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Green Marketing & Greenwashing Trends

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Be informed

(because greenwashing risks everything)

- Green marketing trends
- Greenwashing trends
- Regulators and 'soft' guidelines
- Recent enforcement actions
- Things to remember



TerraChoice Group Inc.

Communications



Helping grow the world's most sustainable companies.

Leadership

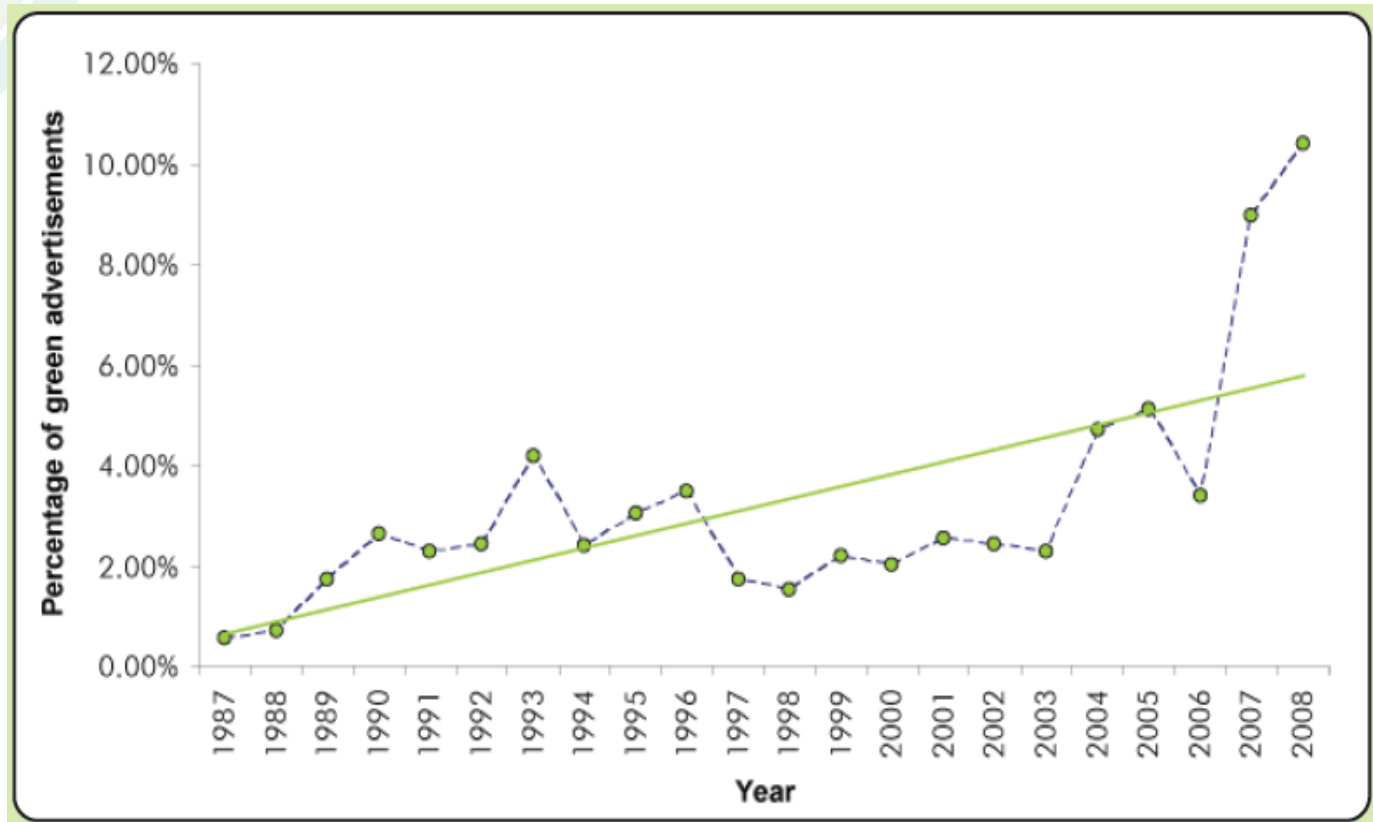


Certified. Sustainable. Leadership.

Trust



Challenges



Average of: Vanity Fair, Sports Illustrated, Time Magazine, National Geographic, Forbes

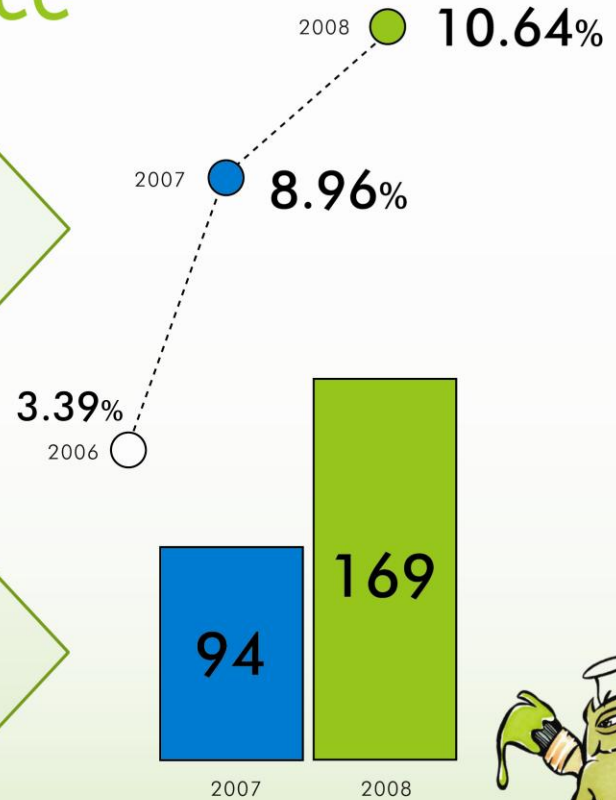


Proliferation of 'green'

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More ads are making 'environmental claims'.
'Green' ads have more than tripled in the last three years.

More products are claiming to be 'green'.
The average number of 'green' products per store almost doubled between 2007 and 2008.



Complicated marketplace



RAW NUTZ*	HERBs*	MOSS*	WEEDs*	SCUM*
Righteous & Willing Nature Unspoiling Total Zealots	Hopeful Eco- Ranting Buyers	Masses of Sustainable Starters	Waiting for Everyone Else Demographic	Stubborn Comatose Undereducated Mainstream



Complicated products





Complicated laws





Greenwash ('green'wash, -wôsh):

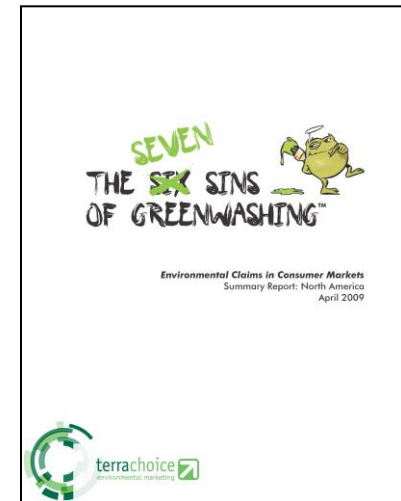
the act of misleading consumers or customers about the environmental practices of a company or the environmental benefits of a product or service.





SEVEN THE ~~SIX~~ SINS OF GREENWASHING™

- Annual study
- Category-leading ‘big box’ retailers in US, Canada, UK and Australia
- US and Canada: 2,219 products making 4,996 environmental claims
- Key findings:
 - 98% of products committing a “Sin”
 - Eco-labeling is on the rise
 - Emergence of “fake labels”
 - More products making claims
 - Greenwashing is still rampant
 - Greenwashing is an international challenge
 - Kids, (toys and baby products), cosmetics & cleaning products have most claims & most greenwashing



www.sinsofgreenwashing.org





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94%



Sin of the Hidden Trade Off

Claims suggesting 'green' based on one or two attributes while ignoring other important environmental issues



57%

Sin of Vagueness

So broad or poorly defined that its real meaning is likely to be misunderstood by the consumer



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43%



Sin of No Proof

Claims that can't be substantiated by easily accessible supporting information



11%

Sin of Irrelevance

May be truthful but is unimportant and/or unhelpful for those looking for genuinely greener products



SEVEN
THE ~~SIX~~ SINS OF GREENWASHING™

4%



Sin of Lesser of Two Evils

May be true, but risk distraction from the greater environmental impacts of the category as a whole

0%



Sin of Fibbing

Just plain false



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39%



New sin found

Sin of Worshipping False Labels

Gives the impression (through words or images or both) of 3rd-party endorsement where none actually exists





Greenwashing Risks - FTC

Guide for the Use of Environmental Marketing Claims:

- Late 2007, announced revision of environmental marketing guidelines - 1 year earlier than expected
- All forms of marketing - advertisements, labels, package inserts, promotional materials, words, symbols, logos etc.
- Environmental claims should only be made if they are:

True and accurate

Relevant and specific

Not misleading or subject to misinterpretation

Substantiated by competent and reliable evidence

Materially important and meaningful



Recent Actions

January 2009 (CA): San Diego man launches lawsuit vs. American Honda Motor Co. for claim of “Fuel-Efficient” Hybrid Honda Civic

February 2009 (NY): State of New York and environmental/public safety groups file suit against Tide, Ajax, Procter & Gamble, Colgate-Palmolive to force them to reveal household cleaners ingredient and for claim of “Eco-Friendly”

March 2009 (CA): A consumer filed a class action lawsuit against S.C. Johnson & Son Inc. for claim of “Environmental Safety and Soundness” on Windex product

June 2009: FTC charged Kmart Corp, Tender Corp and Dyna-E International with making false and unsubstantiated claims that paper products (disposable plates, moist wipes and compressed dry towels, respectively) were “biodegradable”



Recent Actions

August 2009: FTC charged four clothing / textile companies – Jonano, Mad Mod, Pure Bamboo and the M Group – with making false and unsubstantiated claims that clothes and textiles are made using “an environmentally-friendly process” and are “biodegradable”

June 2009 (Canada): Canadian Competition Bureau approached seven spa companies and had them commit to stop making false claims of Energy Star rating on hot tubs and spas

December 2008 (Canada): Coalition including Friends of the Earth & the Polaris Institute filed a complaint under the Canadian Code of Advertisers after Nestle claimed that “bottled water is the most environmentally responsible consumer product in the world”



Remember.....

- Consumers want to be green
- Green marketing is on the rise
- Markets, products and laws are complicated
- Don't underestimate consumers or regulators
 - Understand all of the potential impacts
 - Be able to substantiate your claim
 - Seek true 3rd-party certification or endorsement
 - Provide meaningful & relevant details
 - Don't create a misleading logo
 - Don't lie



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Thank You.

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