



# Use of environmentally oriented claims in marketing

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# Green claims

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- Environmental claims are statements by businesses about the eco-friendliness of their products or services.
- These are found on labels, packaging, ads, and various marketing materials.
- Greenwashing is a risk if the claims are misleading.

# Unverified environmental claims

- Many studies show there are a lot of unverified environmental claims.
- In 2021, a study on thousands of Finnish online ads found that:
  - 49% had unclear environmental statements.
  - Only 8% gave specific information.
  - Surprisingly, 56% of these claims were not true.
- In the same year, EU authorities looked into environmental claims and found that 42% could be misleading.

- Many labels claim services and products are “greener”, “more sustainable” or “eco-friendlier” than others.
- It's hard for travelers and consumers to spot the difference between true eco-friendly actions and false claims in services.



**Do you trust green claims?**  
**How do you identify ecological services?**





# Numerous ecolabels

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- There are approximately **230 active ecolabels in Europe**, and the EU had identified around 100 private green energy labels.

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**What ecolabels do  
you know?**

**Do you trust them?**



# Tackling misleading green claims

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- 1) National legislation
- 2) ICC Code
- 3) Upcoming: EU Green Claims Directive





# 1) National legislation on marketing communication in EU member states

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- In most European countries, marketing communication is regulated under existing advertising and consumer protection laws, with disputes resolved by the self-regulatory system.



## 2) ICC Code


- ICC Code
- “ICC’s Consolidated Code of Advertising and Marketing Communication Practice—or the ICC Marketing Code—is a globally-applicable self-regulatory framework, developed by experts from all industry sectors worldwide” (ICC).



# ICC Code

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- The International Chamber of Commerce (ICC) introduced in 2010 the ICC Framework for Responsible Environmental Marketing Communications, aligning with the general principles of the ICC Advertising and Marketing Communications Code.
- The ICC Marketing Code is a widely applicable self-regulatory framework developed by experts across various industries worldwide since 1937.
- Learn more: <https://iccwbo.org/news-publications/policies-reports/icc-advertising-and-marketing-communications-code/>



Regulation of marketing communication is largely harmonized.

# 3) Tackling misleading green claims: Green Claims directive

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- The directive's primary objective is to combat greenwashing by establishing clear guidelines for companies on promoting environmental claims to consumers.



# 3) Tackling misleading green claims: Green Claims directive

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According to the new regulations

- 1) Companies must have environmental marketing claims **verified before using them.**
- 2) The simplest and most common types of claims should undergo easier or faster verification.
- 3) Penalties can include a fine of 4% of annual turnover.



# 3) Tackling misleading green claims: Green Claims directive

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## The Aims

- 1) To help customers make **better choices** and to **trust** the claims.
- 2) To promote **fair competition** in the market.



# Why do I need to know about these things?

- Many of you will be involved in marketing communication and content creation.
- Some of you may work as influencers on social media.
- **The regulations are becoming stricter.**





**Some basic principles for  
the correct use of  
environmental claims in  
compliance with regulations.**



# Legal, decent, honest and truthful

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- **All marketing communications should be legal, decent, honest, and truthful.**

(Article 1: Basic Principles ICC 2021)

# No misleading

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- Marketing communications should not contain any statement or visual treatment likely to mislead consumers about the environmental aspects or advantages of a product, component, package or service, or about actions being taken by the marketer in favour of the environment.

(Article: D1 ICC 2021)

# No unclear terms

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- No unclear terms like “Minimal environmental impact”
- “A notable 30% reduction in water usage in...” Is better and can be highlighted to provide consumer with detailed information.



# Facts, facts and facts

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- Marketing communication should accurately represent the facts.
- Claims should be based on confirmed facts.
- Precision in claims is essential, avoiding exaggerations of the impact.



# Sound scientific basis is required

- Environmental claims must have a sound scientific basis.



# Significance of environmental claims

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- Environmental claims in marketing are appropriate when a service or product has a significant positive environmental impact. Everything can't be "green" or ecological.
- The focus must be on the essential and relevant aspects of the service's and product's environmental impact, not a small detail.

# Comparing environmental impact

- Claims should be compared with those of similar products or services.
- For example, nature tours should be compared only with other similar nature tours, not with different services.
- Objectively assessing the negative effects of one type of service versus the environmental impact of another is complex.







# **Green Claims Directive: what will change?**

# The changes:

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- Stricter requirements for environmental advertising
- The directive bans false advertising about the environment.
- It stops claims that can't be proven, unclear or general claims, promises about future benefits that are not clear, comparisons that aren't specific, and the use of eco-labels that aren't officially recognized.
- It ban certain phrases from product labels. “Carbon-neutral” is a key example of this. It's a common term.
- Directive exempts microenterprises with fewer than 10 employees and less than EUR 2 million in annual turnover.



Image: Jaana Ruoho  
Finnair, November 2023.

# Examples of banned terms:

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- Carbon-neutral; Climate-neutral; Environmentally friendly; Eco-friendly; Eco; Green; Natural; Biodegradable; Carbon-friendly; Carbon-positive; Energy-efficient; Bio-based; Biodegradable; Nature's friend; Ecological; Environmentally correct; Gentle on the environment; Broader statements including the words "conscious" and "responsive"
- While this is not an exhaustive list, the idea is to **ban generic environmental claims.**

# Companies can still use the terms if

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- they can support them with evidence.
- “Companies should submit any future environmental marketing claims for approval before using them. The claims would be assessed by accredited verifiers within 30 days” (European Parliament 2024).
- “There should be a list of less complex claims and products that could benefit from faster or simpler verification” (European Parliament 2024).

# The new component: the verifier

- The use of environmental claims and labels will have to **be third party verified and certified** to comply with the requirements of the directive before the claim is used in a commercial communication.
- The details of this still remain unclear as of today, 15.4.2024.

# Comparative claims

- Special rules to comparative claims (i.e. ads comparing two different goods).
- This will also become stricter.

## Environmental claims about the entire product are banned

- if the claims refer to only a **specific aspect** in the products.
- Example: “Made with recycled material” can give the impression that the entire product is made of recycled material, when in fact it is only the packaging that is made of recycled material.





# Durability and repairability:

- The directive requires that **consumers are informed** about the durability and repairability of products.
- This includes information on software updates, usage duration and intensity, repairability, availability of spare parts, and the manufacturer's warranty.
- **A new guarantee label will show clearly which products last longer**, so it will be easier to buy more durable products.



# Consideration of social impacts

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- In addition to ecological aspects, the social impacts are now seen as important criteria.
- This includes information about working conditions, human rights, equal treatment, social security, ethical commitments, animal welfare and so on.

## Careful with claims:

- Biodegradable or degradable
  - *When utilizing terms like "biodegradable" or "degradable," compliance with the respective criteria must be met.*
- Compostable or degradable
- Package is refillable or reusable
- Product, component or package has recycled content or is recyclable
- Product, component or package is made with renewable material or energy



# Greenwashing consequences

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- How does greenwashing, or misleading environmental claims, harm both consumers and businesses?
- Can you think of examples where greenwashing has led to negative consequences for companies?



## The presentation is based on the following sources:

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- Työ- ja elinkeinoministeriö. (2022). Ympäristöväittämät Suomen markkinoilla (Report No. 2022:48). Helsinki: Työ- ja elinkeinoministeriö.

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