The environment: misleading claims and social responsibility in advertising

Advertising Guidance (non-broadcast and broadcast)



Foreword

The Committee of Advertising Practice (CAP) offers guidance on the interpretation of the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (the CAP Code) in relation to non-broadcast marketing communications.

The Broadcast Committee of Advertising Practice (BCAP) offers guidance on the interpretation of the UK Code of Broadcast Advertising (the BCAP Code) in relation to broadcast advertisements.

Advertising Guidance is intended to guide advertisers, agencies and media owners on how to interpret the Codes but is not a substitute for those Codes. Advertising Guidance reflects CAP's and/or BCAP's intended effect of the Codes but neither constitutes new rules nor binds the ASA Councils in the event of a complaint about an advertisement that follows it.

For pre-publication advice on specific non-broadcast advertisements, consult the CAP Copy Advice team by telephone on 020 7492 2100, by fax on 020 7404 3404 or you can log a written enquiry via our <u>online request form</u>.

For advice on specific TV advertisements, please contact Clearcast.

For clearance advice on specific radio advertisements, please contact <u>Radiocentre</u>. Please also note that BCAP Code rule 17.1 requires that radio broadcasters must ensure that advertisements for gambling are centrally cleared.

For the full list of Advertising Guidance, please visit our website.

1. Introduction

This guidance is principally intended to help marketers and agencies interpret CAP and BCAP's rules that concern environment-related advertising issues. These rules broadly relate to misleading environmental claims and social responsibility. The guidance includes a general overview of the principles that underpin the rules, which have been applied over decades by the ASA through rulings.

The increased urgency for businesses and other stakeholders playing their part in tackling climate change and other environmental harms is reflected in domestic and international legislation and agreements on climate change, such as net zero targets included in the Climate Change Act 2008 (and subsequent secondary legislation), a target to limit global temperature rise in the Paris Agreement, and the Glasgow Climate Pact. The UK's Climate Change Committee (and other experts) have emphasised that for the UK (and the rest of the world) to meet net zero targets, consumer behaviour must change.

Given the role that advertising can play in influencing consumer behaviour, this policy-making context is important to the regulation of environment-related advertising issues by CAP, BCAP and the ASA (together "the ASA system), and sets the broad context for the areas of concern in which the ASA will, in future, apply a stricter interpretation under the CAP and BCAP Codes, where evidence exists of misleading or socially irresponsible advertising that concerns the environment.

This guidance sets out the existing principles of the ASA system's regulation. The ASA maintains a <u>resource hub</u>, with a number of resources relating to the regulation of environment-related advertising issues, including a list of issue-specific guidance, which links directly to ASA rulings, many of which are the basis for principles set out in this guidance. CAP and BCAP will periodically review this document, in light of the ASA system's work on climate change and the environment, and relevant legislative changes.

2. Scope

CAP and BCAP have developed this guidance based on existing Code rules, ASA rulings and the ASA system's <u>review</u> of its regulation of environmental claims and issues in advertising, as a means of bringing key regulatory principles on the environment into one place for the first time. This guidance neither constitutes new rules nor binds the ASA Council when it considers complaints about a marketing communication. It is intended to bear out in greater detail the appropriate interpretation of the rules of the CAP and BCAP Codes (primarly those in section 11 of the CAP Code and section 9 of the BCAP Code), including examples of approaches that are likely to be problematic.

Marketers are advised to comply with all legislation and guidance that may apply to their ads. The Competition and Markets Authority's <u>Making environmental claims on goods and services</u> guidance is designed to help businesses understand and comply with their existing obligations under consumer protection law when making environmental claims. The principles of the CMA guidance are intended to be consistent with the requirements of the CAP and BCAP Codes.

3. Environmental claims

3.1 Basis of claims

Environmental claims are likely to mislead if the basis of the claim is not clear. Some information will be necessary for consumers to understand the basis of the claim, and unqualified claims could mislead if they omit this significant information.

The CAP Code states:

11.1 The basis of environmental claims must be clear. Unqualified claims could mislead if they omit significant information.

The BCAP Code states:

9.2 The basis of environmental claims must be clear. Unqualified claims could mislead if they omit significant information.

Marketers must consider consumers' likely interpretation of a claim. Where general claims could be interpreted as absolute claims, or have multiple possible interpretations, additional information is required to make the meaning of the claim clear.

Marketers should consider <u>how knowledgeable</u> the audience of marketing communications are likely to be, and should not assume a high level of understanding, particularly if ads are untargeted. Qualifications may be necessary to explain the meaning of certain claims.

Where specific factors are likely to contribute to a consumer's interpretation of a claim, these factors should be included in the ad.

The following scenarios provide examples of the types of claims which are likely to mislead, if significant information is omitted:

 Ads must make clear if any advertised environmental benefit will only result from specific consumer action or behavioural change.

- If an advertiser references their compliance with a particular standard, the ad should provide consumers with sufficient information to understand the meaning of that <u>standard</u>.
- Claims that a product can be recycled must be substantiated, and <u>must</u> make clear any limitations to this.

3.2 Clarity of terms

Although consumer understanding of environmental claims is increasing, marketers should be careful not to assume a level of knowledge greater than is reasonable or likely.

The CAP Code states:

11.2 The meaning of all terms used in marketing communications must be clear to consumers.

The BCAP Code states:

9.3 The meaning of all terms used in advertisements must be clear to consumers.

Previously the ASA has <u>ruled</u> that utility companies have misleadingly implied that the energy consumers used was direct from "renewable" sources whereas it came from the National Grid. Similarly, a claim that a car was "<u>so beautifully clean, it purifies the air as it goes</u>" was upheld on the basis that the claim, as consumers would understand it, had not been substantiated. However, simplifying terms (for example, "<u>fuel cells</u>" to refer to "MCFCs") may be acceptable, provided it aids a consumer's understanding of the product or service.

"Carbon neutral", "net zero", and similar claims

The ASA's *Environmental Claims in Advertising* research, published in September 2022, made the following broad findings:

- There is a broad spectrum of consumer engagement on environmental issues, influencing their understanding of, and reaction to, environmental claims.
- Carbon neutral and net zero were the most commonly encountered claims, but there was little consensus as to their meaning. There were calls for significant reform 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 claims relied on offsetting and this was revealed, this could result in consumers feeling that they had been misled.

In light of the low understanding and lack of consensus around the meaning of carbon neutral and net zero claims, CAP and BCAP advise advertisers to take into account the following guidance, which, if followed, means that claims are less likely to mislead:

- 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.
- Marketers should ensure that they include accurate information about whether (and the degree to which) they are actively reducing carbon emissions or are basing claims on offsetting, to ensure that consumers do not wrongly assume that products or their manufacture generate no or few emissions.
- Claims based on future goals relating to reaching net zero or achieving carbon neutrality should be based on a verifiable strategy to deliver them.
- Where claims are based on offsetting, they should comply with the usual standards of evidence for objective claims set out in this guidance, and marketers should provide information about the offsetting scheme they are using.
- Where it is necessary to include qualifying information about a claim, that
 information should be sufficiently close to the main aspects of the claim
 for consumers to be able to see it easily and take account of it before
 they make any decision. The less prominent any qualifying information is,
 and the further away it is from any main claim being made, the more
 likely the claim will mislead consumers. For further information, see
 CAP's guidance on the use of qualifications.

3.3 Substantiation

Before submitting marketing communications for publication, marketers must ensure that they hold robust documentary evidence to prove all claims, whether direct or implied, that are capable of objective substantiation.

The CAP Code states:

11.3 Absolute claims must be supported by a high level of substantiation. Comparative claims such as "greener" or "friendlier" can be justified, for example, if the advertised product provides a total environmental benefit

over that of the marketer's previous product or competitor products and the basis of the comparison is clear.

The BCAP Code states:

9.4 Absolute claims must be supported by a high level of substantiation. Comparative claims such as "greener" or "friendlier" can be justified, for example, if the advertised product or service provides a total environmental benefit over that of the advertiser's previous product or service or competitor products or services and the basis of the comparison is clear.

Marketers should be mindful of the fact that if the ASA considers a claim to be objective and capable of <u>substantiation</u>, they are likely to rule the claim misleading in the absence of adequate substantiation, even if the marketer's intention was to make a subjective claim.

The ASA has always expected advertisers making claims about the environmental impact of products and services to hold substantial evidence. The Codes make clear that absolute claims (for example 'green' or 'environmentally friendly') should be supported by a high level of substantiation.

Previous cases where substantiation has been deemed insufficient for absolute claims include:

- "The greenest stoves on earth"
- Claims that a waste carrier network could "Save CO2 emissions"
- "Eco-friendly" claims for an instant boiling water tap
- Offering 100% renewable energy to consumers "without harming your world"
- Coffins being made from "100% recycled cardboard"
- Claims for a recipe box, including "plastic-free", "absolutely no plastic" and "100% plastic-free recipe box", "100% recyclable" and "widely recycled", which applied to the box itself and not its components

Relative claims like 'greener' or 'friendlier' will require verifiable evidence that proves an environmental benefit over comparable products. Marketers should <u>set out</u> the relevant information in the ad or signpost how the information used to make that comparison can be checked by the target audience.

Marketers proposing to make claims based on future projections, should ensure that they are clear, based on accurate data and, if relevant, suitably qualified. If the ad makes claims about the future output of a specific site, such as a wind farm, the predicted output should be calculated using site specific data. If a claim is based on an estimated output but not on historical data (for example for a proposed site) that fact should be made clear to consumers. That can be done by stating "estimated output" or by making the output claim conditional, for

example "could produce up to ...". Definitive claims about the output of sites that are not based on site-specific data are likely to be problematic.

3.4 Full lifecycle

General claims about the environmental credentials of products or services are likely to be interpreted as claims about the product's entire lifecycle, from manufacture to disposal.

The CAP Code states:

11.4 Marketers must base environmental claims on the full life cycle of the advertised product, unless the marketing communication states otherwise, and must make clear the limits of the life cycle. If a general claim cannot be justified, a more limited claim about specific aspects of a product might be justifiable. Marketers must ensure claims that are based on only part of the advertised product's life cycle do not mislead consumers about the product's total environmental impact.

The BCAP Code states:

9.5 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. If a general claim cannot be justified, a more limited claim about specific aspects of a product or service might be justifiable. Claims that are based on only part of an advertised product or service's life cycle must not mislead consumers about the product or service's total environmental impact.

Examples of general claims which are likely to be considered full lifecycle claims, unless stated otherwise include:

- Good for the planet.
- Good for the land.
- Helping to support a more sustainable future.
- 100% eco-friendly.
- Environmentally friendly.
- Zero emissions.
- Give back to the environment.
- Less plastic.

General claims like these should not be used without qualification unless marketers / broadcasters can provide evidence to demonstrate that the claim applies to the entire lifecycle of the product or service, from manufacture to disposal.

Absolute claims like "<u>environmentally friendly</u>" must only be made if the advertiser can demonstrate that the product or service has no detrimental effect on the environment, taking into account its entire lifecycle.

If marketers/broadcasters cannot justify general claims, the limits of the lifecycle must be made clear. More limited claims about a specific aspect of a product or service may be acceptable. Where a claim relates only to part of a product or service's lifestyle, this should be made clear. Ads must not mislead consumers about the product's total environmental impact. For example:

- A <u>zero emissions</u> claim may be acceptable when made about an electric vehicle, if the ad makes clear that the claim relates to driving only.
- Where the farming methods used provide an environmental benefit over other farming methods, the ad must <u>make clear</u> that the claim relates to the farming method only.
- If an advertiser has reduced the production of plastic packaging for part
 of a product, the ad <u>must not imply</u> an overall reduction in plastic waste
 for the whole product.

3.5 Scientific opinion

Marketers should hold evidence to substantiate all objective claims and, if a significant division of scientific opinion exists or evidence is inconclusive, that should be made clear to readers: marketers should not suggest that their claims command universal acceptance if they do not.

The CAP Code states:

11.5 Marketers must not suggest that their claims are universally accepted if a significant division of informed or scientific opinion exists.

The BCAP Code states:

9.6 Advertisements must not suggest that their claims are universally accepted if a significant division of informed or scientific opinion exists.

When assessing ads under these Code rules, the ASA may consider the extent of the differing opinion, and whether it constitutes a "significant division" under the Code. Often ideas and concepts are disputed by academics and opinion is divided; however, marketers must be convinced that the *relevant* informed opinion is not divided, and, if it is, they should make that clear in their marketing communications.

3.6 Adverse effects

The CAP Code states:

11.6 If a product has never had a demonstrably adverse effect on the environment, marketing communications must not imply that the formulation has changed to improve the product in the way claimed. Marketers may, however, claim that a product has always been designed in a way that omits an ingredient or process known to harm the environment.

The BCAP Code states:

9.7 If a product or service has never had a demonstrably adverse effect on the environment, advertisements must not imply that the formulation has changed to improve the product or service in the way claimed. Advertisements may, however, claim that a product or service has always been designed in a way that omits an ingredient or process known to harm the environment.

Marketers of 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, marketers should not imply that by improving it they have stopped an adverse impact. For example, a petrol or diesel four-wheel drive might be "greener" if its manufacturer has lowered its emissions but not "green". It is, of course, legitimate to advertise the environmental "improvement" that the product has undergone.

3.7 Environmental benefit

The CAP Code states:

11.7 Marketing communications must not mislead consumers about the environmental benefit that a product offers; for example, by highlighting the absence of an environmentally damaging ingredient if that ingredient is not usually found in competing products or by highlighting an environmental benefit that results from a legal obligation if competing products are subject to that legal obligation.

The BCAP Code states:

9.8 Advertisements must not mislead consumers about the environmental benefit that a product or service offers; for example, by highlighting the absence of an environmentally damaging ingredient if that ingredient is not usually found in competing products or services by highlighting an environmental benefit that results from a legal obligation if competing products are subject to the same requirements.

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.

The ASA has previously ruled that, by suggesting that refill pouches used 70% less plastic than bottles, a TV ad for a cleaning product <u>breached the Code</u> on the basis that it implied that they were more environmentally beneficial. The claim actually related to the reduction in the amount of plastic used to produce the refill pouches, which wasn't made clear.

Although the ASA has accepted that some highly stylised or fantastical images such as an oil refinery producing flowers from its chimneys are unlikely to be understood by readers as an accurate depiction of reality or to imply that the activities shown had an environmental benefit, marketers should nonetheless be cautious about overstating their environmental credentials. One ad, which claimed "we use our waste CO2 to grow flowers and our waste sulphur to make super-strong concrete", breached the Code because the advertiser could not show that most or all of the CO2 and sulphur it produced was recycled in that way.

3.8 Energy efficiency class and product fiche information

These rules are derived from EU law, and CAP is considering the impact of changes made to their implementation in UK law following the UKs departure from the EU. They relate to the inclusion of energy efficiency class and product fiche information.

CAP and the ASA advise marketers to seek legal advice on their application.

The CAP Code states:

11.8 This rule must be read in conjunction with Directive (EC) No 2010/30/EU and the Energy Information Regulations 2011 on labelling and standard product information of the consumption of energy and other resources by energy-related products and its subsequent delegated regulations. The Directive introduces an information and labelling framework whereby delegated regulations will detail which products need to contain an energy efficiency rating or fiche. The rule only applies to products which are subject to a delegated regulation.

From 1 August 2017 Regulation EU 2017/1369 mandates a rescaling of existing energy labelling to provide more accurate information for consumers, including in advertising, where the energy efficiency class of a product and the range of classes available will need to be given. The existing delegated regulation continues to apply whilst that rescaling process is ongoing.

For more information on delegated regulations, go to energy.

Marketing communications for specific energy-related products, subject to a delegated regulation, that include energy-related information or disclose price information, must include an indication of the product's energy efficiency class i.e. in the range A+++ to G.

11.9 This rule must be read in conjunction with Directive (EC) No 2010/30/EU and the Energy Information Regulations 2011 on labelling and standard product information of the consumption of energy and other resources by energy-related products and its subsequent delegated regulations. The Directive introduces an information and labelling framework whereby delegated regulations will detail which products need to contain an energy efficiency rating or fiche. The rule only applies to products which are subject to a delegated regulation.

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For more information on delegated regulations, go to energy.

Marketers must make product fiche information about products that fall under delegated regulations available to consumers before commitment.

The BCAP Code states:

9.9 This rule must be read in conjunction with Directive (EC) No 2010/30/EU and the Energy Information Regulations 2011 on labelling and standard product information of the consumption of energy and other resources by energy-related products and its subsequent delegated regulations. The Directive introduces an information and labelling framework whereby delegated regulations will detail which products need to contain an energy efficiency rating or fiche. The rule only applies to products which are subject to a delegated regulation.

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For more information on delegated regulations, go to **energy**.

Advertisements for specific energy-related products, subject to a delegated regulation, that include energy-related information or disclose price information must include a reference to the product's energy efficiency class i.e. in the range A+++ to G.

9.10 This rule must be read in conjunction with Directive (EC) No 2010/30/EU and the Energy Information Regulations 2011 on labelling and standard product information of the consumption of energy and other resources by energy-related products and its subsequent delegated regulations. The Directive introduces an information and labelling framework whereby delegated regulations will detail which products need to contain an energy efficiency rating or fiche. The rule only applies to products which are subject to a delegated regulation.

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For more information on delegated regulations, go to **energy**.

Advertisers must make product fiche information available about products that fall under delegated regulations to consumers before commitment.

4. Social responsibility

4.1 Social responsibility

The CAP Code states:

1.3 Marketing communications must be prepared with a sense of responsibility to consumers and to society.

The BCAP Code states:

1.2 Advertisements must be prepared with a sense of responsibility to the audience and to society.

As set out in section 1, the increased urgency for businesses and other stakeholders playing their part in tackling climate change and other environmental harms is reflected in domestic and international legislation on climate change. The UK's Climate Change Committee (and other experts) have emphasised that for the UK (and the rest of the world) to meet net zero targets,

consumer behaviour must change. The ASA will take into account this fastchanging wider context when applying the CAP and BCAP rules on social responsibility.

The following non-exhaustive list includes examples of grounds of complaints, considered by other advertising regulators, gathered during the ASA system's review of standards across the globe; and demonstrates the types of issues that could fall to be considered by the ASA in future complaints under the social responsibility rules, in light of the increased focus on the role of consumer behaviour change to achieve net zero targets:

- Trivialising consumer behaviour likely to result in harmful pollution or excessive waste
- Encouraging or condoning non-recycling of recyclable packaging
- Encouraging or condoning consumers to disregard the harmful environmental impact of their actions
- Encouraging or condoning littering

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. Any consideration of ads in future would be underpinned by this important distinction. As always, compliance with the Codes is assessed according to the marketing communication's probable impact when taken as a whole and in context. That will depend on, for example, the audience and its likely response, and the nature of the product or service being marketed.

Any advertising practices or ad creatives that become more commonplace or problematic in the future, in an evolving context in which legislators confer top priority to climate change, could be addressed via ASA rulings and / or additions to this guidance (or potentially to the CAP and BCAP Codes).

The ASA assessed complaints, under rule 1.3 of the CAP Code, about a press ad for a Sports Utility Vehicle (SUV), which featured an image of the vehicle in a forest setting with the headline "LIFE IS SO MUCH BETTER WITHOUT RESTRICTIONS". Complainants considered that the ad was socially irresponsible because it implied that the vehicle depicted could be driven in forests or similar ecologically-sensitive environments which could encourage or condone behaviour that was detrimental to the environment.

Given the overall context of the ad, the ASA considered the ad did not encourage or condone the use of the vehicle in ecologically-sensitive and off-road environments, such as forests or national parks that were subject to legal restrictions on the use of motor vehicles, in ways that could be detrimental to the environment, and it was not therefore socially irresponsible. This ruling

demonstrates that it is important for advertisers to take care when depicting vehicles in off-road scenarios to ensure that the overall context of the ad does not encourage use that could be detrimental to the environment.

4.2 Behaviour grossly prejudicial to the protection of the environment

The CAP Code states:

30.7 Advertising must not encourage behaviour grossly prejudicial to the protection of the environment.

The BCAP Code states:

4.12 Advertisements must not condone or encourage behaviour grossly prejudicial to the protection of the environment.

Advertising content which breached these rules would also breach the social responsibility rules of the Codes, and as such, the guidance in 4.1 above applies.

Advice on specific non-broadcast marketing communications is available from the Copy Advice team by telephone on 020 7492 2100, or you can log a specific written enquiry via the <u>online request form</u>.

Our <u>resource hub</u> contains a number of resources relating to our regulation of environment-related advertising issues, including a list of issue-specific guidance, which links through to relevant Code rules and ASA rulings.

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¥ @CAP_UK

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