



## Evaluating the use of 'green' terminology in the advertising of jewellery

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In recent years, the jewellery and gemstone industries have experienced a significant shift in consumer preferences, with increasing demand from consumers for transparency, sustainability, and ethical practices. This evolving landscape has prompted many companies

to adopt “green” terminology in their marketing efforts, appealing to environmentally conscious consumers.

But the implications of such terminology are multifaceted and can lead to legal and ethical dilemmas, particularly in the face of potential greenwashing—where companies exaggerate or misrepresent their sustainability efforts.

Recognizing the importance of this issue, the CIBJO Ethics Commission has created this report on the use of “green”



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terminology in advertising within the jewellery sector. It outlines our findings, recommendations, and the ethical considerations that must guide the industry moving forward.

In the context of the United States of America’s Federal Trade Commission ongoing revision of the Green Guides, the EU’s Greenwashing Directive, and the UK’s Sustainability Disclosure Requirements, it is increasingly vital for the jewellery trade to have robust knowledge regarding the legal and ethical boundaries of using this terminology.

**The rise of sustainability in consumer choices**

Sustainability has moved from a niche concern to a mainstream priority. Consumers are now more informed and engaged regarding environmental issues, and are actively seeking products that align with their values. A growing body of research indicates that consumers are willing to pay a premium for products marketed as sustainable, which has led to an increase in the use of “green” terminology across various industries, including jewellery.

A 2022 joint study by the Baker Retailing Center at the Wharton School of the University of Pennsylvania and First Insight found that, “Over two-thirds of the consumers say that they are willing to pay more [for sustainable products],” “almost three-quarters of consumers say that sustainability is a very or somewhat important purchase consideration,” and “[c]onsumers are shopping sustainable brands out of a desire to help the environment—by reducing production waste, by reducing their carbon footprint, out of concern for animals—and less so to be recognized as a good citizen (social signalling).”

As the world reacts to climate change and environmental crises, consumers look to words and phrases such as “sustainable,” “ethical,” “green,” “eco-friendly,” and “environmentally friendly” when making their purchasing decisions.

Consumers buying jewellery deserve clarity and forthrightness, perhaps especially at the lower end of the price point spectrum. The purchase of jewellery is one of the larger purchases many will make in their lifetime, and the importance of that large sum along with the fact that many consumers are intimidated and not fully expert in the

A graphic with a light green background. At the top left, the word "NATURAL" is written in white, bold, uppercase letters inside a dark green rounded rectangle. Below it, "Net-Zero" is written in dark grey, bold, uppercase letters. To the right of "Net-Zero", "biodegradable" is written in yellow, lowercase letters. Below "biodegradable", "recycled" is written in brown, lowercase script. In the center, "Green" is written in large, teal, lowercase script. Below "Green", "renewable" is written in dark grey, lowercase letters. At the bottom, "SUSTAINABLE" is written in large, dark green, bold, uppercase letters.

scientific and technical aspects of how such items are valued and produced make clarity essential for achieving a baseline of consumer protection.

### **Defining green terminology**

“Green” encompasses a broad spectrum of concepts, including environmental sustainability, ethical sourcing, fair trade practices, and social responsibility. However, terms such as “eco-friendly,” “sustainable,” and “green” often lack uniform definitions, leading to ambiguity in their use.

Some argue that jewellery products, many of which are extracted from a hole in the ground, can never qualify as “sustainable” as they are not regenerative. Others believe that sustainability should be broadly defined in the style of the U.N. Brundtland Commission, which described sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” Without a central, agreed-upon definition, this ambiguity can mislead consumers who rely on these terms to make informed purchasing decisions.

As companies seek to capitalize on the growing demand for sustainable products, the risk of greenwashing becomes a pressing concern. Instances of brands making unsubstantiated claims or using vague language to describe their practices can result in significant reputational damage and legal repercussions.

### **Consumer perception and trust**

Research indicates that consumers are increasingly aware of sustainability issues, but there is a significant knowledge gap regarding what constitutes true sustainability. Furthermore, many consumers are expressing a desire for more information about the environmental and ethical impacts of their purchases.

Misinformation regarding “green” claims can lead to disillusionment and scepticism amongst consumers. Studies have shown that when consumers discover that a brand’s claims are misleading, it not only damages that brand’s reputation but also affects their overall trust in the industry.

The lack of standardised definitions for “green” terminology results in varied interpretations. For example, the term “sustainable” can refer to environmental, social or economic practices, and without clear context it can be misleading. Studies show that consumers place great value on these types of claims made in advertising. It is disingenuous at best to make them without substantial backing. Such practices can mislead consumers and create an uneven playing field for businesses that genuinely adhere to sustainable practices.



Greenwashing is particularly detrimental because it undermines consumer trust and misleads individuals into believing that a company is engaging in environmentally responsible practices when it is not. It is a deceptive marketing tactic that can distort market competition by giving an unfair advantage to companies that falsely portray their products as sustainable, disadvantaging businesses that genuinely adhere to ethical and eco-friendly practices and carefully review advertising to ensure substantiation. Additionally, greenwashing can hinder meaningful progress toward environmental sustainability by diverting attention and resources away from truly sustainable solutions.

In legal terms, it can expose companies to liability for false advertising and consumer fraud. Misleading claims violate consumer protection laws and regulations.

### The need for unified standards

The lack of unification and clarity in existing guidelines exacerbates such problems. While various regulatory bodies have passed and implemented or are developing guidelines to combat greenwashing across industries, there remains a lack of cohesive standards, specifically tailored to the jewellery market.

This regulatory fragmentation can create loopholes that companies may exploit, creating challenges, especially for smaller businesses. It is particularly important for industry bodies to support them, by establishing clear guidelines and offering resources that help them navigate this competitive landscape without having to resort to questionable marketing practices.

Moreover, the scientific complexity of the many different contributing industries to jewellery (such as mining, manufacturing, and recovery and reuse of precious metals) makes an overly broad approach meaningless for consumers and businesses alike—especially with no enforcement to ensure compliance. The sustainability of jewellery products can vary significantly based on several factors, including the materials used, sourcing practices, manufacturing processes, and the overall lifecycle of the product.

Establishing unified standards for “green” terminology within the jewelry industry is critical. While businesses should never be discouraged from taking even small steps to reduce environmental impact, the fact remains that the current definitions remain overly broad for many to make effective choices while not deceiving consumers.

Unified standards would help ensure that consumers can make informed choices and would hold companies accountable for their claims.

### Legal implications of greenwashing

Greenwashing not only poses reputational risks but also exposes companies to significant legal liabilities. Various consumer protection agencies, including the United States of America’s Federal Trade Commission, the European Commission, and national regulators in the United Kingdom, have begun scrutinizing “green” claims with increasing rigour.

Lawsuits and regulatory actions against companies that fail to substantiate their environmental claims are on the rise, with penalties ranging from fines to injunctions that require brands to cease advertising certain claims.

For the jewellery industry, which often involves complex supply chains that span multiple countries, the legal landscape around “green” marketing is particularly complicated. Companies must not only comply with their home country’s regulations but also with the legal requirements of other jurisdictions where their products are sold.

This global complexity makes it crucial for jewellery brands



to have a thorough understanding of both the ethical and legal implications of their marketing strategies. Failure to do so can result in costly litigation, as well as eroding consumer trust.

### Recommendations

The following are a set of broad recommendations, to alleviate the challenges listed above. They are intended to help providing clarity as to what is acceptable and what is not in making “green” claims when marketing jewellery and jewellery components, as well as navigating the often confusing and incomplete regulatory environment.

#### *A. Establishment of clear definitions*

It is imperative that, when we make an honest claim, it be understood by our counterparts exactly as we intended. The need for consensus around the meaning of critical terminology is essential. For example, how many of you reading this document, can clearly differentiate the nuances that separate the words “source,” “origin” and “provenance”?

For the past 18 months CIBJO’s Supply Chain Nomenclature Committee has been focusing on such terminology, working to create a comprehensive glossary of terms commonly used

in sustainability marketing within the jewellery sector. It will include definitions based on verifiable criteria, ensuring clarity for both consumers and companies.

The Ethics Commission commends Supply Chain Nomenclature Committee for its efforts, and is confident that its evolving lexicon will engender a common understanding across the supply chain.

#### *B. Transparency in Marketing Practices*

To foster consumer trust, companies should adopt transparent marketing practices. This includes providing, substantiation for claims about sustainability, as well as making supporting documentation readily available for consumers to access. Brands should be encouraged by industry to disclose information about sourcing, production processes, and the lifecycle of their products.

#### *C. Educational initiatives*

Educational resources aimed at both consumers and industry stakeholders should be developed and made widely available. Education could also involve workshops and panels at trade shows, online courses, and informative publications that clarify sustainable practices and the significance of



ethical terminology in advertising. This is an area of activity in which CIBJO is already involved.

#### *D. Collaboration with regulatory bodies*

Implementing a system by which advertising claims made by companies are regularly assessed can help ensure compliance with established guidelines. CIBJO could partner with third-party organisations to conduct regular monitoring of jewellery advertising to verify marketing assertions and to provide feedback to companies.

CIBJO should also actively collaborate with regulatory bodies to advocate for robust, industry-specific standards regarding “green” terminology and advertising practices. By engaging with regulators, CIBJO can help shape policies that promote transparency and ethical marketing in the jewellery sector.

#### *E. Collaboration Across Supply Chain*

To create a truly sustainable product, jewellery companies must work closely with suppliers, manufacturers, and retailers to ensure that every step of the supply chain adheres to ethical and environmental standards. This requires greater transparency and communication between all parties involved.

CIBJO can play an instrumental role in facilitating this collaboration, by creating forums for dialogue and knowledge-sharing across the supply chain. By encouraging cooperation, companies can pool resources, share best practices, and develop industry-wide solutions to sustainability challenges.

Ultimately, a collaborative approach ensures that sustainable practices become embedded throughout the entire lifecycle of jewellery products, rather than being relegated to marketing strategy alone.

#### *F. Adoption of third-party certifications*

One of the most effective ways to mitigate the risks associated with greenwashing is for companies to seek third-party certification for their sustainability efforts. Programmes such as that of the the Responsible Jewellery Council (RJC) can provide independent verification of a company’s claims regarding environmental responsibility.

Certification also helps establish credibility by demonstrating a company’s commitment to responsible practices. It provides consumers with confidence that they are purchasing products from a brand that genuinely aligns with their values.

By integrating third-party certifications into their marketing, jewellery brands may differentiate themselves from competitors who make unsubstantiated “green” claims.

#### **Brand values and aligning with consumers**

The integration of “green” terminology in advertising offers significant opportunities for the jewellery and gemstone industries to align with consumer values and enhance brand loyalty. The associated challenges, and particularly the risk of greenwashing, must be addressed through transparency and ethical marketing practices.

By promoting the development of universal definitions and advocating for stronger regulatory standards, CIBJO can help guide the jewellery industry toward a future that is not only profitable, but also is responsible and sustainable.

Through the implementation of the recommendations outlined in this report, CIBJO can take proactive steps to ensure that member companies and members of affiliated national associations engage in ethical advertising practices that not only foster consumer trust, but also contribute to a more sustainable future for the industry.



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