GREEN CLAIMS, RED FLAGS

HOW ESG ASSURANCE CAN PREVENT BRAND DAMAGE IN THE AGE OF ENVIRONMENTAL SCRUTINY

MENZIES
BRIGHTER THINKING

RESEARCH REPORT

ACCOUNTANCY | FINANCE | BUSINESS

MENZIES.CO.UK

FOREWORD

Environmental claims have never been under greater scrutiny.

As public expectations around sustainability rise and regulatory standards evolve, brands are being held to higher levels of accountability. The Advertising Standards Authority (ASA) has stepped up its focus on green claims, and businesses are feeling the impact. Each ruling against a misleading or unsubstantiated claim represents not just reputational damage, but wasted investment and lost trust.

The regulatory environment is tightening too. Now, the UK's new Digital Markets, Competition and Consumers Act has given the Competition and Markets Authority (CMA) direct powers to issue significant fines for false or misleading green claims, up to 10% of a company's global turnover. For businesses that overstate or omit material information about their environmental credentials, the stakes are now far higher.

The reality today is clear: businesses must be able to evidence every environmental statement they make. Not 'after the fact', but before they hit publish.

This is where Environmental, Social and Governance (ESG) assurance makes a real difference. Independent verification of ESG claims offers businesses additional confidence and credibility in a market where scrutiny is only intensifying.

Our analysis of ASA rulings over the past five years shows that in 81% of cases, ESG assurance could have helped reduce the risk of an upheld complaint. In 62% of cases, it could have prevented it entirely. That's a significant margin, and a clear reminder that proactive steps can protect both brand value and marketing investment.

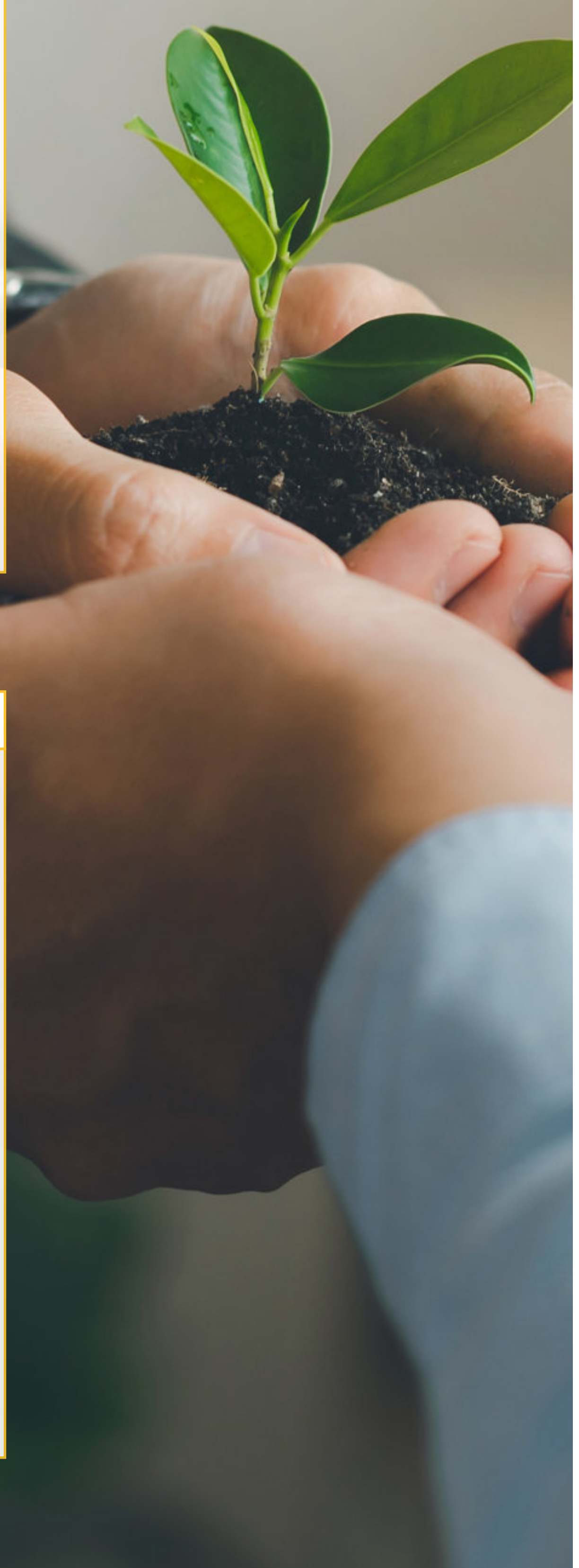
Here at Menzies, we work with businesses to help ensure that ESG claims are underpinned by credible evidence and aligned with recognised standards. This whitepaper will explore the common pitfalls brands face, how assurance can help, and why integrating it into your ESG and marketing practices now could save far greater costs down the line.

If you are responsible for your brand's reputation, or you're an agency responsible for the brands you create content for, ESG assurance should not be an afterthought. It's an opportunity. Brands that take the lead in responsible marketing deserve to communicate their progress with confidence and be recognised for it.

This report outlines a practical approach to help businesses and their agencies do exactly that: avoid missteps, strengthen claims, and build campaigns that stand up to scrutiny and consumer expectation alike.

Richard Singleton
Sustainability Director, Menzies LLP
E: rsingleton@menzies.co.uk
T: +44 (0)330 912 9743

ASA RULES ON ENVIRONMENTAL CLAIMS: A QUICK GUIDE



CAP Code (Non-Broadcast Advertising) – Section 11

11.1: The basis of environmental claims must be clear. Unqualified claims could mislead if they omit material information.

11.2: All terminology must be clear and understandable to consumers.

11.3: Absolute claims (e.g., “environmentally friendly”) require a high level of substantiation. Comparative claims must clearly state the basis of the comparison.

11.4: Claims should be based on the product’s full life cycle, or clearly state any limitations. Partial claims must not mislead about overall environmental impact.

11.5: Do not suggest claims are universally accepted if there is a significant division of informed or scientific opinion.

11.6: Don’t imply that an environmental benefit is new if the product never had the adverse effect to begin with.

11.7: Avoid misleading by highlighting the absence of an ingredient not commonly used, or benefits that result from legal compliance.

11.8: Where energy labelling is required by law, the energy efficiency class must be shown.

11.9: Where products are regulated, product fiche information must be shown.

Full non-broadcast rules available at: www.asa.org.uk

BCAP Code (Broadcast Advertising) – Section 9

9.1: Radio ads must be centrally cleared for environmental claims.

9.2: The basis of environmental claims must be clear. Unqualified claims may mislead if they omit significant information.

9.3: All terminology must be clear and understandable to consumers.

9.4: Absolute claims (e.g., “environmentally friendly”) require a high level of substantiation. Comparative claims must clearly state the basis of the comparison.

9.5: Claims should be based on the product’s full life cycle, or clearly state any limitations. Partial claims must not mislead about overall environmental impact.

9.6: Do not suggest claims are universally accepted if there is a significant division of informed or scientific opinion.

9.7: Don’t imply that an environmental benefit is new if the product never had the adverse effect to begin with.

9.8: Avoid misleading by highlighting the absence of an ingredient not commonly used, or benefits that result from legal compliance.

9.9: Where energy labelling is required by law, the energy efficiency class must be shown.

9.10: Where products are regulated, product fiche information must be available.

Full broadcast rules available at: www.asa.org.uk

GREENWASHING ON THE RISE:

WHAT ASA FINDINGS REVEAL

Environmental claims have become a powerful marketing tool, but they have also become a significant compliance risk.

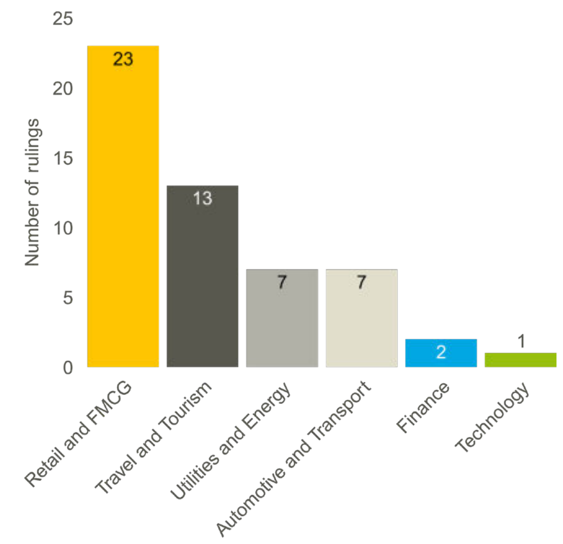
To understand the types of claims and industry sectors most at risk of breaking ASA guidelines, Menzies conducted an analysis of 1,090 ASA rulings published between March 2020 and March 2025. Of these, 53 related specifically to sustainability and environmental claims. That’s around 1 in 20... a meaningful proportion considering how niche many green claims are.

Many of these rulings were upheld because brands misled consumers through incomplete, vague, or exaggerated sustainability claims. Each ruling represents a wasted marketing investment, reputational harm, and, in many cases, a lasting loss of consumer trust.

Industries most affected:

The sectors with the highest number of rulings were:

- Retail and FMCG (23 rulings)
- Travel and Tourism (13 rulings)
- Utilities and Energy (7 rulings)
- Automotive and Transport (7 rulings)
- Finance (2 rulings)
- Technology (1 ruling)



Retail and travel brands were particularly vulnerable, where bold sustainability messaging often hid gaps in evidence or unclear qualifications.

TYPES OF ASA BREACHES IN GREEN CLAIMS

The majority of rulings related to four key failings under the ASA's advertising codes:

Unqualified claims or leaving out key information
(ASA Codes 11.1 & 9.2)

48 rulings

Use of unclear language
(Codes 11.2 & 9.3)

7 rulings

Absolute claims without robust evidence
(Codes 11.3 & 9.4)

30 rulings

Claims ignoring full product life cycle impacts
(Codes 11.4 & 9.5)

22 rulings

> The most common failings were either overstating a product's sustainability without credible backing or using terms like "eco-friendly" or "carbon neutral" without proper definition or context.
>
> **Richard Singleton, Sustainability Director at Menzies LLP**

COULD ESG ASSURANCE HAVE PREVENTED ASA RULINGS?

Running the ASA rulings against four assurance criteria, covering; evidence, omissions, absolutes, and language clarity shows the material impact ESG assurance could have had.

81% of rulings (43 out of 53 cases) could have been at least partly mitigated through ESG assurance.

62% of rulings (33 out of 53 cases) could likely have been avoided completely.

In other words, independent verification of claims before campaigns launched could have prevented the majority of bans and saved brands from the financial and reputational fallout.

WHAT IS ESG ASSURANCE, AND WHY DOES IT MATTER?

Most brands today know they need to talk about sustainability. Far fewer know how to evidence it properly.

Relying on internal checks or good intentions isn't enough anymore. More and more responsible businesses are turning to independent ESG assurance, not just to stay compliant but to make sure their claims are clear, accurate and backed by evidence.

It's the difference between hoping a claim is solid, and knowing it is.

WHAT IS ESG ASSURANCE?

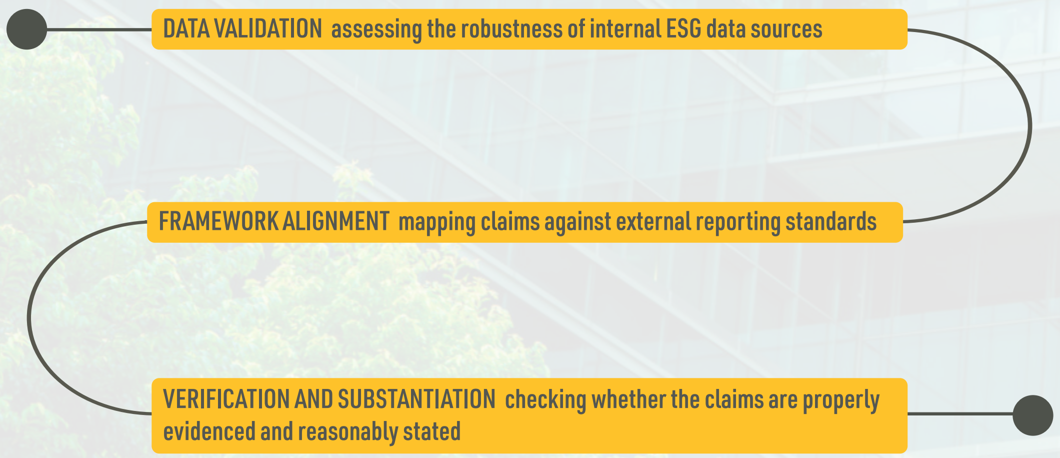
An independent check carried out by external specialists to verify a business's environmental and social claims, data, and disclosures.

In an era of heightened scrutiny, from regulators, consumers, and investors alike, it is becoming an essential tool for protecting both reputation and revenue.

HOW DOES ESG ASSURANCE WORK?

At its core, ESG assurance applies rigorous checks against recognised international frameworks.

The process typically involves:



Depending on the need, this can involve Agreed-Upon Procedures, Limited Assurance or Reasonable Assurance.

WHAT ARE AGREED-UPON PROCEDURES?

Agreed-Upon Procedures (AUP) are a customised form of ESG review where you agree with your service provider in advance on a defined set of checks. For example, verifying carbon emissions calculations, reviewing sourcing data for a product line, or testing select ESG KPIs.

The key difference from assurance is that it doesn't result in an overall opinion or assurance conclusion. They simply report on findings from the agreed steps, leaving it to you to interpret the results.

Best for: When you need independent verification of specific ESG data points, but not full assurance across your campaign.

WHAT IS LIMITED ASSURANCE?

Limited assurance offers a moderate level of confidence that your ESG data is free from material misstatement.

In this type of review, the assurance provider performs fewer checks, often relying on information provided by your internal team. There's less testing of the underlying data, and a lighter-touch review of internal processes and controls.

Generally, the outcome of limited assurance will be a statement that says nothing came to their attention that suggests the data is wrong, not that it's been fully confirmed.

Best for: Campaigns or disclosures where some level of external validation is useful, but full reasonable assurance isn't required.

WHAT IS REASONABLE ASSURANCE?

Reasonable assurance provides a higher level of confidence that your ESG claims and data are materially correct.

It involves a deeper dive: checking metrics back to their original source, reviewing your internal controls, and testing how you define and report on material ESG topics. It helps prevent greenwashing by ensuring you're not just highlighting areas where performance is strong, but presenting a fair and balanced view.

The result is a stronger, more detailed opinion from the auditor, closer to what you'd expect from a financial audit.

Best for: High-stakes ESG disclosures, investor reporting, or when accuracy and credibility are critical to your stakeholders.

BENEFITS BEYOND COMPLIANCE

While ESG assurance can reduce the risk of a campaign being banned or fined, its benefits extend much further.

The four protections of ESG assurance:

TRUST

Investors increasingly demand credible ESG disclosures. Assurance provides extra confidence in what they are being told.

REPUTATION

Assured claims are harder to challenge, reducing the risk of public or regulatory backlash.

REPORTING

Aligns sustainability goals across teams, such as ESG, finance, marketing, and legal, to build a stronger ESG narrative.

RISK

Helps brands stay ahead of evolving green claims rules and avoid costly enforcement actions.

ESG ASSURANCE IN PRACTICE: MENZIES APPROACH

At Menzies, our ESG assurance process is designed to be practical, proportionate, and aligned to the needs of marketing and sustainability teams.

An example Agreed-Upon Procedures engagement would include:

START:
BRAND AND CAMPAIGN IDEAS

CHECKPOINT 1:
INITIAL DISCOVERY

- Reviewing sustainability claims planned for external use.

CHECKPOINT 2:
DATA AND EVIDENCE MAPPING

- Ensuring every claim can be substantiated back to source data or recognised standards.

CHECKPOINT 3:
GAP ANALYSIS

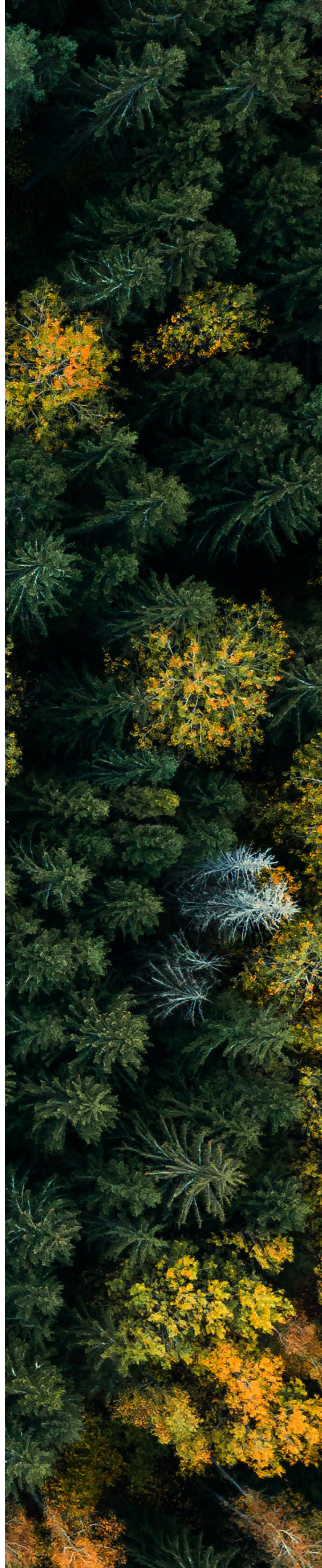
- Identifying unsupported claims, missing disclosures, or ambiguous language.

END:
REPORTING STATEMENT

- Issuing a report providing factual findings from the work performed.

By involving assurance early at the brand and campaign planning stage, not as a last-minute check, businesses can build credible, confident sustainability communications from the outset.

> *If ESG claims are going to be made public, they need to be credible. ESG assurance gives businesses a way to substantiate sustainability messaging, mitigate regulatory risk, and strengthen the foundations of brand trust.*
>
> **Tom Woods, Audit Partner at Menzies LLP**



FOUR WAYS ESG ASSURANCE COULD HAVE HELPED PREVENT AD BANS:

Most businesses don't set out to mislead consumers. Yet over the past five years, dozens of brands have seen ads with environmental claims banned because of mistakes that ESG assurance could have flagged and corrected early.

Here are the four most common pitfalls and how independent assurance can make a real difference:

1. LACK OF SUBSTANTIATION

The problem:

Brands making bold environmental claims without credible, verifiable evidence to back them up. This could breach ASA Codes 11.1 & 9.2 (unqualified claims or missing key information) and 11.3 & 9.4 (absolute claims needing high-level substantiation)

Example case: An FMCG company advertises its packaging as "100% recyclable," but can't demonstrate that recycling facilities were widely available to consumers.

How ESG assurance could have helped:

Step 1: Verification of Claims – Assurance would have tested whether the packaging materials were genuinely recyclable, not just in theory, but in real-world consumer settings.

Step 2: Assessment of Recycling Infrastructure – Reviewing external recycling systems (e.g. public availability, local council facilities) to help ensure that the claim of "100% recyclable" is not just theoretically possible but practically achievable. This would have flagged the gap between the claim and the practical reality.

Step 3: Identification of Evidence Gaps – The assurance process would have highlighted where supporting data was missing or unsubstantiated, giving the brand time to adapt or reword the claim before launch.

Step 4: Aligning to Recognised Standards – By comparing the claim against relevant frameworks and guidance, assurance would ensure the wording met ASA and wider regulatory expectations, reducing the risk of misleading advertising and potential legal issues.

Step 5: Build Transparency and Trust – An externally assured claim signals rigour, not spin, helping consumers and stakeholders trust that what's being said is accurate and accountable.

2. MISLEADING OMISSIONS

The problem:

Brands highlighting environmental positives but leaving out material information that would have changed how consumers understood the claim. This could breach ASA Codes 11.1 & 9.2 (unqualified claims or omitting significant information) and ASA Codes 11.4 & 9.5 (claims not based on full lifecycle).

Example case: A supermarket advertises a product range as "sustainably sourced" without clarifying that only a small percentage of ingredients met recognised sustainability standards.

How ESG assurance could have helped:

Step 1: Verification of Claims – Assurance would have independently reviewed sourcing data to confirm which ingredients met sustainability criteria, and which didn't. This includes checking if the ingredients meet recognised sustainability standards.

Step 2: Identify any Omissions – The assurance process would flag any missing context that could mislead consumers, such as not disclosing the percentage of sustainably sourced ingredients.

Step 3: Clarification of Language – ESG assurance can help the supermarket clarify its advertising by recommending qualified language, such as "includes X% sustainably sourced ingredients". This ensures that consumers are not misled by broad or vague claims.

Step 4: Alignment to Lifecycle Guidance – By referencing ASA and CMA expectations, ESG assurance ensures the claim reflects the full product lifecycle, or makes clear when it doesn't.

3. ABSOLUTE AND COMPARATIVE

The problem:

Brands making sweeping statements like "100% carbon neutral" or "the most sustainable option" without clarifying scope or providing strong comparisons. This could breach ASA Codes 11.3 & 9.4 (absolute and comparative claims without substantiation).

Example case: A car manufacturer promotes "zero emissions" without making it clear that it only applied to vehicle use, not production or energy sourcing.

How ESG assurance could have helped:

Step 1: Scope the Claims – ESG assurance would have clarified whether the claim applied to full lifecycle emissions or just operational use, and identified any gaps in coverage.

Step 2: Validate Claims – ESG assurance providers can independently verify the accuracy of the "zero emissions" claim, by tracing emission figures back to source data and ensuring it applies specifically to vehicle use and not production or energy sourcing. This would confirm the claim (e.g. for tailpipe emissions) is accurate within its defined scope.

Step 3: Clarify Claims – ESG assurance would suggest clearer wording, e.g. "zero exhaust emissions during use," to avoid misleading comparisons or overstatement.

Step 4: Competitor Benchmarking – For comparative claims like "most sustainable," assurance would require robust, independent evidence and a clear basis for comparison.

4. AMBIGUOUS LANGUAGE

The problem:

Brands using vague or undefined terms like “eco-friendly,” “green,” or “sustainable” without clearly explaining what they mean. This could breach ASA Codes 11.2 & 9.3 (unclear or ambiguous terminology).

Example case: A drinks brand using the slogan “sip sustainably” without specifying whether it referred to packaging, production, or ingredients.

How ESG assurance could have helped:

Step 1: Definition of Claims – Assurance would ask: what exactly is being referred to as “sustainable”? The packaging? The carbon footprint? The ingredients?

Step 2: Verification of Claims – Each element of the slogan would be tested against ESG data, e.g. is the bottle made from recycled content? Is production carbon neutral?

Step 3: Clarification of Terms – ESG assurance can help the brand clarify its advertising by specifying what “sip sustainably” refers to, whether it’s the packaging, production, or ingredients. Claims would be reviewed in line with ASA rules requiring clear, unambiguous wording that consumers can understand at a glance.

> *Most businesses want to do the right thing, but the reality is that good intentions aren’t enough. Without independent ESG assurance, even well-meaning green claims can create risk. Getting credible, evidence-backed validation early helps protect both your brand and your investment.*
>
> **Richard Singleton**
> **Sustainability Director at Menzies LLP**

BUILDING ASSURANCE INTO YOUR ESG AND MARKETING PRACTICES

Too often, ESG claims only get checked right before launch, when timelines are tight and fixing issues is expensive. By that point, the creative is signed off, the media booked, and there's little room to change direction without going back to square one.

That's why ESG assurance works best when it's part of the process from the start and not an afterthought. Whether you're in-house or part of an agency team, building this in early protects your idea, your budget, and your brand's credibility.

KEY PROCESSES TO INTEGRATE

Bringing ESG assurance into the heart of your campaign or reporting process doesn't have to be complex but it does require planning ahead.

These are the steps we recommend:

1 **Internal ESG data validation**

Make sure your ESG data is accurate, up to date, and aligned to recognised frameworks (e.g. Global Reporting Initiative (GRI) before it's used in campaigns or external content.

2 **Pre-publication claim review**

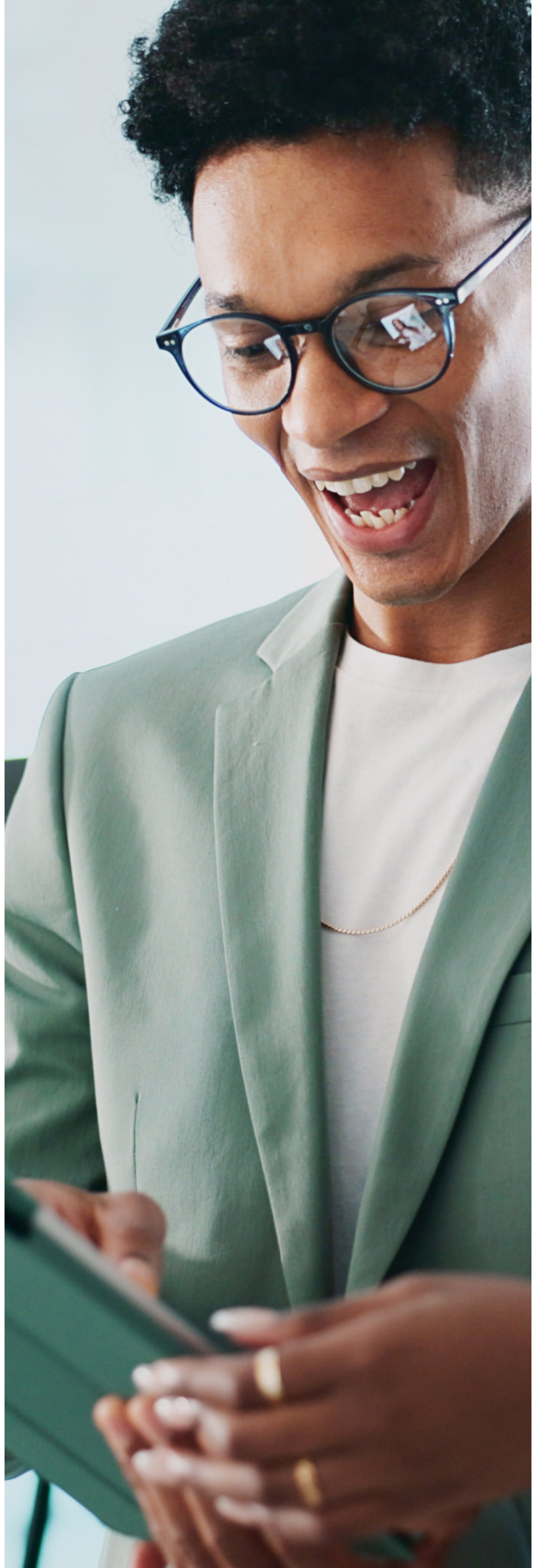
Before sign-off, sense-check your marketing or advertising claims. Do they hold up to scrutiny? Are they specific, evidenced, and clearly worded?

3 **Annual ESG assurance audits**

Run regular limited assurance reviews to build stakeholder confidence in your ESG reporting, marketing outputs, and progress tracking.

4 **Cross-team collaboration**

ESG, marketing, legal, and finance all need a say, whether they're inside your organisation or part of your external team. Claims are only robust when everyone's aligned.



CHECKLIST: DOES YOUR SUSTAINABILITY CLAIM NEED ASSURANCE?

Use this before any campaign goes live.

- **IS IT BACKED BY CREDIBLE, VERIFIABLE EVIDENCE?**
- **HAVE WE TOLD THE FULL STORY NOT JUST THE POSITIVES?**
- **ARE WE AVOIDING ABSOLUTE OR COMPARATIVE CLAIMS THAT WE CAN'T PROVE?**
- **IS THE LANGUAGE CLEAR AND SPECIFIC? NO BUZZWORDS, NO VAGUENESS?**
- **HAS THIS BEEN REVIEWED AND SIGNED OFF WITH ESG ASSURANCE IN MIND?**

If the answer to any of these is no... pause. It might need reworking or a closer look from an independent reviewer.

TIPS TO PREPARE FOR ESG ASSURANCE

Getting ready for ESG assurance starts with how you manage your data. Whether you're planning a limited assurance review or laying the groundwork for future audits, these practices will make the process faster, smoother, and more credible.

KEEP CLEAR DOCUMENTATION
on how data is collected, calculated, and stored.

HAVE CLEAR AUDIT TRAILS
to show exactly where each data point comes from.

ALIGN WITH RECOGNISED ESG FRAMEWORKS
like Global Reporting (GRI), Corporate Sustainability Reporting Directive (CSRD), etc.

ASSIGN INTERNAL OWNERS
for each data stream don't let ESG data sit in a shared inbox.

BE TRANSPARENT
about any assumptions or estimates used and explain your rationale.

The more structured your data is now, the less painful and more valuable assurance will be later.

CONCLUSION:

The direction of travel is clear: scrutiny of sustainability claims is only going to increase. The CMA has already raised the bar on regulating environmental claims. In the EU, the upcoming Green Claims Directive will require that any voluntary environmental claims be backed by scientific evidence and verified by an independent third party with enforcement expected in the next couple of years.

At the same time, consumers are demanding more transparency, and investors want ESG disclosures they can trust. In this environment, relying on good intentions or vague claims isn't enough. Brands need to be able to stand behind every sustainability statement they make or risk real financial, legal, and reputational consequences.

Independent assurance doesn't guarantee claims are immune to challenge. But when it's built in early, it can help you find stronger claims, sharpen your messaging, and bring different teams together around a clear narrative. It's a smart way to tell a better story with confidence.

If you're involved in ESG communications, marketing, or brand strategy, now's the time to put assurance on the agenda. It's not just about protecting your next campaign. It's about building long-term credibility and making sure the story you tell is one your audience can trust.

METHODOLOGY:

Menzies reviewed a total of 1,090 Advertising Standards Authority (ASA) rulings published between March 2020 and March 2025, across both broadcast and non-broadcast advertising.

Of these, 53 rulings were identified as involving environmental or sustainability-related claims. These included product, or brand, level statements referencing climate impact, recyclability, emissions, energy use, resource efficiency, or sustainability positioning (e.g. "eco-friendly," "green," or "sustainably sourced").

Each ruling was analysed against key ASA code sections CAP Code Section 11 and BCAP Code Section 9 covering:

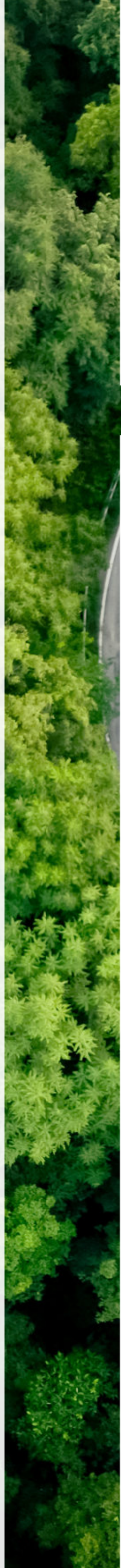
- Unqualified or misleading claims
- Use of ambiguous terminology
- Absolute or comparative claims
- Omissions of material information
- Claims not based on full product or service lifecycle

Menzies' ESG assurance team then assessed, case by case, whether the issues cited could reasonably have been prevented or reduced by applying standard ESG assurance procedures, such as:

- Data and evidence review
- Materiality assessment
- Claim substantiation
- Pre-publication sign-off and alignment to external frameworks

Cases were categorised as:

- Likely preventable – assurance would have flagged the issue and enabled meaningful claim revision
- Partially mitigated – assurance would not have prevented the complaint but could have reduced exposure
- No material change – assurance unlikely to have altered the outcome



READY TO STRENGTHEN YOUR SUSTAINABILITY STORY?

Whether you're a brand owner, a marketing leader or a creative agency, if you're making environmental claims, now's the time to make sure they're built on solid ground.

At Menzies, our ESG assurance team works with businesses to independently review and verify claims, helping you reduce risk, spot stronger angles, and communicate with confidence.

GET IN TOUCH TO FIND OUT HOW ESG ASSURANCE COULD SUPPORT YOUR NEXT CAMPAIGN...

T: 020 7387 5868

E: advice@menzies.co.uk

W: www.menzies.co.uk/esg

LONDON
4th Floor
95 Gresham Street
London
EC2V 7AB

CARDIFF
5th Floor
Hodge House
114 – 116 St Mary St
Cardiff
CF10 1DY

FARNBOROUGH
Victoria House
50-58 Victoria Road
Farnborough
Hampshire
GU14 7PG

HEATHROW
2nd Floor
Magna House
18-32 London Road
Staines-Upon-Thames
TW18 4BP

LEATHERHEAD
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

SOLENT
3000a Parkway
Whiteley
Hampshire
PO15 7FX

STEVENAGE
Richmond House
Walkern Road
Stevenage
Herts
SG1 3QP

WOKING
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

CONTACT US

T: 020 7387 5868
E: advice@menzies.co.uk
W: www.menzies.co.uk/esg