

THE GREEN CRED CHECKLIST

Best practice guidelines for environmental claims in advertising and marketing communications

An Initiative of the Total Environment Centre's Green Capital Program*

INTRODUCTION TO THE GREEN CRED CHECKLIST

The Total Environment Centre's Green Capital Program exists to advance environmental sustainability by helping businesses to reduce their footprint and adopt new and better practices. Green Capital and the TEC share a longstanding commitment to raising the standards of green marketing and upholding the integrity of environmental claims in advertising, marketing communications ('marcoms') and corporate positioning, including sustainability and corporate citizenship reports. This checklist is for product claims.

There are three main objectives for these guidelines:

1. Encourage businesses to identify and invest in credible products and business models that deliver enhanced environmental outcomes
2. Promote adoption of best practice in making environmental claims in advertising, media statements and other corporate communications, and
3. Put an end to 'greenwash' to give consumers confidence in environmental claims and to encourage them to make 'buying greener' the societal norm.

TEC defines greenwash as *'key communications or actions by an organisation that creates a reputation of being more responsible or sustainable than they actually are. This can be applied to a product, service, company or sector.'* Often the result of ignorance and over-enthusiasm rather than deliberate deceit, it exploits rising consumer concern about environmental problems and emerging demand for more

sustainable lifestyles, and undermines the leadership efforts of companies with genuine green products and credible sustainability performance.

Importantly, ending greenwash is a priority to unlock the potential for consumers to drive sustainability in tandem with progressive action by governments and corporations. Engineering a set of solutions to promote good marketing of sustainability, while putting an end to greenwash, requires the active support and participation of many players in the marketing world.

Ultimate responsibility, however, lies with the brand owners, and at a personnel level, their CEOs, other senior executives and marketing managers. Brand owners can include governments and their agencies, and community groups and not-for-profit organisations, as well as businesses of all sizes. Typically brand owners are responsible for making products in the first place, they brief the advertising and marcoms agencies which develop creative treatment and messaging, they provide final sign-off on campaigns and pay the bills for buying media space or running PR strategies, and they gain the benefits of success or are liable financially and legally for any failure.

TEC specifically invites brand owners, advertising and communications agencies, media, relevant industry bodies and others in the extended marketing food chain to use and promote *THE GREEN CRED CHECKLIST* both inside and outside their organisations. We also encourage them to develop and promote other ways to manage for best practice and good green marketing outcomes.



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*DISCLAIMER: These guidelines are intended to support achievement of best practice in the use of environmental claims in advertising and marketing communications by businesses and other organisations. Using and/or complying with the guidelines, however, will not constitute any approval, accreditation or certification of performance from the Total Environment Centre or its Green Capital Program. TEC at all times reserves its right to critique any claims made in regard to products and organisations concerning the environment, sustainability, climate change and related subject matter.

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TEC continues to support the current regulatory framework and where appropriate more extensive or targeted regulatory and industry self-regulatory measures to ensure that environmental marketing claims are legitimate, so that greenwash is exposed and punished. We will maintain vigilance in our community watchdog role along with other environment and consumer advocacy groups. As stated in the disclaimer on the cover, use of/or compliance with these guidelines does not represent any approval or endorsement by TEC or Green Capital of any product or organisation or its marketing and promotion.

ALSO SEE: The End of Greenwash: How to unlock the consumer potential for sustainability, a position paper published by the TEC and Green Capital in August, 2008 and available from www.tec.org.au and www.greencapital.org.au.

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Best Practice Guidelines for Environmental Claims in Advertising and Marketing Communications

THE 10 QUESTIONS THAT NEED ANSWERS

MOTIVATION & KNOWLEDGE

1. MOTIVE: Why are we making this green claim or taking a corporate position on environment or sustainability?

The right answer is that environmental net benefit will be created as a prerequisite, with commercial or other organisational benefit following from that. We need more products, and businesses and other organisations that are greener and more sustainable. While it is entirely appropriate to be wary when making environmental claims, brand owners are urged to rise to the challenge of getting green marketing right. We all lose if brand owners with potential to make genuinely green or greener offerings of goods and services are scared off and decide it's all too hard. We also lose if marketing professionals are discouraged from applying their consumer savvy and creative skills to sell sustainability.

This checklist aims to help recruit more green marketers by building confidence about going greener, and making it safer for well-meaning brand owners, while insisting that the price of making environmental claims is delivering value to the environment in return.

2. KNOWLEDGE: Are we adequately informed or skilled up to understand relevant environmental issues before making claims?

Making sound environmental claims is often complex and sometimes daunting territory. You can't just take one or two items in isolation and ignore the whole life cycle of a product, or the full profile of the organisation making the claims. Ignorance and misunderstanding are key drivers of greenwash, far more so than deliberate lying or willful exaggeration. So it's important to get informed and build awareness of the many complexities of environmental issues, and also understand how greenwash happens and

how to avoid it. Help is at hand. Once you look you'll be amazed how much information is available.

This checklist provides numerous references and links that will help you to be better informed and therefore better at green marketing (see 'Six of the best' recommended reading references; and a range of additional helpful sources in the back of this document). Also, train your key people!

TELLING THE WHOLE STORY

3. TRUTH: Telling the truth is obviously vital, as is clarity, but are you using the truth in the right way?

A common trap in green marketing is that just because a claim is true in a narrow sense doesn't mean it can't be misleading in the broader context. For example packaging may be recyclable, but if the packaging volume is excessive then it still represents a waste of energy and resources. Other frequently-cited examples where truth alone is not enough include claims like 'CFC-free' when CFCs have been banned globally for over two decades, or 'phosphate-free' for a cleaning product that wouldn't have included phosphate as an ingredient anyway. Fudging on the truth through vague or ambiguous statements muddies the waters, so use language with precision and clarity (also see 'Core Words' below). For example, while a mining company can't be environmentally friendly as a whole, it can reduce its environmental footprint per tonne of ore shipped. Of course greenwash is not only about words and verbal or written statements. Labelling, pictures, symbols, graphics, even the use of colour can be misleading to customers or citizens.

This checklist emphasises taking the broad view rather than relying on a narrow definition of what's true. Also, the stronger the truth of your core claim or claims, the more confidence you should feel in revealing where there are uncertainties or other qualifications to your story.

4. MATERIALITY: Building on truth, is what we're claiming material i.e. does it really matter, or is it inconsequential?

Establishing materiality is closely related to the limitations of using truth alone to shape environmental claims, and provides the framing for overcoming the truth-is-not-always-enough problem. Claiming energy efficiency or highlighting a 'green energy' power source for an electronic device that is inherently low energy consumption in any case would be misleading if its real carbon footprint issue is the embodied energy in its manufacture and materials (e.g. metals, plastics etc.); or there are significant toxicity concerns; or, on a more positive note, if use of the device delivers far greater energy or resource-saving than making or operating it. As a rule it's better to choose the most material green attributes to highlight and make sure they are true as well.

This checklist recommends assessing materiality as a key methodology for understanding and testing what's important and what's not.

5. FULL DISCLOSURE: Material omissions are a problem too, so are you sure that everything significant is on the table?

The problem isn't just what you say in claims. It can also be what you don't say. Highlighting one or two positive green attributes, no matter how well supported they are, is rendered meaningless and misleading if you ignore material negatives. Accentuating the positives and eliminating the negatives just won't work if you want to be credible in an ever-greener marketplace. Beyond environment, in terms of sustainability more broadly, disclosure needs to apply to relevant social and economic factors as well. Claiming green credibility while exploiting workers, for example, is a form of greenwash.

This checklist recommends that you always think lateral, and check and double check: Is there anything else we should know? What's missing?

EXECUTING WELL

6. LIFE CYCLE: Are we looking at everything along the whole value chain and life cycle, or is something we should know invisible to us?

Products often have extensive life histories that are largely invisible to the end consumer. This is a key reason why environmental claim-making can be so complex. An everyday product containing metal and plastic components could trace its origins to far-off mines and oil drilling in sensitive environmental areas, or more positively could be produced largely from recycled materials. Paper products could be sourced from fully-accredited sustainable plantation forests, or in the worst case from illegally-logged old-growth rainforests. Manufacturing may occur in clean, fair workplaces or polluting sweat-shops. Packaging or products might look great, but pose serious problems for waste disposal and also recycling due to toxic ingredients or use of composite materials. An organisation highlighting a green offering may be a social and environmental laggard in its main operations, which must ring alarm bells, or it could be a sustainability leader with an even better story to tell. Best practice for brand owners means requiring their suppliers to vouchsafe products and to check their suppliers' claims, to ensure integrity in their own processes, and to extend producer responsibility beyond the consumer. For marketing professionals, it's about digging deep!

This checklist advises that making green claims imposes a responsibility to check the whole life cycle of a product - the full value chain involved in its raw materials, production, distribution and post-consumer phases - and the bona fides of all relevant organisations.

7. SELF-CONTROL: Are we sure we're not getting carried away by over-enthusiasm or our aspiration, or even by commercial rivalry?

Enthusiasm for delivering better environmental outcomes is to be applauded and more and more organisations are promoting their aspiration to be greener and more socially responsible. Like most of us, people working in marketing are not immune to getting carried along by their

enthusiasm to make a difference for society or the environment, or to beat a rival. Over-enthusiasm, however, especially when combined with ignorance of the complexities of environmental issues, frequently leads to greenwash. Integrity in green marketing and positioning demands that any claims be based on how things are, rather than how you wish them to be or even plan they will become. Another reason for excessive enthusiasm overriding green marketing good sense is good old-fashioned competition. A desire to outdo or catch up with a business rival's products or positioning can mean caution or due process gets sidelined.

This checklist warns against confusing what you hope or plan for your product or organisation with current performance. Stick to here-and-now facts and don't let competitors spook you into making claims that won't stand up. If you feel pressured by a competitor you may be better off challenging their claims rather than emulating them.

8. CORE WORDS: Do we really understand the meaning of core words that are being used in our claims, and are we protecting their integrity?

There is a group of core words or phrases that lies at the heart of much environmental or sustainability claim-making and are most typically associated with greenwash. They include terms such as Eco-friendly, Natural, Non-toxic, Green, Pollutant-free, Carbon Neutral, Ethical, Fair, Recyclable, Low-impact, Environmentally-friendly, Energy efficient, Low carbon, Not tested on animals, Clean, Zero carbon, Zero waste. These are important terms, and they deserve respect and protection. They should only be used if they are true, if materiality has been established, and if you are able to fully disclose evidence to support the claims. Otherwise they are generalisations that may sound impressive but are devoid of credibility.

This checklist highlights the dangers of misusing core words and phrases by using them to make general claims of green virtue without real evidence. Over time new core terms will emerge, like Carbon Neutral in recent years, and these also should be recognised and respected. (See 'End of Greenwash' paper at www.tec.org.au).

9. PROOF POINTS: Are we backing up our claims with specific 'proof points' that are accessible to the target audience?

Not surprisingly, the consumers initially most likely to purchase products or support organisations based on green credentials are also those likely to be most informed (and therefore potentially sceptical of environmental claims) and to demand proof. They are likely to include some of your employees or shareholders as well as your customers and end-consumers. The good news is that if you can please this tough crowd, like the ever-more numerous Lifestyles of Health and Sustainability (LOHAS) consumers, then you've likely crossed a threshold to green credibility. If you're claiming a value proposition of green or sustainable, then you need to back it up with 'proof points' such as easy to understand references, statistics and credible and defensible third-party research sources.

Making claims of being Carbon Neutral is a classic case in point, requiring proof points to show exactly what is covered by the claim, for what period, and exactly how any claimed performance has been achieved. If that sounds hard, it needs to be!

This checklist stresses a simple formula: if you can't find legitimate proof points and explain them simply, then don't make the claim.

DON'T BE AFRAID TO SEEK ASSISTANCE

10. HELP: If we can't answer all of the points in this checklist with confidence, who can help us to get it right?

Many organisations, and especially small and medium-sized enterprises, don't have internal environmental experts or regular external advisers. There are numerous options for getting expert support and advice to unravel the complexities of environmental issues, to establish both truth and materiality in claim-making, to assemble evidence of performance and to frame proof points. Examples of organisations in Australia that could help include official regulator the Australian Competition and Consumer Commission (www.accc.gov.au), marketing industry bodies and other business groups, standards bodies like Standards Australia (www.standards.org.au), labelling organisations such as Good Environmental

Choice Australia (www.aela.org.au), environmental consultants and professional service firms, and community watchdogs - green groups like the Total Environment Centre (www.tec.org.au) and consumer advocates like CHOICE (www.choice.com.au).

This checklist's advice is clear: if you have any doubts then get help, because risking greenwash is risky business for any organisation.

THE QUICK CHECK: IF YOU DO NOTHING MORE, ANSWER THESE QUESTIONS BEFORE MAKING ENVIRONMENTAL CLAIMS

1. TRUTH - If I make this green statement, can it be proven to be true 100 percent of the time?
2. MATERIALITY - Even if it is true, does the green statement really matter i.e. is the problem being avoided or remedied substantial and significant, or trivial and insignificant?
3. FULL DISCLOSURE - Are there any other environmental or sustainability issues being overlooked, especially negative ones?
4. SUBSTANTIATION - Whatever is being claimed, and whoever is making the claims, are they backed up by firm evidence?

SIX OF THE BEST - RECOMMENDED READING ON GREEN MARKETING (THE GOOD, THE BAD AND THE UGLY)

The 'Six Sins of Greenwashing™', A Study of Environmental Claims in North American Consumer Markets, Terrachoice Environmental Marketing, November 2007, <http://www.terrachoice.com/Home/Six%20Sins%20of%20Greenwashing>

Eco-promising: communicating the environmental credentials of your products and services, Business for Social Responsibility and Forum for the Future, April 2008 www.bsr.org/reports/BSR_Eco-promising_April_2008.pdf

Getting to Zero: Defining Corporate Carbon Neutrality, Clean Air-Cool Planet (US) and Forum for the Future (UK), 2008 <http://www.cleanair-coolplanet.org/documents/zero.pdf>

The Greenwash Guide, Futerra Sustainability Communications, May 2008 http://www.futerra.co.uk/downloads/Greenwash_Guide.pdf

Let them eat cake: Satisfying the new consumer demand for responsible brands, Anthony Kleanthous and Jules Peck, WWF-UK http://www.wwf.org.uk/filelibrary/pdf/let_them_eat_cake_abridged.pdf

Reputation or Reality? - A Discussion Paper on Greenwash & Corporate Sustainability, Green Capital 2005 http://www.greencapital.org.au/index.php?option=com_docman&

MORE HELP FOR YOU TO GET GREEN CLAIMS RIGHT

OFFICIAL REGULATORS

ACCC on Green Marketing and the Trade Practices Act - <http://www.accc.gov.au/content/index.phtml/itemId/815763>

ACCC on Carbon Offset claims - <http://www.accc.gov.au/content/index.phtml/itemId/807902>

STANDARDS BODIES

Standards Australia - Australian/New Zealand Standard - AS/NZS ISO 14021

Environmental labels and declarations - Self-declared environmental claims

<http://www.saiglobal.com/PDFTemp/Previews/OSH/as/as10000/14000/14021.pdf>

PLUS 14021 - Environmental claims: a guide for industry and advertisers, Canadian Standards Association, June 2008

[http://www.competitionbureau.gc.ca/epic/site/cb-bc.nsf/vwapj/guide-for-industry-and-advertisers-en.pdf/\\$FILE/guide-for-industry-and-advertisers-en.pdf](http://www.competitionbureau.gc.ca/epic/site/cb-bc.nsf/vwapj/guide-for-industry-and-advertisers-en.pdf/$FILE/guide-for-industry-and-advertisers-en.pdf)

COMMUNITY WATCHDOGS

CHOICE Green Watch

<http://www.choice.com.au/viewArticle.aspx?id=106166&catId=100583&tid=100008>

ENVIRONMENTAL LABELLING

Eco-Specifier on eco-labels

http://www.ecospecifier.org/about_ecospecifier/assessment_methodology/introduction_to ecolabels

Good Environmental Choice Australia - Warning to Manufacturers

<http://www.geca.org.au/aela/Publications/Media%20Release%2021%20August%202007%20-%20claims%20by%20uncertified%20manufacturers.pdf>

Understanding Misleading Environmental Claims of Products in Australia

<http://www.cleanup.com.au/PDF/au/understanding-environmental-claims.pdf>

MARKETING INDUSTRY

Australian Marketing Institute - Green Marketing

<http://www.ami.org.au/followon.aspx?PageID=6434>