

**Daymon**

INTERNATIONAL DEVELOPMENT CENTER



# GREENWASHING

September, 2023

# WHAT'S ON THE AGENDA

- Greenwashing Landscape
- Forms of Greenwashing
- Ways NOT to be a Greenwasher
- The impacts of Greenwashing
- Summary

# GREENWASHING LANDSCAPE

# GREENWASHING

## DEFINITION

- **Greenwashing** - false, unclear or poorly-substantiated Green claim
- **Green Claim** - voluntary claim that suggests that a product/service is:
  - environmentally friendly
  - less damaging to the environment

*Greenwashing* - Make people believe that a company is doing more to protect the environment than it really is.



53% of green claims give vague, misleading or unfounded information



40% of claims have no supporting evidence

GREENWASHING, 2023

<https://dictionary.cambridge.org/dictionary/english/greenwashing>



# GREENWASHING

## WHY DO COMPANIES ENGAGE ON IT

- **The consumer is aware and conscious, but**
  - cannot verify company's claims
  - can be easily tricked into believing that the products are environmentally friendly
- Companies make commitments and set ambitious targets (e.g.: 'carbon-neutral'/'net-zero emissions')
- Takes a lot of time, effort, and investment to implement changes to achieve these targets
- Companies can publicize untrue claims to gain **competitive advantage**

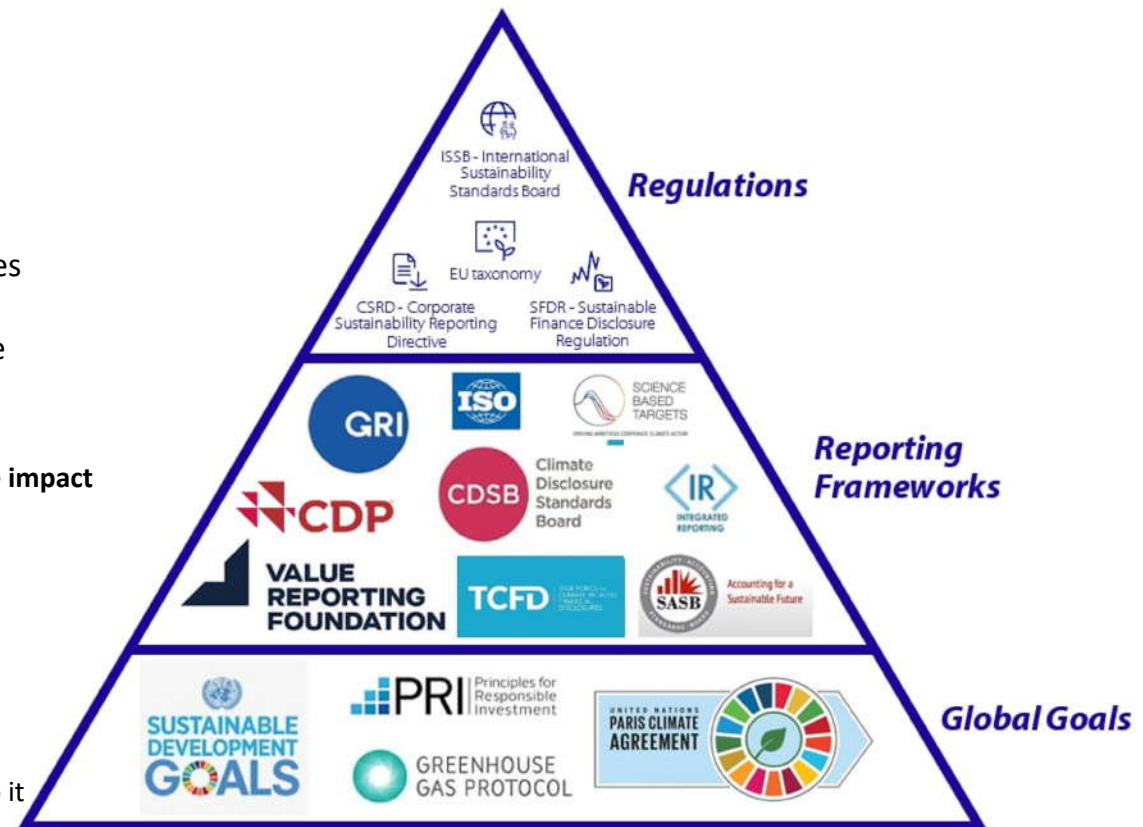
<https://wheelerblog.london.edu/what-is-greenwashing-and-why-do-companies-engage-in-it/>  
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# GREENWASHING

## WHY DO COMPANIES ENGAGE ON IT

- Lack of regulatory policies
- New company policies are not consistent across countries
- Difficult to measure and quantify the impact of a climate initiative
  - **No standardized metrics to evaluate and compare the impact**
  - This leaves scope for manipulations
- **Lack of a standard for reporting**
  - Most of these disclosures are voluntary
  - the management decide what to report and how to do it



<https://wheelerblog.london.edu/what-is-greenwashing-and-why-do-companies-engage-in-it/>

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# GREENWASHING

## LEGISLATION (MARCH 2023)

- EC proposed the **Green Claims Directive**, to “ban” climate neutral claims until 2026
  - greenwashing concerns
  - ↓ risk of companies misleading EU consumers over environmental claims
- Companies will need to
  - **substantiate environmental claims**
  - using life cycle assessment (LCA)
  - communicate them accurately and holistically
  - obtain **external verification** from an accredited entity
- Common phrases such as *'net zero'*, *'carbon neutral'* and *'eco-friendly'* would be unless they were sufficiently substantiated and verified.



# FORMS OF GREENWASHING

# FORMS OF GREENWASHING

## HOW COMPANIES ARE DOING IT - EXAMPLES

We can categorize 5 types of Greenwashing that companies are engaging

1 – Environmental Imageries

2 – Misleading Labels

3 – Hidden trade-offs

4 – Irrelevant claims

5 – Lesser of two evils

## TYPES OF GREENWASHING



<https://wheelerblog.london.edu/what-is-greenwashing-and-why-do-companies-engage-in-it/>  
<https://grm.institute/blog/research-study-on-greenwashing/>

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# FORMS OF GREENWASHING

## HOW COMPANIES ARE DOING IT - EXAMPLES

### 1 - Environmental Imageries

Using **symbols/visuals** of leaves, animals, green packaging, etc are all ways of classic greenwashing. Eco-friendly products generally use simpler images and plain packaging. Bic Eco claims Bioplastic handle not showing that in fact the handle it's only 76,5% bioplastic

### 2 - Misleading labels

Advertising **“false” claims with no evidence**: Tide marketing its detergent as plant-based, when it is only 75% plant-based. There is a good chance that these labels are self-made and self-declared. In this case Tide even felt the need to print a new label due the buzz it caused



<https://wheelerblog.london.edu/what-is-greenwashing-and-why-do-companies-engage-in-it/>; <https://qrm.institute/blog/research-study-on-greenwashing/>; <https://www.influenster.com/reviews/bic-bic-ecolutions-disposable-triple-blade-shaver-men-and-women-4-count-packages>

# FORMS OF GREENWASHING

HOW COMPANIES ARE DOING IT - EXAMPLES

## 3 - Hidden trade-offs

Corporations can put up an act of **being environmentally friendly and sustainable but have a very non-environmental friendly trade-off**. An example is when apparel companies use “natural” or “recycled” materials while the clothing is actually developed through exploitative conditions.

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# FORMS OF GREENWASHING

## HOW COMPANIES ARE DOING IT - EXAMPLES

### 4 - Irrelevant Claims

Often, we might come across labels that say they are free of certain chemicals. The substance might actually be banned by the law and is not required to advertise as going green.

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<https://grm.institute/blog/research-study-on-greenwashing/>

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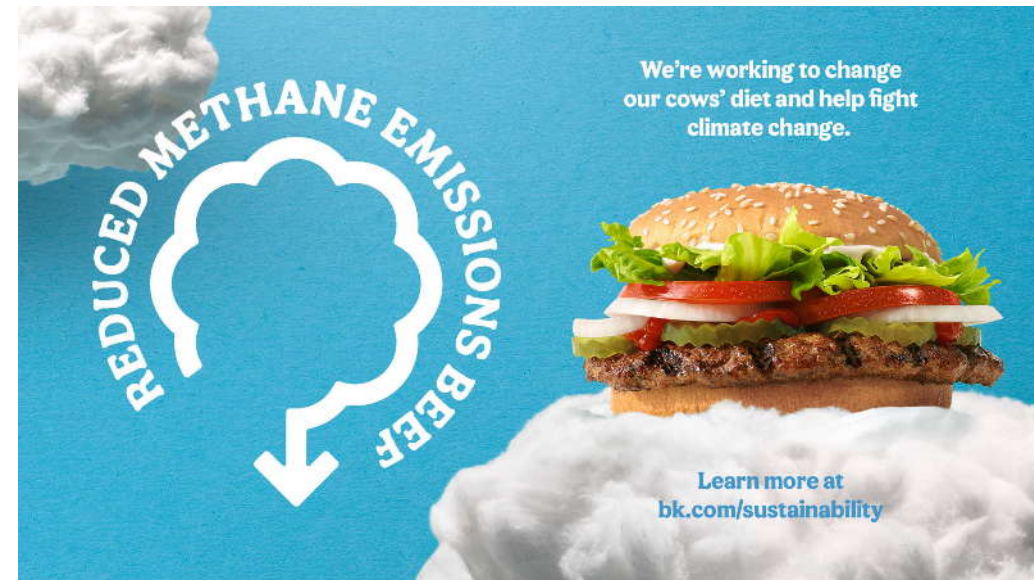
# FORMS OF GREENWASHING

## HOW COMPANIES ARE DOING IT - EXAMPLES

### 5 – Lesser of two evils

Initiatives taken by **one segment of business** are presented in a way leading consumers to believe that **all the segment** in the business are environmentally friendly.

In July 2020, Burger King advertised “reduced methane beef”. The commercial explained that by changing a cow’s diet, Burger King was able to reduce their methane emissions by 33%. While this seems to be an improvement, this only applies to 1 burger reference available in few US restaurants, which will have negligible impact in an environmentally damaging industry/business.



<https://wheelerblog.london.edu/what-is-greenwashing-and-why-do-companies-engage-in-it/>;  
<https://grm.institute/blog/research-study-on-greenwashing/>; <https://ombredigital.co/blog/5-greenwashing-examples-and-how-to-avoid-them-in-your-brands-marketing>;  
<https://www.adsoftheworld.com/campaigns/reduced-methane-whoppers>

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# **WAYS NOT TO BE A GREENWASHER**



## WAYS NOT TO BE A GREENWASHER

**NET ZERO CARBON** – Embedded CO<sub>2</sub>e per 100g: 61g. We fully offset CO<sub>2</sub>e by donating to Rainforest Saver.

**PLASTIC FREE PACKAGING** – Recyclable cardboard box and home compostable film.

**SUPPORTS LOCAL FARMERS** – We source all our oat, barley and rye flakes from British growers.

# 1 - Be Intentional in Wording

- Do not communicate nonspecific features like “recyclable”
- Specify if the packaging or materials are recyclable and or recycled
- Do not say “10% more recycled material” if you don’t have a clear comparison

## WAYS NOT TO BE A GREENWASHER

# 1 - Be Intentional in Wording

While standard glass bottles are recyclable and can be done of recycled material, the flexible multilayer plastic pouch is not easy to recycle and most probably not 100% recyclable.

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## Misleading Labels



## Trustworthy Certifications



## WAYS NOT TO BE A GREENWASHER

# 2 - Use 3rd Party Seals and Certifications

One of the easiest ways to convince consumers of the veracity of your “green” claims is by putting a prominent seal on your product, because any sign of authority is perceived to be a mark of legitimacy.

Within many industries, third party companies exist that have developed a set of standards to which practices can be compared. If your company receives an award or wishes to use a seal to promote their green practices, it is imperative that the third party's standards as well as a list of the companies they support is provided to the public.



## WAYS NOT TO BE A GREENWASHER

### 3 - Use Clear and Descriptive Labeling

Instead of a blanket claim that your brand uses sustainable raw materials, it's more transparent and believable to point out specifics.

Describe in detail which part of your product's life cycle is environmentally friendly and be specific in your labeling.

Doing research and passing the information on to the consumer will show that you have respect for your customer and aren't insulting their intelligence with broad claims like "all natural."

<https://ombredigital.co/blog/5-greenwashing-examples-and-how-to-avoid-them-in-your-brands-marketing>

## WAYS NOT TO BE A GREENWASHER

### 3 - Use Clear and Descriptive Labeling

Brand prominently features the text 'Papel Pouches', but The paper pouches consist of 65% Kraft paper and 35% CPP – which is a plastic. It's misleading to say the packaging is 'paper' when in fact, it's partly plastic.

<https://www.consumer.org.nz/articles/greenwashing-is-rife-in-aotearoa-we-need-new-laws-to-stop-them>

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## Our green vision

Making sustainable shopping affordable for all.



### Face the waste



Divert **90%** of operational waste by 2025

Aim to reduce **50%** of food waste by 2030

### Cut our carbon



Reduce greenhouse gas emissions by **26%** by 2025

### Progress in packaging



Reduce packaging by **15%**

and make **100%** of ALDI-exclusive packaging reusable, recyclable or compostable by 2025

### Sourcing responsibly



Incorporate more sustainable and ethical buying practices to support our communities and our planet

## WAYS NOT TO BE A GREENWASHER

# 4 - Clearly Define Your Mission and Values

Consider your values, goals, boundaries, and overall mission. Be intentional with word choice by fully embracing the meaning behind each word, so that your mission is one which you feel comfortable standing behind.

If you find that your needs or goals change, or your understanding of your company's green promises, you might need to revise your mission statement.

If your understanding of terminology changes, be proactive and alter your mission statement accordingly.

<https://ombredigital.co/blog/5-greenwashing-examples-and-how-to-avoid-them-in-your-brands-marketing>



## OUR SUSTAINABLE PACKAGING JOURNEY

Ben & Jerry's has always believed that ice cream can change the world. And while it's true that ice cream puts smiles on people's faces and brings people together, we can't ignore the impact that our packaging has on the environment. As with most food product packaging, much of ours is not reused, composted, or recycled, but rather disposed of as waste. We're on a journey to change that.

Our goal is to have 100% of our packaging be free of petroleum-based plastic. And we want it all to be reusable, compostable, or recyclable by 2025!

## WAYS NOT TO BE A GREENWASHER

### 5 - Don't Lie by Omission

One common way of greenwashing is to highlight one green characteristic or feature of a product or service and disregard its other qualities and intentionally avoid them.

Companies should be transparent and communicate that they are in a working in progress mission and in constant evolution. Sustainability is not a finished subject for any company/industry

## WAYS NOT TO BE A GREENWASHER

# 5 - Don't Lie by Omission

Fiji Water is working hard to present themselves as one with nature, in which their company has no impact on the environment. However, the opposite is true. Not only is their water bottled in plastic and shipped all over the world, but 30% of households in Fiji are reliant on groundwater sources for their drinking water.

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Earth protects Fiji.  
And vice versa.

Introducing the world's first  
**carbon negative water.**



## WAYS NOT TO BE A GREENWASHER

# 6 - Don't Exaggerate Product Details

Greenwashing can also occur in the form of exaggerated product qualities. Be sure to represent the green qualities of your products as they are, not as a higher percentage or greater extent.

Example, unless your product really is made of 100% recycled materials, don't claim that it is. Exaggerating one claim may also make consumers suspect of other claims you make, regardless of whether or not the other claims are true.

<https://ombredigital.co/blog/5-greenwashing-examples-and-how-to-avoid-them-in-your-brands-marketing>

## WAYS NOT TO BE A GREENWASHER

# 6 - Don't Exaggerate Product Details

In the small wording you can see:

\*Bottle is 100% recycled plastic.

Bottle and trigger are 100% recyclable.

Sleeve and trigger are not made from recycled plastic.

Remove sleeve before recycling bottle and trigger.



## WAYS NOT TO BE A GREENWASHER

# 7 - Avoid Making General Claims

Be wary of general claims like “environmental preferability,” “environmentally friendly,” or “earth smart.”

These don’t provide purchasers with any specific information that can be used to compare products. Such claims are meaningless unless there is an accompanying explanation of what, exactly, this entails.



<https://ombredigital.co/blog/5-greenwashing-examples-and-how-to-avoid-them-in-your-brands-marketing>;  
<https://www.foodbusinessnews.net/articles/18429-slideshow-sustainability-in-the-innovation-spotlight>

## WAYS NOT TO BE A GREENWASHER

# 7 - Avoid Making General Claims

Even with all efforts that the brand is doing (detailed in their website in a basic infographic), claiming 100% sustainable to any product is, in fact, fairly impossible. Specially in this industry with a complex supply chain, with producers in the other side of the world, thousands of km in transport, several intermediaries and all the refining process with associated climate impact.

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# THE IMPACTS OF GREENWASHING

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## TO RETAILERS AND BRANDS

With **consumer demand placing pressure** on companies for environmentally conscious products, it's not surprising that several have upped its efforts to appear eco-friendly

**The economic and reputational impact** on retailers and brands though, sometimes, may not be measurable, isn't irrelevant and should be accounted for.

# THE IMPACT OF GREENWASHING

## TO RETAILERS AND BRANDS



Car manufacturer Volkswagen was caught faking its emissions reports on several lines of its diesel vehicles in 2015



Walmart wrongfully marketed textile items as made from bamboo and produced using eco-friendly processes. Instead, it was found the items were in fact made of rayon. Converting bamboo to rayon requires the use of toxic chemicals and results in hazardous pollutants. A court agreed and Walmart was required to pay \$3m in civil penalties

# THE IMPACT OF GREENWASHING

TO RETAILERS AND BRANDS



Environmental lawyers from ClientEarth have filed a complaint against oil giant BP, claiming that it is misleading consumers by declaring in a multimillion-pound advertising campaign that it is focusing on low carbon energy and solutions to climate change.

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In 2022, Unilever released an advert in which they claimed Persil was “kinder to our planet”, and featured children picking up litter on a beach. The Advertising Standards Authority (UK) banned the advert after it concluded that the basis of the claim “kinder to our planet” had not been made clear.

# SUMMARY

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Greenwashing:

- a harmful and deceitful way of advertising that a company is more sustainable than it actually is
- can be as subtle as a misleading packaging choice all the way to fossil fuel companies touting themselves as being eco-champions

The Green Claims Directive (EU) proposal has already been approved. We hope that publication and transposition into the different national legislations will be quick and efficient. Deadline is 2026.

The law must be clear and protect consumers from false allegations, and companies, that are meeting all the requirements and must be valued for this.

There is still a long way to go, but the path is made by walking. Babysteps.

# FOOD FOR THOUGHT

A recent controversial advertising campaign, that is dividing opinions ww:

- There are those who consider that Apple is greenwashing their products/services and is very far from being sustainable
- There are those who consider that if the allegations are true, even if it is not perfect, it's better than nothing and have still work to be done



# FOOD FOR THOUGHT



# FOOD FOR THOUGHT

What do you think, is it Greenwashing? Write in the chat

YES

NO

# QUESTIONS?

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