### The Problems with Greenwashing

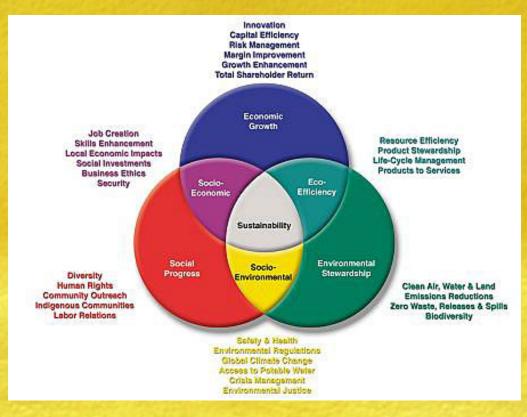
Urvashi Rangan, Ph.D. Director, Technical Policy Consumers Union / Consumer Reports The Problems with Greenwashing Legal Issues Forum ANSI World Standards Week October 6, 2009

### Consumer expectations / challenges with green products

- 1/3 consumers don't know how to tell if green product claims are true, 24% rely on packaging, 17% online research (Green Seal, Enviromedia Social Marketing survey, Jan2009)
- Consumers buy green for many different reasons – most importantly, health (Natural Marketing Institute, LOHAS, 2008)

 Only 56% of consumers are familiar with term "sustainability" (Hartman report 2009)

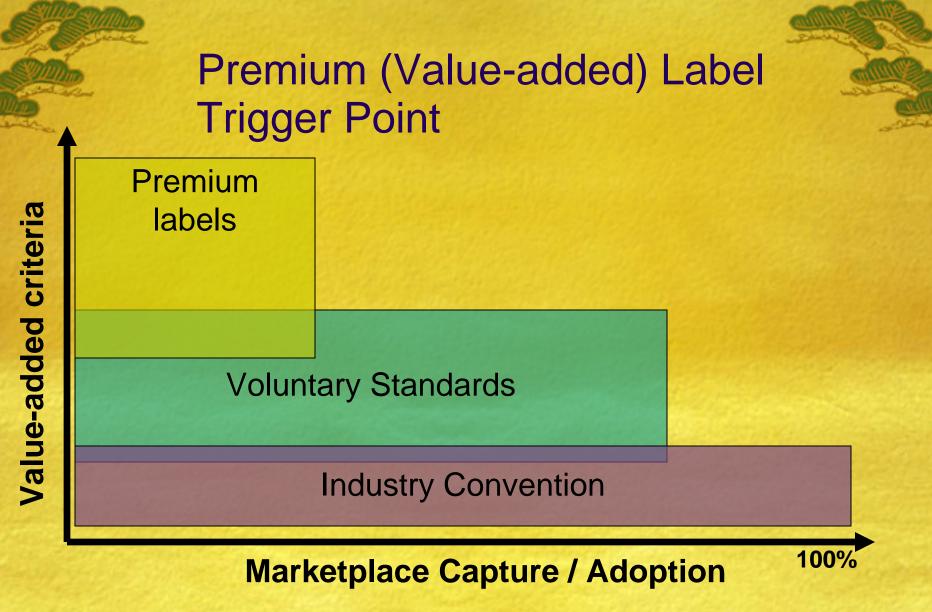
### **Sustainability attributes**



#### http://www.gcbl.org/economy

# When do voluntary standards translate to value-added labels?

• What are the goals of the process? ⊙raise floor for a production sector • align environmental savings with cost savings ⊙increase market share • add premium market claims • How high is the bar? • How is value maintained over time? • Lessons from single attribute labels



# Premium trigger for animal welfare for egg laying chickens

Premium labels– certified humane organic - sliding

Voluntary Standards – United Egg Producers "Animal Care Certified" = 8"x12"space/bird

Industry Convention – battery cages, no space requirement

100%

**Marketplace Capture / Adoption** 

## How Consumer Reports rates label claims

**O**Is it meaningful? **O**Is it verified? **O**Is it consistent? Ols it transparent - standards and org.? Ols it independent? - standards and verification

•Were standards created with public input?

# Ability for labels to succeed over time

Challenges with all labels

- Comprehension and accessibility
- Maintenance and progress of standards over time
- Consistency in meaning of standards across product categories
- Ability to respond to emerging marketplace issues, especially around health / safety (bpa, phthalates, mad cow)

challenges increase with complexity of label

### Sample Label Ratings general / voluntary claims

LABEL	Meaning	Verified	Consistent	Trans- parent stds	Trans- parent org	Indepen- dent	Publi c Input
Natural (meat)	Not	No	No	Yes	Yes	No	No
Nature's friend	Not	No	No	No	No	No	No
No additives	Somewhat	No	Yes	No	No	No	No
No anim byproduct	Somewhat	No	No	No	No	No	No
No animal ingredients	Somewhat	No	No	No	No	No	No
No animal testing	Not	No	No	No	No	No	No
Biodegrad.	Somewhat	No	No	No	No	No	Yes
No chemicals	Not	No	No	No	No	No	No

## Cleaning up green noise

natural
carbon negative
non-toxic
environmentally safe
free range

These and many other vague and misleading claims need to be addressed (banned or redefined) to reduce marketplace confusion.