

Summary of a memorandum in marketing law:

Environmental claims concerning climate compensated products and products with carbon offsets in marketing

It has become increasingly common for companies to state they have compensated for any climate impact generated by the products they are advertising, for example by making claims that a product is carbon neutral, climate compensated/carbon offset or has a net zero carbon footprint. Just like any other environmental claims, marketing using such terms must meet the requirements stipulated in the Swedish Marketing Act, which requires good marketing practice and bans any misleading marketing claims.

The Swedish Consumer Agency believes that claims such as carbon neutral, climate compensated/carbon offsets, net zero and similar are unclear and undefined (vague). When such claims are made without a prominent specification or explanatory statement consumers risk being misled about a product's environmental credentials. The average consumer cannot be expected to understand what these claims mean, nor can the average consumer take an informed transactional decision based on these claims. For example, it might be difficult for the consumer to understand that these claims refer to a particular company having purchased emission reduction units in projects abroad. Furthermore, it is impossible for consumers to know which projects are behind the claim. Nor is it entirely certain that the consumer will understand that the product will still have an environmental negative impact caused by the emissions it actually generates.

Vague and undefined claims concerning products with carbon offsets must be supplemented by prominent specifications or explanatory statements in order to be used. The Swedish Consumer Agency is unable to provide any general information about what this specification and explanatory statement must include, individual assessments must be made in each case, that consider which project the emission reduction units are assigned.