businesscompanion
trading standards law explained

Net zero and your business

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What steps can I take to work towards net zero?

Remember: when claiming that your business or your products are net zero, your claims must be accurate and cannot mislead consumers. See the Competition and Markets Authority's (CMA) 'Green Claims Code' for further information.

It would help to understand your business's carbon footprint, as this is often a major contributing factor when being considered a 'green' business.

There are many ways of calculating your carbon footprint. Free resources can be found online, or you can use a consultant to help you establish your environmental impact. Whichever method you choose, ensure your answers are as accurate as possible, and that you keep detailed notes about how you arrived at your footprint result. The Federation of Small Businesses has guidance on how to measure your carbon emissions.

Did you know that there are many Government-backed financial schemes available throughout the UK? Visit the UK Business Climate Hub to see what your business could qualify for.

If you are looking for a 'standard' that details what you need to do to become carbon neutral, then you can use BS ISO 14068-1: *Climate change management. Transition to net zero - Carbon neutrality**, which has recently been published by the British Standards Institution (BSI). You also have the option to use a third-party company to demonstrate your compliance with BS ISO 14068-1.

[*There will be a crossover period of 24 months to allow users of the previous standard (PAS 2060) to adapt to the new requirements.]

The following are practical steps that you can take to become a net zero business.

For your business **premises**:

- use renewable energy sources for heat and light. Consider solar panels and heat pumps (Government grants may be available)
- install LED lights
- if you use refrigerant, use low-impact refrigerant

- turn off as many electrical devices as you can at the end of the day
- activate power-saving modes on as many devices as you can
- ensure that your premises are as draught-free as possible

If you have to **transport** products and/or people:

- use electric vehicles when possible
- consider whether a van or car is really necessary. Could alternative, greener transport be used?
- conduct meetings remotely when possible, stopping unnecessary travel

For your retail **products**:

- ensure that claims made by your suppliers are truthful and accurate. If they are claiming to be green, ask how. Beware of vague and unsubstantiated claims. You are responsible for ensuring that any claims you make to consumers comply with consumer protection legislation. This includes those that originate from, or are based on, claims made by your suppliers
- design products to be as sustainable and recyclable as possible
- consider helping the consumer to repair, rather than replace, faulty products (only if it is safe to do so)
- consider ways that you can minimise the return of goods to you, whilst complying with the consumer's right to return (for more information on returns, see 'Consumer contracts: distance sales')

For your **employees**:

- enable them to lead a low-carbon lifestyle by providing access to cycle-to-work schemes or electric vehicle leasing schemes
- lead by example! If you demonstrate a sincere commitment to net zero, your employees are likely to follow
- help them to feel that they are an essential part of your business's net zero journey by hosting workshops and training sessions, and being available to answer their questions

Keeping on the right side of the law

You need to be aware of the CMA's 'Green Claims Code' if you make any of the following claims, suggesting or creating the impression that a product or a service:

- has a positive environmental impact or no impact on the environment
- is less damaging to the environment than a previous version of the same goods or service
- is less damaging to the environment than competing goods or services

The Consumer Protection from Unfair Trading Regulations 2008 (CPRs) prohibit commercial practices that are likely to cause the average consumer to take a 'transactional decision' they would not have taken otherwise. The Regulations are enforced by the CMA, local authority Trading Standards services and certain sectoral regulators, such as the Office of Gas and Electricity Markets (Ofgem) and the Financial Conduct Authority (FCA).

The Green Claims Code sets out six principles, which businesses must consider when making claims. This will help to ensure that they do not breach the CPRs. The principles are as follows.

"Claims must be truthful and accurate." Businesses must live up to all claims made.

"Claims must be clear and unambiguous." A customer should be able to understand the claims that you are making.

"Claims must not omit or hide important relevant information." A customer should be given the full picture to be able to make an informed choice.

"Comparisons must be fair and meaningful." Products being compared should meet the same needs or be intended for the same purpose.

"Claims must consider the full life cycle of the product or service." Think about its overall impact, from creation to disposal.

"Claims must be substantiated." All claims should be backed up with robust and credible evidence.

Where can I get further advice?

- the CMA's 'Green Claims Code' and its accompanying guidance can be found on the GOV.UK website
- your local Trading Standards service can also provide guidance, usually as part of a Primary Authority (PA) agreement, in which you form a relationship with a Trading Standards service of your choice, which then enables you to receive 'assured advice'
- the Business Companion guide 'Environmental ('green') claims'
- the Advertising Standards Authority's guidance on green claims

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