

Attention: Environmental and Consumer reporters



For Immediate Release

Study finds Greenwashing affects 98% of Products in Australia

Canada's Scott McDougall speaks about Greenwashing at Green Marketing Forum

SYDNEY – June 29, 2009 – The green economy continues to grow despite the recession. Businesses looking to promote greener products without misleading consumers are taking part in the 2nd Annual Green Marketing Forum on June 29 and 30 in Sydney and Melbourne on July 1 and 2. Keynote speaker at the Forum and President and CEO of TerraChoice Environmental Marketing, Scott McDougall will present ways to connect with consumers through credible and meaningful green marketing strategies.

Richard Milroy, Green Marketing Forum Director explains, "Companies that understand their customers, companies that are positioned for the future - know that they need to address green marketing. TerraChoice plays a vital role in the development of green products and services, acting as an informal policeman and setting the standards that companies simply must follow - greenwash just must be avoided. There is nothing worse than having a great product and then getting the marketing wrong."

As a part of his Keynote speech, McDougall will highlight the findings of TerraChoice's recently released *Seven Sins of Greenwashing* study and report, which found that 98% of products surveyed in Australia committed at least one Sin of Greenwashing.

Greenwashing is defined as the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service. For example, "water savings" is particularly important to Australians. The TerraChoice study found that "water savings" was found on 13.6 per cent of products in Australia compared to 0.4 percent in England and 1.6 per cent in the United States. If unverified or unsupported by a third-party certification, a claim of "water savings" can commit the **Sin of No Proof**.

Greenwashing is also changing in creative ways. As a result, a new sin has been identified and added to the original 2007 *Six Sins of Greenwashing*. The "**Sin of Worshiping False Labels**" is committed when marketers or manufacturers mimic third-party environmental certifications on products as a means of enticing consumers to buy them.

"The good news is that the growing availability of green products shows that consumers are demanding more environmentally responsible choices, and that marketers and manufacturers are listening," said McDougall. "The bad news is that TerraChoice's survey of more than 800 consumer products in Australia shows that almost all committed at least one Sin of Greenwashing and that some marketers are exploiting consumers' demand for third-party certification by creating fake labels or false suggestions of third-party endorsement."

The **Seven Sins of Greenwashing**, from most common to least common, are:

1. The **Sin of the Hidden Trade-Off** occurs when one environmental issue is emphasized at the expense of potentially more serious concerns. In other words, when marketing hides a trade-off between environmental issues. Paper, for example, is not necessarily environmentally-preferable just because it comes from a sustainably-harvested forest.
2. The **Sin of No Proof** happens when environmental assertions are not backed up by evidence or third-party certification. One common example is facial tissue products that claim various percentages of post-consumer recycled content without providing any supporting details.

3. The **Sin of Vagueness** occurs when a marketing claim is so lacking in specifics as to be meaningless. “All-natural” is an example of this Sin. Arsenic, uranium, mercury, and formaldehyde are all naturally occurring, and poisonous. “All natural” isn’t necessarily “green.”
4. The (new) **Sin of Worshipping False Labels** occurs when marketers create a false suggestion or certification-like image to mislead consumers into thinking that a product has been through a legitimate green certification process. One example of this Sin is a paper towel product whose packaging has a certification-like image that makes the bold claim that the product “fights global warming.”
5. The **Sin of Irrelevance** arises when an environmental issue unrelated to the product is emphasized. One example is the claim that a product is “CFC-free”, since CFCs are banned by law.
6. The **Sin of Lesser of Two Evils** occurs when an environmental claim makes consumers feel “green” about a product category that is itself lacking in environmental benefits. Organic cigarettes are an example of this Sin.
7. The **Sin of Fibbing** is when environmental claims are outright false. One common example is products falsely claiming to be Energy Star certified.

The 2009 *Seven Sins of Greenwashing* report focused on children's toys, baby products, cosmetics, and cleaning products because these product categories were found to be the most susceptible to greenwashing and are of particular concern to consumers who want to ensure what they buy is safe for their families and are environmentally responsible. And, in addition to claims of “water savings,” claims related to air quality and energy were notably more common in Australia than in other nations studied.

“Other important news is that legitimate eco-labeling is nearly twice as common as it was in our 2007 survey, increasing from 13.7% to 23.4% on all ‘green’ products,” added McDougall. “The 2009 *Seven Sins of Greenwashing* report demonstrates that consumers do have greener choices in products but that they need to recognize the legitimate labels and ask questions of unfamiliar ones.”

About the Study

In November 2008 through January 2009, TerraChoice researchers were sent into category-leading “big box” retailers in the United States, Canada, the United Kingdom, and Australia with instructions to record every product making an environmental claim.

In Australia, a total of 1,937 “green” claims were recorded on 866 products. These claims were tested against best practices, notably against guidelines provided by the Australian Consumer and Competition Commission and the International Organization for Standardization (ISO 14021) standard for environmental labeling.

About TerraChoice Environmental Marketing

As a global environmental marketing firm, TerraChoice Environmental Marketing helps grow the world’s most sustainable companies. TerraChoice’s consulting practice converts knowledge of environmental science, markets, and marketing into winning, client-centered solutions to help sustainability leaders deliver results. For more information, visit www.terrachoice.com.

To download a copy of the 2009 *Seven Sins of Greenwashing* report, go to:
www.sinsofgreenwashing.org.

For more information about the Green Marketing Forum, go to: www.ethicalinvestor.com.au.

Media Contacts:

Kate Rusnak, TerraChoice Environmental Marketing, T: 0011 + 1 + 613-247-1900 x 250 Email: krusnak@terrachoice.com

Cheryl Samarasinghe, Ethical Investor, T: 02 9555 2358 Email: cheryl.samarasinghe@ethicalinvestor.com.au

Scott McDougall will be in Sydney from Sunday, June 28, to Tuesday, June 30, and in Melbourne from Wednesday, July 1, to Friday, July 3, to do in-person interviews and can be reached at T: 0011 + 1 + 613-324-4798 Email: smcdougall@terrachoice.com.