

"Green" advertising messages are often confusing - the GVH draws attention to this

17 February 2023, Budapest – A fast-track analyses (as a result of a sweep carried out by CPC – Consumer Protection Cooperation authorities) by the Hungarian Competition Authority (GVH) has found that in many cases, undertakings' advertising communications suggesting sustainability are not backed up by easily accessible and relevant evidence for consumers. However, the GVH also found positive examples of domestic practices.

In November 2022, the national competition authority launched a detailed market analysis to investigate the discrepancies between the actual content of different sustainability (green) advertising messages and the way they are perceived by consumers. As part of the market analysis, in February 2023 the GVH carried out a comprehensive sweep of 60 domestic websites. The study focused on "green" claims for clothing, cosmetics and cleaning products, and packaging for daily consumer goods.

The results of the analysis show that domestic businesses communicate sustainability in a very broad and unsystematic way. Generic claims (e.g. "green", "environmentally friendly") are common, but the evidence for these claims is not available on the website - or only after a lengthy search. It is also not uncommon that the explanation and substantiation of a claim in Hungarian is only available to the consumer in English, often on the parent company's website. In many cases, the steps taken to protect the environment are perceived as a description of the company's business policy, rather than as well-supported claims about its products, so they cannot really be linked to the latter. Undertakings try to justify their sustainability ambitions in an unverifiable way without specifics (e.g. "by buying, you are contributing to our environmental goals"). There was also a lack of updating of ambitions (e.g. "By 2021 we want to achieve..."). Many businesses use so-called trust marks and logos to demonstrate their "green" credentials, but the certification body or criteria behind them are not always identifiable (or not available in Hungarian) to consumers. And in the case of certain grammatical adjectives (e.g. "more sustainable"), it is not clear to what extent and in comparison to what extent the product has a more positive impact on the environment.

The GVH's investigation also identified good practices to follow, in addition to the above examples that make consumer decisions more difficult. Examples include a "sustainability glossary" to help interpret green claims, or a transparent and understandable presentation of the company's environmental activities (e.g. how and at what rate it recycles bottles, or how it converts CO2 emissions from its activities into carbon credits). Consumers can also be better informed through validated annual sustainability reports available on the website, provided they are transparent and well structured. In the cases reviewed, where undertakings used green labels for a product group or collection based on their own set of criteria, there was typically good

traceability of both the sustainability criteria considered and the compliance of the products with them.

The GVH's February fast-track investigation is part of a comprehensive market analysis, expected to be completed in summer 2023, which aims to provide the legislator with input for the introduction of a uniform system of claims and labelling to increase consumer confidence in sustainability claims.

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