

## **The unsustainable lightness of advertising**

*There is an obvious need to establish interpretative criteria to ensure that the use of the term 'sustainable' attributed to the advertised product or service actually corresponds to environmental, social and economic values, overcoming 'the unsustainable lightness of advertising', to paraphrase Milan Kundera*

I continue my considerations on sustainability, which I started last week ('Sustainable is ...' you can find it here). I was talking about the widespread use of referring to one's products and goods with the adjective 'sustainable', understood as a green and ecological boast or quality. I was also saying that that kind of sustainability can only be used when the company respects three key factors to measure it: environmental protection; safeguarding social and economic principles (governance).

There is now an acronym that synthesises the three factors: ESG, Environmental, Social and Governance, which originated in reference to sustainable finance but now refers to any business activity that aims to boast the term sustainable.

Environmental factors refer to the way a company behaves towards our natural environment: contribution to combating climate change; ecological footprint and CO2 emissions; management of natural resources such as water and biodiversity; waste management; clean technologies and renewable energy.

Social factors must include human capital; safety, health and continuing education of employees; product responsibility, product safety, data management; possibilities and opportunities in the social sphere.

Governance relates to a sound corporate organisation, the composition of the board of directors and management, remuneration and ownership structure; corporate governance with regard to ethics, transparency and the prevention of corruption.

The three factors must coexist if one really wants to talk about sustainability. And sustainability can (and, in some cases, must) be communicated and must be constant, verifiable and certified by third parties with respect to the company. But the so-called green advertising, i.e. the creation of advertising campaigns aimed at drawing the consumer's attention to environmental issues, has now become repeated and customary practice, without any distinction by product category or service sector. And it is carried out, predominantly, through the use of advertising claims such as 'green' and - precisely - 'sustainable', 'sustainability'. This practice is now being deceptively abused, in Italy but also abroad; when the references to environmental, social and governance values do not correspond, or correspond relatively speaking, to factual reality: this is what is known as greenwashing.

There is therefore a clear need, at the very least, to establish guidelines or interpretative criteria useful to the consumer in order to be certain that the use of this terminology actually corresponds to environmental values attributed to the advertised product or service, overcoming 'the unsustainable lightness of advertising', to paraphrase Milan Kundera. An attempt along these lines has been made since 2014 by the Danish Ombudsman's Office, which issued a 'Quick Guide for Companies on Environmental Marketing' in 2021. The Danish Ombudsman's Office clarifies in several places how climate/environmental declarations should be packaged with regard to both the labelling of products and their advertising. Premising as a general rule that climate/environmental claims used in advertisements must be correct (this, of course, also applies to Italian law), it then states that they must be clearly worded so that consumers understand them immediately, without omitting important information. In advertisements, the qualities boasted by the companies must be documented; furthermore, the professional is required to document the concreteness of the benefits for the climate or the environment, which must not be of marginal importance.

An entire chapter is devoted to the use of sustainability statements, where it is stated that sustainability statements (and thus the use of the terms "sustainable", "sustainability") must be based on a Life Cycle Analysis of the product or service that demonstrates that the company does not jeopardise the ability of future generations to meet their needs. And so the Danish Ombudsman concludes, stating that it is very difficult to define a product/service as 'sustainable' without misleading. The correctness of the advertising will derive - still in the opinion of the Danish Ombudsman- from the fact that the company has a concrete plan on how to achieve sustainability, which must be verified by an independent body. The plan must appear in the advertising of the product/service, it must be continuously improved/developed by specifying how damage to the environment is gradually reduced, and it must be verifiable. Otherwise, the advertising will be misleading for the consumer.

In Europe, too, there is a move in this direction and, if the EU Council and Parliament approve the proposed draft directive, all environmental claims will be banned if companies cannot prove that products actually have excellent environmental performance.

But, judging by the advertisements in circulation, sustainability, if you don't have it in facts, you can buy it. They are called carbon credits: I will talk about them next time.

***Giuseppe d'Ippolito***