

# Greenwash

Green business consultant Jean Cannon notes the growing consumer concern about climate change and increasing demand for "green" products - and points out the temptation to "greenwash" marketing claims to exploit market sentiment.

"Consumers are waking up to the need to look after the environment and marketers are jumping madly on the bandwagon," Jean says.

"Marketers sell on emotion so they often stretch the truth to build that very emotion that connects with the buyers. It is their job.

"Up to 50% of Australians will now investigate the origins of a product or service, and will pay more for a product that they believe is from a sustainable source."

Jean says the consumer's willingness to believe vague claims is the root of the problem.

"All this confusion about what 'green' really means is spawning a wide range of environmental certifications - generally product certifications," she says.

"There is confusion about what the certifications mean and whether and what quality any auditing has.

"The Australian Competition and Consumer Commission has launched a crackdown on green claims with the release of its guidelines, Green Marketing and the Trade Practices Act, in November 2007." Under the Act, penalties can be severe. The maximum fine is \$1.2 million for companies engaging in misleading and deceptive conduct.

"The ACCC is already taking court action against car manufacturer Saab," Jean says. "Saab has a green production and management system but the marketers went too far.

"Woolworths changed its packaging of Woolworths Select tissue products after an ACCC probe.

"An ACCC spokesman says that while large companies have been targeted so far, smaller businesses will be the subject of future investigations. That includes all of us."

Jean says although a product may be certified green by a particular organisation it is more satisfactory to say, as overseas brands do, that it has been "produced by an ISO 14001 certified business".

"This is because the international standard for environmental management practices, ISO 14001, certifies that the business you are buying from has considered all its significant environmental impacts, including product and energy impacts of obtaining and handling all the products and services and can demonstrate that these are managed in a sustainable manner," Jean says.

"ISO 14001 also brings real benefits to the individual business by increasing its efficiency and improving environmental impacts."

Greenhouse gas offsets open another can of worms, Jean says, with complex questions of what constitutes enduring 'carbon neutrality'.

"The ACCC is set to release additional guidelines in the coming months for claims relating to carbon offsets representing a reduction of greenhouse gases, or carbon neutrality, where the carbon emissions of a company or a product or service are negated by offsets," she says.

"Interestingly, if you look on the web, the airlines vary enormously in their reporting of the greenhouse gas emissions of the same aircraft flying the same route. The fact (emission) does vary every trip depending on things like loaded weight, weather conditions and time spent circling airports because of air traffic congestion.

"The issues include the integrity of carbon offsets and measurement of the initial carbon emissions. A common mistake people make is to claim carbon neutrality for a product when the company has only considered emissions during manufacturing - not the total life cycle, which includes use and disposal.

"And this does not even touch on some of the less than best planting practices to claim carbon credits. Some schemes are well run but others are not."



**GOLD PAGES Member**  
Environmental Consultant - Page 111

## Celebrating South Australia's top exporters

The 2008 Business SA Export Awards recognise the state's premier businesses for excellence and achievement in exporting. Austrade congratulates the 13 South Australian Export Awards winners and would like to thank Business SA for their support and commitment in managing these awards. These winners go on to become National Finalists of the 2008 Australian Export Awards.

Austrade is the Australian Government's trade and investment development agency. With dedicated industry teams, international market expertise, and an extensive global reach in over 60 countries, Austrade can help Australian businesses to become internationally competitive. The Australian Export Award program is co-presented by Austrade and the Australian Chamber of Commerce and Industry.

To learn more about how our services can assist exporters contact Austrade:

Phone: 13 28 78  
Web: [www.austrade.gov.au](http://www.austrade.gov.au)



Australian Government