green characteristic or feature of a product or service and disregard its other qualities.

By doing this, you give stakeholders the impression that a product, service or business has a positive environmental impact by leaving out the negatives – for example by claiming a product is recyclable when in fact only part of it is.

Honesty is the best policy – whilst showcasing your commitments you should simultaneously admit your shortcomings; you aren't the finished article, but you are making progress. This might seem counterintuitive at first, but consumers are increasingly aware of the dishonest world of green marketing campaigns – being upfront and realistic about your commitments will go much further than relying on glossy green catch phrases.



MAKE FAIR AND MEANINGFUL COMPARISONS

If making a comparison between your product and another, it should be like-forlike – the products should be intended for the same purpose and the comparison should be relevant, verifiable and measured using the same metrics.

It sounds obvious but if you're comparing apples, make sure you really do compare apples with apples..

CONSIDER THE FULL LIFECYCLE

Be mindful of the total impact of your business or your products and services when making claims.

For example, claiming that an entire product is 'eco-friendly' because of the material it is made with could be considered misleading if the benefit is outweighed by negative environmental impacts elsewhere in its lifecycle. Claims need to be based on your business-wide activities. Making this a best practice part of your marketing is also a useful exercise in helping you to identify and prioritise action where it is most effective – the largest part of your environmental impact is not necessarily the most obvious, or the most visible.

SUBSTANTIATE ANY CLAIMS MADE

Make sure you can back up any claims you make with robust, credible and up-todate evidence.

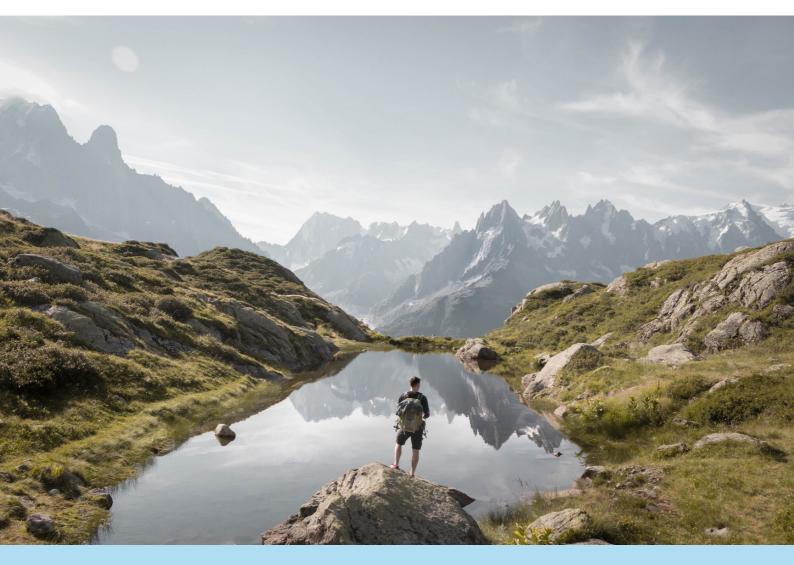
Wherever possible, this information should be publicly available either on the product labels or your website. You could also consider a respected third-party environmental standard or certification.



Building trust through third party certification

One of the best ways that brands can communicate their sustainability credentials in a way that their customers can trust is by verifying their claims via third party certification.

ESGmark® certification is for businesses who are committed to driving positive change. We support organisations along their ESG journey, to help you achieve your mission in compliance with emerging regulations, and to build back trust among consumers.





To find out more about how we can support your business, do not hesitate to contact the ESGmark® team.

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