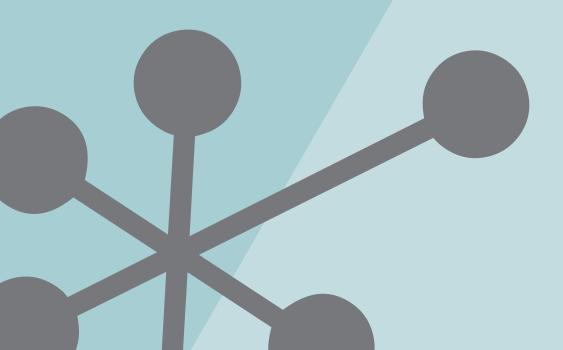
LIFE/FIT FOR REACH

Use of environmental claims: best practice guide

How to inform customers about environmental benefits of products



EKODIZAINA KOMPETENCES CENTRS

Preface

Consumers, businesses and public administrations are increasingly requesting products that are environmentally friendly and not hazardous to human health. In response, manufacturers and retailers are progressively highlighting the environmental and health aspects of their products on packaging or in marketing materials - with statements, symbols or other marks. These assertions are known as environmental claims. This guide aims to in support entrepreneurs developing environmental claims about the products they produce or distribute by providing background information and describing good practice in communications about the environmental and health performance of products.

Trends predict that, in future, products with lower environmental (and health) impacts could be even more profitable, not only due

to increased consumer demand, but also due to higher energy and material efficiency, lower environmental pollution taxes and less complicated legal requirements due to smaller amounts or no hazardous substances used.

In order to draw the attention of customers and consumers towards the improvement efforts of companies in the environmental and health performance of products, especially where a return on investments are important, careful product marketing is required.

This guide focuses on how to develop clear and substantiated self-declared environmental claims avoiding misleading information. In addition, it introduces other types of environmental claims: ecolabel schemes and environmental product declarations.

Introduction to environmental claims

There are three ways of highlighting the environmental aspects of a product: ecolabels and environmental labels verified by an independent third party, self-declared environmental claims, and environmental product declarations.

Environmental claims

Ecolabels and environmental labels

Labels which identify the overall environmental preference of a product (i.e. good or service) within a product category based on life cycle considerations and are awarded by an impartial third party to products that meet established environmental leadership criteria¹.

Environmental labels share the same characteristics as ecolabels, but are focused on specific impacts (i.e. energy consumption, agricultural practice) and applied only to a specific sector (i.e. energy-consuming appliances, agricultural commodities).

Self-declared environmental claims

Self-declared
environmental claims
are developed by a
manufacturer or
service provider and
are not third-party
certified but expected
to be verifiable and
accurate.

Environmental product declarations

Environmental product declarations provide quantified environmental data of a product, under pre-set categories of parameters based on life cycle assessment and verified by an independent third party.

The environmental claims may address single or multiple aspects, such as the composition of a product or the emissions and resource consumption during the production and use of a product (e.g. CO2 footprint), as well as disposal aspects.

Nevertheless, every claim must be reliable. The Unfair Commercial Practices Directive prohibits the misleading of customers in order to promote the purchase of a product. Increasingly, consumers are demanding transparency and the EU Commission will step up its regulatory and non-regulatory efforts to tackle false green claims or so-called greenwashing.

¹ Global Ecolabelling Network (GEN) Information paper: introduction to ecolabelling, July 2004

Self-declared environmental claims are developed by a manufacturer or service provider and is not third-party certified, but expected to be verifiable and accurate.

SELF-DECLARED ENVIRONMENTAL CLAIMS

One of the ways to inform consumers about the environmental performance of a product or service is through environmental self-declarations: statements, graphics or symbols highlighting the environmental benefits of the product. The best practice for such claims is described in standard ISO 14021:2016. The main principles of the good practice and recommendations for developing environmental claims can be found in the Compliance Criteria on Environmental Claims¹ developed by the Multi-stakeholder Group to advise on implementation of the Unfair Commercial Practices Directive 2005/29/EC.

The true value of environmental claims and marketing rests on the assurance that the claims are both **credible to consumers** — the traders must have the evidence to support their claims - **and reflect a genuine benefit to the environment**.

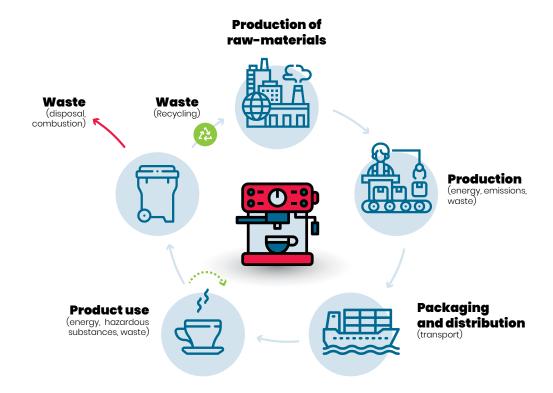
To encourage the development of meaningful and reliable environmental claims and avoid misleading information, we recommend the following four principles:

- 1. Address the most important environmental aspects throughout the life cycle of the product or service.
- 2. Develop precise and clear content of the claim.
- 3. Use only such visual information that is relevant.
- 4. Ensure that the claim can be substantiated.

² Compliance Criteria on Environmental Claims, Developed by the Multi-stakeholder Dialogue on Environmental claims 2016

1. Address the most important environmental aspects throughout the life cycle

Every product has various environmental impacts at every stage of its life cycle: use of resources and energy, emissions into the air and water, generation of waste. These impacts will depend on how the product has been manufactured, starting with the extraction of raw materials, transportation of the raw materials and finished product, and how the product is used and disposed of at the end of its life.



To position the product as more environment-friendly, it is important to consider the whole life cycle of the product by identifying the most significant environmental impacts, to prevent claims that are based on only part of the advertised product's life cycle from misleading consumers about the product's total environmental impact.

In case of product or service changes, the overall environmental benefits of the change should always be assessed i.e. whether environmental improvements in one area do not lead to (larger) environmental draw-backs in another impact area. For example, after changing a product, a producer declares to have reduced the water consumption for producing it. However, in parallel the use of energy has increased and claiming the reduced water consumption as an environmental improvement without deeper analysis would be misleading. To be certain about the actual net impact of any changes, life cycle assessments can be applied, which allow different environmental impacts to be identified and weighted and thereby making a sound basis for claims.

Positive example

A company claims that its washing powder has reduced environmental impact because:

- it allows the consumer to wash using lower temperatures e.g. to save energy during the washing cycle
- it uses 1/3 less packaging in relation to one washing cycle compared to its original version

Misleading information

- After reducing the energy consumption for producing a washing powder, its producer claims it is "environmentally friendly"
- A hotel brands itself as "green" while only a few actions (e.g. collection of towels) have been implemented.

Comments:

The life cycle assessment of the washing powder showed that the reduction of the energy consumption during product use (lower washing temperatures), the lower consumption of packaging materials due to different carton folding and less hazardous ingredients were the most important factors regarding the life cycle impacts of laundry detergents.

Only one environmental aspect (the production process) of a product is used as the basis for calling it "green" or environmentally friendly.

The claim is non-specific, not fully substantiated by facts and not transparent.

2. Develop clear and precise content

Environmental claims have to be clear and precise in describing what particular property or quality of a product is being addressed.

• Avoid vague or unclear statements, like "environmentally friendly", "green", "friend of nature", "ecological", "sustainable", or "climate friendly". Such statements are difficult, if not impossible, to justify, but, unfortunately, frequently used. The benefits with regard to environmental impact should be clearly stated, with no embellishments.

 The declaration should clearly demonstrate what it relates to.

For example, does it relate to the whole product or product compounds only? If a company produces a number of products, the environmental self-declaration has to clearly state which products it relates to. The claim should be clear and unambiguous regarding which aspect(s) of the product or its life cycle the claim refers to: the whole product, the whole company/ organisation, or specific

elements such as the manufacturing process, the packaging of the product, the transportation throughout the supply chain, or specific resource efficiency aspects.²

Positive example

On its website an enterprise clearly states which products have been awarded with an ecolabel.

Misleading information

"Our products are environmentally friendly" although only some of the products have been awarded with an ecolabel.

• Statements "does not contain ..." or "free from..." can only be used if the concentration of the given substance does not exceed the natural background concentration.

This means that this substance is not intentionally added or there is accidental contamination of the product from its production process. Guidance for making cosmetic claims is provided in *Technical documentation on cosmetic claims*³ and it particularly addresses using "free from" claims in cosmetics.

Misleading practices can also include:

- Claims that a product does not contain a certain substance, but at the same time it contains another component with similar properties, for example "BPA free" if a product contains BPF or BPS.
- Stating that a product does not contain a substance while it has never been associated

with this product category, for example soap that does not contain freons.

• Do not contradict the terms "natural" and "chemical".

Use the term "natural" only for products or their components that are directly taken from nature and not modified chemically. Sourcing from nature (e.g. mineral oils, plant, fibres) with subsequent processing and chemical treatments would no longer warrant the term "natural", while a table made from solid wood that has barely been treated, could well be called a natural product. If a product contains natural (as defined above) and synthetic, manmade materials, it should not be called natural. It is important to remember that natural origin does not guarantee harmlessness, just as artificial products do not necessarily mean they are hazardous.

² Compliance Criteria on Environmental Claims, Developed by the Multi-stakeholder Dialogue on Environmental claims 2016

³ Technical document on cosmetic claims, July 2017

Positive example

Advertising claims that washing detergent does not contain phosphates and perfume.

The absence of hazardous substances in mixtures and articles is a desirable product development goal and should be implemented in any case. The claim about toxicity should only be made when components of the product are considerably less hazardous than those of comparable products on the market, and other aspects such as a product's functional performance and safety are good.

For chemicals (mixtures and substances such as paints, cleaning products etc) specific provisions apply. If a mixture does not contain

Misleading information

Product advertising claims it is "100% natural" but the product contains artificially synthesised components.

hazardous substances, this cannot be used as an argument or aspect of a green claim, because it is in contradiction with the provisions of the CLP regulation.

Article 25 of the CLP regulation prohibits such statements as 'non-toxic', 'non-harmful', 'non-polluting', 'ecological' or any other statements indicating that the substance or mixture is not hazardous. Any other statements that are inconsistent with the classification of the substance or mixture must not appear on the label or packaging.

Positive example

- · Limited toxic emissions such as formaldehyde.
- For specific terms, ISO standard 14021:2016 provides more precise guidance about their correct use and verification methods. Such terms are: compostable, degradable, designed for disassembly, extended life product, recovered energy, recyclable, recycled content.
- Cclear and appropriate additional information should be used that justifies environ-

Misleading information

- Producer claims that "Toxic content of our product is close to/similar to water" while it includes salts and some biologically active ingredients.
 - mental claims and gives the consumer an opportunity to understand and, if in doubt, further inquire about a product. Information should be complimentary, not contradictory, to the main message. Assessment should be made of how much additional information is relevant for the consumer and whether it is useful to provide links and sources where additional information can be obtained.

3. Use visual information which is relevant

Environmental claims often use visual elements like symbols or logos. The use of symbols should follow the same requirements as textual information - they should not be faulty misleading about the environmental performance. As symbols also address emotional perceptions, their use should be carefully considered, as miscomprehension is even more likely than in verbal communication. For example, claims where living organisms or parts thereof are used

(leaves, trees, animals) can create a misleading perception about the product's environmental advantages.

Symbols have to be relevant and proportionate to the environmental claim with which it is used and may be used to support the main message but should not be used without explanation. In any case, symbols should be used only in combination with explanatory statements in writing.

Positive example



Misleading information



Comments:

Clear link between the image and wording.

No information can be obtained regarding the meaning and use of this label.

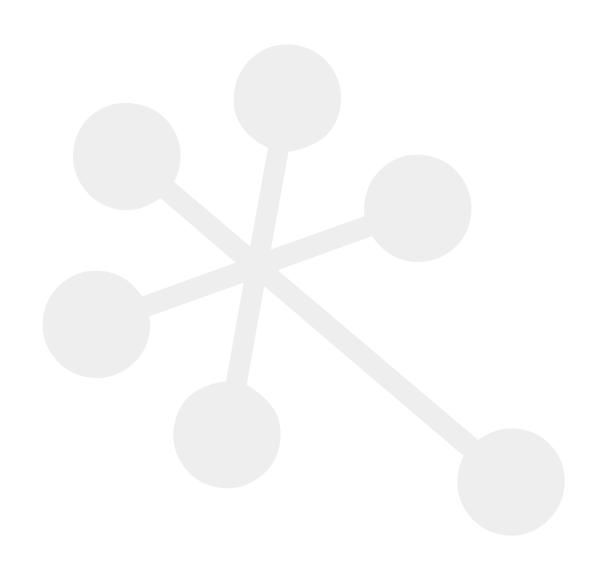
Logos or symbols should not be developed in a way that misleads the consumer to think that another organisation has approved it, when this is not the case. Consumers should be given the opportunity to verify the meaning of the symbol and criteria used.

4. Ensure that the claim can be substantiated

Environmental claims must be substantiated with evidence proving that the claim is justified. Producers of products should document the validity of their claims and be ready to submit all relevant information to competent institutions if the claim is being contested.

Environmental claims have to be proved with independent, verifiable and generally accepted evidence in line with latest scientific developments and methods. When environmental claims use life cycle assessment results, these should be independently audited.

For further reference see ISO 14021:2016 standard "Environmental labels and declarations — Self-declared environmental claims". This sets out the rules about content, approaches and steps for developing environmental claims.



Ecolabel identifies overall environmental preference of a product (i.e. good or service) within a product category based on life cycle considerations and is awarded by an impartial third party to products that meet established environmental leadership criteria.

Environmental labels share the same characteristics as ecolabels, but are focused on specific impacts (i.e. energy consumption, agricultural practice) and applied only to a specific sector (i.e. energy-using appliances, agricultural commodities).

II ECOLABELS AND ENVIRONMENTAL LABELS

One of the best ways to inform consumers is ecolabelling that includes verification by a third party. The right to use an ecolabel is granted by the respective owner of the corresponding ecolabel programme, after it is proved that the product or service complies with the requirements of the labelling programme.

The best practice for ecolabelling is defined by ISO 14024:2018 Environmental labels and declarations – Type I environmental labelling – Principles and procedures.

The core principles of ecolabelling schemes are:

 Transparency – the criteria of the label are accessible to everyone and their develop-

- ment process is transparent through the involvement of civil society organisations.
- 2. **Science based** scientific methods are used to develop the criteria of the ecolabel and/or to document conformity of the label holders with the ecolabel criteria.
- 3. Independence conflicts of interest are prevented. Ecolabel owners are independent from the producer and independent auditors (or the ecolabel owner) check the product compliance with the requirements of the ecolabel.
- 4. **Life cycle approach** the ecolabel requirements address the most important

environmental impacts of a product during its life cycle. This prevents producers from simply picking and choosing the easiest aspects in order to acquire an ecolabel.

5. Improvement — criteria are continuously improved by the label owners and are more stringent than the legal requirements applicable to a particular product. The goal of ecolabels is to certify only those products that significantly exceed the average performance.

There are also other labelling schemes covering environmental aspects that function in a similar way to ecolabels, however they consider only specific life cycle stages or some environmental aspects. Therefore, they do not fully comply with the ISO Standard for Eco-labels, but are credible and scientifically sound. Examples are the FSC label (Forest Stewardship Council label) stating that wooden products are sourced from sustainable forestry. These types of label are called environmental labels.

The most popular ecolabels in the Baltic States are *EU Ecolabel* (Picture 1), the *Nordic Swan* (picture 2) and Blue Angel (Picture 3). These ecolabels fulfil the requirements of the ISO 14024 standard.

When choosing the most relevant ecolabel for a product it is important to consider:

- what ecolabels are available for the product group;
- how recognisable and renowned this label is on the market(s);
- ability to fulfil the requirements and, if not, what improvements will need to be implemented in the product or processes to fulfil the criteria;
- what are the costs of certification e.g. fee and auditing costs?

Ecolabelling criteria demonstrate the best practice of a given product group. Within the process of checking whether a product complies with the ecolabelling criteria ways of optimising products and production processes can be found.

The internationally recognised network of ecolabelling organisations - The Global Ecolabelling Network (GEN) - is a non-profit association of leading ecolabelling organisations worldwide. Only such ecolabelling schemes that correspond to ISO 14024 standard are granted full GEN membership so their website is a reliable source for choosing and verifying labels.







Picture 1

Picture 2

Picture 3

Environmental product declarations provide quantified environmental data of a product, under pre-set categories of parameters based on life cycle assessment and verified by a third independent party.

III Environmental product declarations

Environmental product declarations (EPDs) are a way of showing the environmental performance of a product by introducing the results of the life cycle assessment. EPDs inform about the use of energy and raw materials, the environmental impacts of a product, for example on climate change, ozone depletion, eutrophication, water and soil acidification etc. throughout the life cycle of the product. EPDs are important in public procurement processes and business to business (B2B) communication. Data from the declarations can be used to compare different products of the same type.⁴

The ISO 14025 standard sets the principles and procedures for environmental product declara-

tions. The first step in the development of environmental product declaration is to conduct a lifecycle assessment (LCA) of the product, and then prepare an EPD based on the assessment results. According to the standard, an environmental declaration has to be verified by an independent organisation. There are organisations providing frameworks for environmental product declarations, setting the requirements for the lifecycle assessment (so called product category rules) and providing options for verification and registration of the EPD. For example, the International Product Environmental Declaration System EnvironDec (http://www. environdec.com) provides product category rules and a verification system.

⁴ However, it is recommended before comparing EPDs to check if the scope of the underlying LCAs are the same; if different scopes were used, the results are not comparable.

In conclusion

Keeping in mind that every product or service has an impact to a smaller or greater degree on the environment and environmentally friendly can only truly be that what is left untouched in nature, there is a need to rethink the way in which we communicate on environmental issues. Responsible and sustainable business models also require responsible communication which is reliable — accurate and scientifically true, and relevant — addressing major improvements that matter and are clear and useful for the consumer.

This communication can be facilitated by applying standardised procedures, methodologies and presentation methods, such as the ecolabels introduced here, environmental product declarations and self-declared environmental claims. Which of these options a company chooses, or wishes to communicate in a non-standardised, case-by-case basis depends on different factors. These are, among others, the reasons for declaring the environmental aspects of a product, the target group, the resources available to develop the declaration and potentially renew it and the expected effect from marketing the product.

For more information see:

Regulations and standards

Title	Aim
European Parliament and European Council Directive 2005/29/EC (11 May 2005)	Relates to unfair commercial practice in EU internal market and towards consumers.
ISO 14020: 2000 Environmental labels and declarations — General principles	ISO standard provides a general framework for the development and use of environmental labels and declarations.
ISO 14021:2016 standard "Environmental labels and declarations — Self-declared environmen- tal claims" (Type II Environmental Labelling)	ISO standard describes best practice in development of self-declared environmental claims for products and services.
ISO 14024, Environmental labels and declarations — Type I environmental labeling — Principles and procedures	ISO standard provides basic principles for development of ecolabels e.g. for developers of ecolabelling schemes.
ISO 14025: 2006 Environmental labels and declarations — Type III environmental declarations	ISO standard provides basic principles for development of environmental declarations based on a life cycle approach.

Guidelines and other sources

- Compliance Criteria on Environmental Claims, Developed by the Multi-stakeholder Dialogue on Environmental claims 2016
- http://www.aim.be/wp-content/themes/aim/pdfs/Compliance_Criteria_on_Environmental_Claims_2016.pdf
- Environmental labelling and declarations How ISO standards help, ISO, 2012-10 https://www.sfs.fi/files/2480/environmental-labelling.pdf
- European Commission, EU Ecolabel for Businesses. https:// ec.europa.eu/environment/ecolabel/eu-ecolabel-for-businesses. html
- 5. Green Claims Guidance, UK Department for Environment, Food and Rural Affairs, February 2011
- http://www.ukcpi.org/_Assets/custom-docs/publications/ pbi3453-green-claims-guidance.pdf
- Guidance on the implementation/application of directive 2005/29/EC on unfair commercial practices.
- 8. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CEL-EX:52016SC0163&from=EN

- Guidelines for Providing Product Sustainability Information, United Nations Environment Programme, 2017
- https://www.oneplanetnetwork.org/resource/guidelines-providing-product-sustainability-information
- Green Claims Guidance for the Cleaning Products Sector, UK Cleaning Products Industry Association, November 2014
- ${\bf 12.} \quad http://www.ukcpi.org/green-cleaning/green-claims-guidance$
- Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures
- https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-%3A32008R1272
- Technical document on cosmetic claims, Sub-Working Group on Claims, version of 3 July 2017
- 16. https://ec.europa.eu/docsroom/documents/24847

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