

# The Six Sins of Greenwashing

Sustainability marketing brings many opportunities to redefine and strengthen customer relationships, but it also comes with a slew of risks. And rightly so. Brands are accountable to an array of new communications standards, regulated by the Federal Trade Commission (FTC). And in this age of the web-connected, vigilant consumer-activist, getting your sustainability claims wrong can harm your brand's global reputation in milliseconds. Missteps can mean your job changes from doing creative marketing and building campaigns to spending years submitting every line of copy to the FTC for review and approval – that's only one of the lighter consequences an FTC greenwashing violation might yield.

This paper provides a short, sharp focus on the repercussions of greenwashing. It lets you learn from those that have come before you, made egregious or flawed claims, and paid the price. Precedent setting to say the least. But before we dive into it, let's anchor ourselves in the fact that at the heart of the matter is a planet no longer capable of supporting our way of life. Humans use too much and are not thinking effectively about how to reduce environmental impacts. Earth Overshoot Day, the date when we exhaust the planet's resources necessary to sustain modern life, will be here by mid-July in 2022. We use almost 50% more resources annually than the Earth can provide. With that harsh, true consequence of business as usual firmly before us, let's get to work as marketers to do our part, communicating clearly and accurately the sustainability journey our brands are beginning.

The document highlights Six Sins of Greenwashing, and six examples of how it went horribly awry.

Most importantly, it highlights that becoming a sustainable organization takes courage, the ability to learn quickly and adjust, and the willingness to share a bold, fact-based narrative in the market.

The brands that lead the way will become legends of a time when humanity and markets made the turn toward a post-carbon, restorative future. The alternative is an economic and environmental dead end that will cost your brand its reputation and your customers their modern lifestyle.

**THE SIN:**  
**BASELESS CLAIMS**

**1**

Known as “lying” to most people, baseless claims are the greatest reputational risk. Brands cannot give the impression that what they are saying is based in fact, when in fact it is all spin. Don’t make a claim unless you have solid scientifically proven numbers you can use. If you don’t have the data, don’t claim it.

**THE CONSEQUENCE**

YOLO Colorhouse made explicit claims that its products were non-toxic and environmentally safe for use around babies, amongst other uses. But they were not safe, the claims were unsubstantiated. As a result, the FTC will monitor everything that they say for 20 years. And YOLO Colorhouse was just one of four paint companies who faced the consequences of this FTC ruling.

**THE LEARNING:** Creativity is not about spin. If you can’t substantiate your claim, don’t make the claim to your customers.

**THE SIN:**  
**SUSTAINABILITY DRESS UP**

**2**

When companies wave the one sustainable thing they do, with the hope they’ll be forgiven the rest. Not okay. Be specific about what you’re claiming. Example: Change “Our new product line is sustainable” into “Our new product line uses 35% post-consumer recycled materials.” That’s it. You’ve eliminated the risk, though you’ll still need to defend the claim.

**THE CONSEQUENCE**

Moonlight Slumber LLC made claims that its mattresses are manufactured using organic material. They were not. The FTC will now review all their advertising for the next 5 years, requiring evidence that their product claims are accurately represented.

**THE LEARNING:** The FTC doesn’t take fake claims lying down. Wake up to sharing the whole truth and nothing but the truth. Hold your brand to the standards the press and customers do.

**THE SIN:**  
**ECO BULLSHIT**

**3**

The use of new and meaningless terms, such as the vague “eco-friendly” or “environmentally conscious” are in fact actively regulated and carry significant fines. Choose language that is backed by valid science-based environmental data and outcomes.

**THE CONSEQUENCE**

N.E.W Plastics Corp. told its customers that its plastic lumber products demonstrated their commitment to the environment and sustainable living. When the FTC found N.E.W.’s claims to be unsubstantiated, they were slapped with an order that prevents them from telling customers the products can lower their environmental impact. The company still makes no environmental claims 8 years later.

**THE LEARNING:** Game over. Marketers are no longer at liberty to make up meaningless words without scientific substance. Remember, your customers have world-spanning access to information and will find you out.

THE SIN:  
**SPECIOUS COMPARISONS**

4

Don't compare the sustainability of a new product with the products and services that came before it. Functionally it's correct, but it doesn't make the sustainability of the product clear, it only makes it clear in comparison to your prior unsustainable products. We all hope that it's better now than it was in 1953.

THE CONSEQUENCE

Seven generations into its LED line of business, Lights of America compared LED bulbs to incandescent bulbs instead of with its previous LED products or competitors that were making comparable lights, giving the false impression the products were much more efficient and environmentally responsible than available alternatives. *FTC v Lights of America Inc.* resulted in a \$21M fine.

THE LEARNING: Choose comparisons with genuinely sustainable alternatives. Clearly explain the differences instead of generalizing.

THE SIN:  
**FABRICATED CERTIFICATIONS**

5

The most egregious of all the sins are invented internal green certifications or badges. Misleading for sure, and deceptive is how the FTC will see it. Always base sustainability claims on third-party certifications and public standards – you don't need to brew your own.

THE CONSEQUENCE

The fabricated certification by Volkswagen that they referred to as 'clean diesel.' The consequences were numerous. The EPA fined Volkswagen a total of \$2.95 billion for making the claims in the first place. But then, because Volkswagen had to honor returns, based on the EPA and FTC orders, it had to refund \$9.5 billion to their customers!

THE LEARNING: Seals or certifications that companies award to themselves are negligent, dangerous and fraudulent.

THE SIN:  
**MISLEADING NAMING & IMAGERY**

6

Using imagery that denotes something you or your product is not. Or mislabeling entirely. Example: a soap company claims it makes 'natural soap' on the label or using natural imagery in ads or on a product with no environmental benefits. Dirty trick.

THE CONSEQUENCE

Truly Organic made a claim that their nationally marketed bath products were "certified organic" and "100% organic" in their messaging. Their CEO said "everything is vegan, made in the USA, cruelty free, Fair Trade, non-GMO and gluten free." In fact, the product was none of those things. As a result of *FTC v Truly Organic Inc.*, the company paid \$1.76M to settle the complaint.

THE LEARNING: Goes without saying, but don't put lipstick on a pig.



A successful corporate sustainability strategy is built on an inspiring narrative based on concrete scientific goals that detail your brand's path to environmental responsibility.

The six sins can guide your approach, *not derail it*. Our goal with this short list is to get you started with guard rails in place, so you don't have missteps along the way. Documenting your company's progress – the good and the bad – for your team, customers and the market is the basis for an authentic connection with the planet and people. You'll also be surprised by how many solutions to your internal challenges you may find if you share your own learning.

Most brands are not yet telling their sustainability story. They are unsure where to start. **No matter where you are in your sustainability journey, the time to start telling the story is now.** Consumers are aware that progress takes time, and the majority now want to know the brands they buy from are on the right path – and choosing the right side of history. Stay silent, and you've lost them.

Metaforce is here to guide you every step of the way. Reach out for a 45-minute consultation. It's on us.

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