ASA System briefing note on environmental claims

A note for policymakers



Background

The Earth's climate emergency is a global issue that impacts all areas of society, and therefore every organisation has a role to play in shaping the future of our planet.

The Advertising Codes have a section dedicated to environmental claims. Both Codes also have rules to ensure ads are not misleading. These rules apply to ads that feature environmental claims along with other rules that ensure ads are socially responsible.

The path to net zero will require several consumer and societal behaviour changes. As consumers become more environmentally conscious, we have seen an upward trend in products being marketed on their green credentials.

The environmental benefits of various products or initiatives across an array of sectors and industries are often advertised in very positive terms. There is nothing wrong, in and of itself, with that. Advertisers are entitled to showcase their green credentials and to appeal to eco-conscious consumers, but businesses can sometimes over- claim and mislead about how green something really is, either by exaggeration, ambiguity or omission. With many consumers prepared to pay a premium for "sustainable" products or have more loyalty to an "ethical" brand, it's crucial that they can trust the green claims they see and hear and that we maintain a level-playing field for business.

At the ASA, we believe it is important that consumers can make an informed choice when making purchasing decisions, in this instance greener choices. They should not be undermined by misleading green claims in ads. which is one reason why our regulation in this area is important.

The ASA has a long track record in tackling problematic environmental claims. In 2021, we went a step further and launched our own wide-ranging Climate Change and the Environment (CCE) project, to shine a brighter regulatory spotlight on ads that touch on the environment. This project signals our commitment to taking a tough line on ads that mislead or which are socially irresponsible where we identify issues with them.

Advertising rules

Because the context in which environmental claims are made is changing rapidly and the number of complaints to the ASA about misleading green claims is increasing, the advice is constantly under review. However, as it stands, ads generally fall under environmentally misleading and/ or social responsibility rules.



All of our guidance is consistent with the CMA's Green Claims Code. We regularly publish stats and other information about our operation, so we can deliver transparent regulation and be held accountable.

Basis of claims

 Ads are likely to mislead if the basis of the claim is not clear. Ads must not mislead the consumer by omitting material information.

Clarity of terms

- Although consumer understanding of environmental claims is increasing, advertisers should be careful not to assume a level of knowledge greater than is reasonable or likely.
- Ads should avoid using unqualified "carbon neutral", "net zero" or similar claims.
 Information explaining the basis for these claims helps consumers' understanding, and such information should therefore not be omitted.

Substantiation

Ads using absolute claims must be supported by a high level of evidence

• Full lifecycle

 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.

Scientific opinion

 Ads should not suggest that their claims are universally accepted if a significant division of informed or scientific opinion exists.

Adverse effects

Ads for products that do not damage the environment should not claim that the
product has been changed to make it safe. And, if a product is, by its nature,
environmentally damaging, advertisers should not imply that by improving it they
have stopped an adverse impact.

Environmental benefit

 Even where claims can be substantiated or are technically correct, ads must take care not to mislead consumers about the environmental benefit of a product or service.

Social responsibility

- o Ads must be prepared with a sense of responsibility to consumers and to society.
- Given the ASA's role as an advertising regulator, not a regulator of products or services, the social responsibility rules apply to the creative content of ads, as distinct from the products they are promoting.

In addition to the rules, we also have an extensive amount of guidance and advice on numerous topics on our website that is intended to help advertisers and agencies interpret the rules around environment-related advertising issues.



Also, our new e-learning module on Climate Change and the Environment covers the fundamental principles that advertisers need to be aware of when making environmental claims, or when their ads include depictions of their environmental impact.

Monitoring and enforcement

We're one of the most active ad regulators in the world when it comes to climate-related issues. As part of our CCE work, we established a dedicated 'Green Team' to embed specialist knowledge across the organisation and to provide a central contact for advertisers seeking help and advice on environmental claims.

Using our world leading Active Ad Monitoring System, we are able to take proactive steps to tackle misleading environmental claims at pace and scale. We routinely undertake targeted sweeps of ads in areas of interest such as aviation and green disposal claims.

Using data science, we captured over a thousand ads last year by eVehicle manufacturers and airlines. Those were used by our Climate Change and Environment project team to understand the market and to identify potential investigations. One such high profile ruling against Etihad Airways for misleading environmental claims was originally identified by our Active Ad Monitoring System.

Sadly, as the debate around how companies should respond to the need for green transparency has developed, we've seen a narrative taking shape that companies face a binary choice between greenwashing and greenhushing. This is not the case.

The ASA is fully supportive of initiatives being taken to tackle the climate emergency. We are not seeking to undermine businesses efforts to reduce their carbon emissions, nor do we want businesses to 'greenhush' for fear of being accused of 'greenwashing'. However, as the UK's frontline advertising regulator, we have a duty to police all claims to the same high standards to ensure a level playing field for business so that consumers get the information they need to make informed decisions when it comes to the environment.

Key environmental rulings

<u>HSBC (2022):</u> Two posters for HSBC that promoted its green initiatives omitted significant information about its contribution to carbon dioxide and greenhouse gas emissions and were therefore misleading.

<u>Etihad, Lufthansa, Air France (2023):</u> Airline ads gave a misleading impression of the advertiser's environmental impact.

<u>Shell (2023):</u> A poster, a TV ad, and a YouTube ad for Shell misleadingly omitted material information about the proportion of their business activities that were comprised of lower carbon activities.

Wessex Water (2024): TV ad did not adequately qualify the environmental claims made in the ad and omitted material information about the company's environmental impact.

<u>Virgin Atlantic (2024):</u> A radio ad for Virgin Atlantic included the unqualified claim "100% sustainable aviation fuel", which gave a misleading impression of the fuel's environmental impact.



ANNEX

CCE Project

In 2021 the ASA and CAP launched a CCE project, to respond to the ongoing climate crisis and take action to ensure that environmental claims in advertising are not misleading or irresponsible. Updates about our work in this area are published here.

Under this wide-ranging project, work is underway to conduct, or we have already commenced, a series of enquiries into specific issues (reflecting the Climate Change Committee's identified priority areas requiring carbon reduction) including: aviation, cars, waste, animal-based foods and heating.

The project consists of several strands, including:

- Sector-specific reviews, focusing on previous ASA work on these issues, common claims in ads for these sectors, and any recent legislation or developments in understanding of their environmental impacts
- Research into consumer understanding of different types of environmental claims
- Targeted investigations, to establish new precedent and take action against advertisers who
 use green claims in a way that is likely to mislead or cause harm
- Updates to our existing resources, and creation of new educational material

CCE-led research projects

Carbon neutral and net zero claims and terminology used in the electric and hybrid motoring sector

October 2022 – qualitative research (75 in-depth interviews)

The study explored two key areas:

Consumer understanding of carbon neutral and net zero claims

Consumer understanding of terminology used in the Electric and Hybrid motoring sector **Key findings:**

- Carbon neutral and net zero were the most commonly encountered claims, but there was little consensus as to their meaning.
- There were calls to simplify and standardise the definitions of such terms and for claims to be policed by an official body, such as government.
- Participants tended to believe that carbon neutral claims implied that an absolute reduction in carbon emissions had taken place or would take place. When the potential role of offsetting in claims was revealed, this could result in consumers feeling that they had been misled.
- Claims in air travel, energy and automotive advertising tended to attract more attention, and the potential role of offsetting, when revealed, could result in greater disappointment.
 Participant reactions suggested the need for transparency is potentially greater in those sectors
- Participants called for more transparency about offsetting and target dates in ads

Green disposal claims in ads

November 2023 – qualitative research (60 in-depth interviews) Key findings:

- People are engaged with green disposal at home, usually in the form of regular recycling collections. They're proud of their efforts and see waste management as a way of 'doing their bit' for the environment.
- Participants were most focused on how they dispose waste at home, and felt it was unfair to ask them to do more outside the home, such as taking recycling to specific drop-off points.
- Participants broadly treated green claims in ads uncritically.



- While people are likely to understand 'recycling' or 'recycled', they're much more confused about 'compostable'. Participants were most unsure about the term 'biodegradable'.
- There were widespread calls for stronger transparency about the length of time a product that's described as 'biodegradable' takes to degrade, as well as specific disposal risks.

Environmental claims in food and drink advertising

April 2024 – qualitative research (60 in-depth interviews) Key findings:

- The use of broad claims like 'good for the planet' were usually taken at face value.
- The use of certain terminology or visual imagery in advertising contexts could lead to a cascade of associations. For example, using the word 'natural' could lead to the assumption that the products were also certified organic.
- Visual imagery could also evoke assumptions about environmental, animal welfare, and health benefits.
- Images of produce which appeared 'fresh' could elicit beliefs in much the same way that terms such as 'natural' or 'plant-based' could.
- Green, both as a colour and a word, was reported to be powerfully evocative of environmental, animal welfare and plant-based themes, signalling a brand's environmentally conscious ethos, without explicitly making any claims.
- Research participants felt the use of specific terminology like 'plant-based' or 'vegan' was assumed to be accurate as it was viewed as clear and verifiable.

