



# Sustainability Claims

Ouiam Zirar, 11<sup>th</sup> Conference on the Unfair Commercial Practices Directive, Pázmány Péter Catholic University

# Legal basis

## Unfair Commercial Practices Directive

The trader gives factually incorrect or misleading information or, on the contrary, omits or fails to provide essential information in a clear or comprehensible manner.

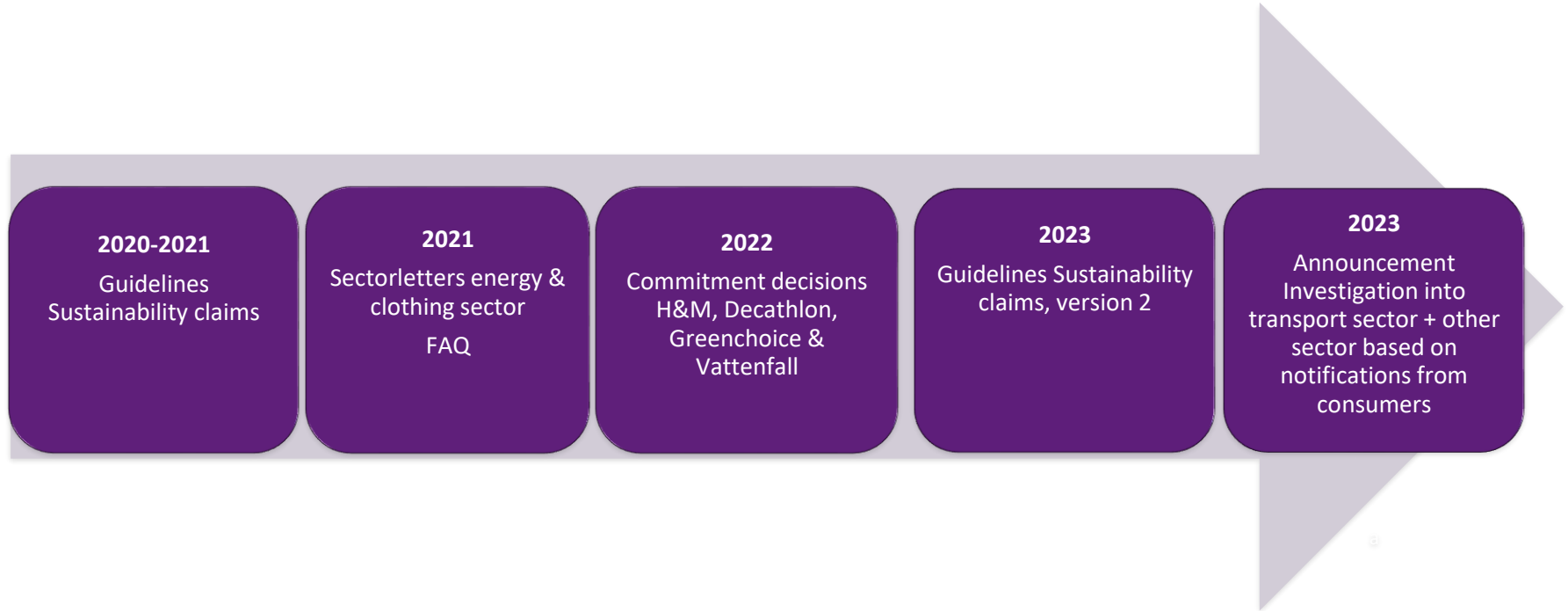
## Guidance on the Unfair Commercial Practices Directive- on green claims(2021)

The impression is created that a product or service has a positive or no impact on the environment or does less harm to the environment than competing goods or services.



**Specific requirements apply to claims about some products and services**

# Overview ACM's work on sustainability claims



# Guidelines Sustainability claim 2021, Rules of thumb:



**Rule of thumb 1:** Make clear what sustainability benefit the product offers



**Rule of thumb 2:** Substantiate your sustainability claims with facts, and keep them up-to-date



**Rule of thumb 3:** Comparisons with other products, services, or companies must be fair



**Rule of thumb 4:** Be honest and specific about your company's efforts with regard to sustainability



**Rule of thumb 5:** Make sure that visual claims and labels are useful to consumers, not confusing



# The purpose of the Guidelines

ACM helps companies formulate sustainability claims to avoid misleading consumers

- ⇒ Strengthen **consumer confidence** in business and the transition to a more sustainable society
- ⇒ Consumers are able to make a more **sustainable choice**
- ⇒ **Companies** with real sustainability efforts stand out from the crowd

# Sector Letters + FAQ



- ⇒ 100+ letters to companies in the **Energy** and **Clothing** sector
- ⇒ Content of the Sector letter:
  - ⇒ Examples of the most common misleading sustainability claims in the specific sectors
  - ⇒ Examples of how these misleading claims could be reframed
  - ⇒ The call to reframe or remove any misleading claims
  - ⇒ the warning for continuing the investigation and possible sanctions
- ⇒ FAQ

# Results investigation into the clothing and energy sector



- ⇒ Results of the investigations into the clothing and energy sector
  - ⇒ 2x Commitment decisions Clothing sector (H&M and Decathlon), 4 enforcement requests to colleague authorities, because those companies were based in other countries.
  - ⇒ 2x Commitment decisions Energy sector (Vattenfall and Greenchoice)
- ⇒ Content of the commitment decisions:
  - ⇒ promising to adjust or no longer use sustainability claims on their clothes and/or websites
  - ⇒ Donations to different sustainable causes
  - ⇒ establishing an internal compliance program to prevent misleading claims
- ⇒ The duration of the commitment decision is 2 years

# Guidelines Sustainability claim 2023, Rules of thumb:



**Rule of thumb 1:** Use correct, clear, specific and complete sustainability claims



**Rule of thumb 2:** Substantiate your sustainability claims with facts and keep them up-to-date



**Rule of thumb 3:** Make fair comparisons with other products or competitors



**Rule of thumb 4:** Describe your future sustainability ambitions in concrete and verifiable terms



**Rule of thumb 5:** Make sure that visual claims and labels are useful to consumers, not confusing



# What is new in the Guidelines Sustainability claims 2023?

- ⇒ The revised guidelines advise companies to use **specific claims**, that are short and concrete. Furthermore, ACM advises companies **to avoid the use of general and vague claims** (For example sustainable, green, eco), because the standard to substantiate those kind of claims is high.
- ⇒ explain more clearly how sustainability claims must **be phrased and substantiated**.
- ⇒ The guidelines offer clear **examples** of correct and incorrect sustainability claims. Some of the examples were tested through a **consumerpanel**.



# Next steps

- ⇒ Investigation into the **Transport sector**
- ⇒ Investigation into **other sectors**, partly via notifications from consumers
- ⇒ Green promises **Campagne**, launched August 2023
- ⇒ **Roadshow of presentations**: marketeers, trade associations, etc.

# ACM's actions in the field of sustainability 2021-2023

1. [Guidance Sustainability claims \(2021\)](#)
2. Investigations into sustainability claims Clothing & Energy sector
  - [Investigation into sustainability claims in the \*\*Clothing sector\*\*](#): Commitment Decisions [H&M](#) and [Decathlon](#)
  - [Investigation into sustainability claims in the \*\*Energy sector\*\*](#): Commitment Decisions [Vattenfall](#) and [Greenchoice](#) (only in Dutch)
3. [Behavioral research into the influence of \*\*sustainability labels\*\* on consumers](#) (only in Dutch)
4. [Behavioral research into \*\*CO2 compensation\*\* claims when purchasing airline tickets](#)
5. [Guidance for the clothing sector regarding the use of a \*\*material index\*\* in marketing communications](#) (in cooperation with the [Norwegian Consumer Authority](#))
6. [Guidelines Sustainability claims \(acm.nl\)](#), version 2, 2023
7. [Study consumers' perceptions of sustainability claims \(acm.nl\)](#)
8. [Green promises Campagne](#)



# Questions? Contact us

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