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BSR-Futerra Report Helps Companies Rise Above the Noise of Greenwash

SAN FRANCISCO—August 11, 2009—Despite countless indicators that today's "battered consumer" is seeking deep discounts and shopping for necessities only, consumer demand for environmentally friendly products is on the rise, according to National Geographic and Globescan's 2009 Greendex survey of consumers in 17 countries.

At the same time, consumers are becoming more frustrated with the green messages that frequently accompany these products—many of which are perceived as misguided, unsubstantiated, or, worst of all, just "noise." In other words, the messages are construed as "greenwash."

BSR's new report, "[Understanding and Preventing Greenwash: A Business Guide](#)," cowritten with Futerra Sustainability Communications, helps companies understand where they fall in this "greenwash matrix," and how they can move toward effective communications that align with the true impacts of their environmental initiatives.

"Today's savvy consumers are not just spending their dollars more wisely to save money," said [Diane Osgood](#), BSR's Vice President, CSR Strategy. "They want to trust the company from which they are buying goods and services, and honest communications are key. The recent Edelman Trust barometer survey shows that the quality and transparency of information going to the consumer is as important as the quality of the good or service for building customer trust. Our guide helps companies curtail greenwash and build the trust of consumers."

According to the report, a framework that incorporates impact, alignment, and communication can help companies stop greenwash and begin using effective environmental communications.

"Greenwash is more than a distraction for the consumer; it threatens the entire market for green products and services," added Lucy Shea, Chief Executive of Futerra. "Even while consumer trust goes down the drain, with only 10 percent believing green claims, demand for credible, environmentally friendly products and services is rising. Greenwash exacerbates this tension. The danger is that consumers lose all faith in green advertising, in effect dragging demand down."

Impact: Making Sure It's Real

A company's sustainability practices or products must be based on real, significant environmental impact. If the underlying objective behind an environmental initiative is to improve corporate reputation or goodwill and not to address environmental impact, the company is likely to be accused of greenwash. If the company has invested more resources into communicating about the activity rather than investing in the activity itself, it may not have any significant environmental impact that is worth communicating.

Key questions to evaluate impact:

1. Is the issue material to the business?
2. Has the company already achieved the results in its claim?

Alignment: Building Internal and External Support

An initiative with significant impact must be aligned with multiple functions throughout the company—including strategy, procurement, design, government affairs, and marketing. The best way to check the integrity of the initiative is with a credible third party.

Key questions to evaluate alignment:

1. Did the company's initiative include multiple departments within the organization?
2. Are other activities in the company consistent with the message?
3. Did the company engage with stakeholders and incorporate their feedback?

Communication: Making Accurate Claims

Companies should focus on clarity and transparency without using a self-aggrandizing tone. Even if the claim represents the environmental impact accurately, if consumers do not understand the claim, the message is ineffective. Along the same lines, the use of data can help the company measure performance against objectives and set a baseline for future improvement.

Key questions to evaluate communication:

1. Does the company have the data to back up its claim?
2. Is it easy for people to understand the company's claim and its significance?
3. Is the company focusing on one attribute while ignoring knock-on effects of others?

"As the one-year anniversary of the global financial crisis draws near, this is a critical period for redefining the role of business in society," Osgood said. "Trust in corporations has plummeted, and that trust will either be rebuilt or continue its downward trend."

Companies today are eager to demonstrate that they are part of the solution—to global warming, to declining ecosystem function, or to keeping toxic chemicals out of our children's products. But as long as consumers struggle sorting out legitimate environmental claims from among the misguided and unsubstantiated noise of competing messages, companies risk accusations of greenwash.

Download a copy of this report at www.bsr.org/reports/Understanding_Preventing_Greenwash.pdf.

About BSR

A leader in corporate responsibility since 1992, BSR works with its global network of more than 250 member companies to develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. With six offices in Asia, Europe, and North America, BSR uses its expertise in the environment, human rights, economic development, and governance and accountability to guide global companies toward creating a just and sustainable world. Visit www.bsr.org for more information.

About Futerra

Futerra is the award winning global communications agency. We have bright ideas, we captivate audiences, build energetic websites one day and grab opinion formers' attention the next. But the real difference is that Futerra has only ever worked on corporate responsibility. From Microsoft to Newscorp, Royal Dutch Shell to Greenpeace, the United Nations to Ben and Jerry's, Futerra has built a unique expertise in corporate responsibility and communicating sustainability. We are committed to world class learning in this field; visit www.futerra.co.uk for our other publications.

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