

Sustainable Success | Navigating the Green Wave in Product Marketing

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Today's Speakers



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HowGood



Agenda

- Green Claim Background and Perspectives
- Measuring Product Sustainability and Crafting Impactful Claims
- Turning Sustainability Claims into ROI
- How to avoid regulatory challenges

Consumers and Product Sustainability



The Importance of Green Claims

- Green Claims are everywhere - The percentage of new products that incorporate and communicate sustainability benefits have increased every year, from 28% in 2017 to 48% in 2021¹.
- Green Claims are driving growth - sustainably - marketed products grew 2.7x faster and enjoyed a price premium between +28%-39% versus conventionally-marketed products in the period of 2014-2022¹.
- Green Claims are under scrutiny - The ICPEN has conducted in 2021 its first global review of websites focused on greenwashing and concluded that 42% of green claims online were exaggerated, false or deceptive².



Packaging & Product

HOW DO GREEN CLAIM REGULATIONS APPLY TO A PRODUCT, ITS PACKAGING, AND DISPOSAL

PRODUCT



YOUR BRAND

Honey Granola Bars
GLUTEN FREE



\$5.89

BUY NOW

Impact Description

- Climate Friendly: This product has a low carbon footprint
- Water Smart: This product has a low blue water footprint
- Clean Label: This product contains a minimal number of ingredients, all of which are simple.

PACKAGING



YOUR BRAND

Roasted Peanuts
SALTED



\$3.59

BUY NOW

Impact Description

The environmental and social impact of the ingredients in this product are better than 85% of products rated by HowGood.

- Greenhouse Gas Emissions
- Blue Water Usage
- Land Use
- Soil Biodiversity
- Processing
- Biodiversity
- Labor Risk
- Animal Welfare

A Brief History of Green Claims Regulation



2021 | United Kingdom
The Competition and Markets Authority launches the Green Claims Code.



2023 | United States of America
Federal Trade Commission Extends Public Comment Period on Potential Updates to its Green Guides for the Use of Environmental Marketing Claims



2022 | France
France approves its Climate and Resilience Law, which regulates the use and substantiation of “carbon neutral” claims.



2024 | European Union
The European Commission first proposed the Green Claim Directive in March 2022. A landmark legislation package for anyone working in or interested in corporate sustainability, the Directive has been created in a bid to end greenwashing. MEPs voted overwhelmingly in favour of passing the directive in January 2024

Sustainability or “Green” Claims

CAPTURE CONSUMER DEMAND FOR MORE SUSTAINABLE PRODUCTS

Your products can become a powerful driver to grow margins and customer loyalty

SUSTAINABILITY ATTRIBUTES



Climate Friendly



Water Smart



Minimally Processed



Clean Label



Fair Labor



Low Synthetic Inputs

IMPACT LABELS



Carbon Footprint



Blue Water Footprint

SUSTAINABILITY RATINGS



COMPARATIVE CLAIMS

“ Our private label ice cream’s carbon footprint is 2x lower than other ice creams. ”

“ Our private label ice cream uses 92% less water than other ice creams. ”

Measuring Sustainability Claims

IMMEDIATELY SEE WHICH ATTRIBUTES YOUR PRODUCTS ACHIEVE



HG Innovation [View formula profile](#) Saved version updated 11 days ago

Apple Juice Concentrate

Sourcing Impact [Export Scorecard](#)

HowGood Impact Score 56 Compare against average score for: All food Industry 54	Carbon Footprint On Farm + Processing GHGs 0.8 kg CO2e/kg	Carbon Footprint Cradle-to-farm-gate 0.49 kg CO2e/kg	Carbon Footprint Annual Carbon Lifecycle Cradle-to-gate 162.24K kg CO2e	Carbon Footprint Carbon Lifecycle Cradle-to-grave -- kg CO2e/kg
	Carbon Footprint Carbon Lifecycle Cradle-to-gate 1.62 kg CO2e/kg	Carbon Footprint Annual HowGood Rating	Carbon Footprint Annual Carbon Lifecycle Cradle-to-grave -- kg CO2e	HowGood Rating GREAT

Minimally Processed ✓ Climate Friendly ✓ Fair Labor ✓ Clean Label ✓ Water Smart ✗ Low Synthetic Inputs ✓

Product Overview

IMPACT LABELS

SUSTAINABILITY RATING

SUSTAINABILITY ATTRIBUTES

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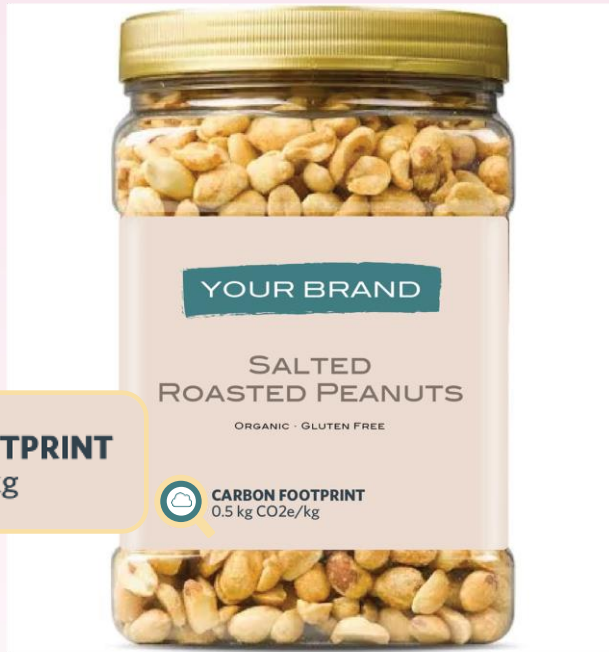
By Informa Markets



Sustainability Claims for Consumer Packaged Goods

COMMUNICATE THE SUSTAINABILITY OF YOUR PRODUCTS IN AN EASY-TO-DIGEST WAY

ON-PACK



 **CARBON FOOTPRINT**
0.5 kg CO₂e/kg

 **CARBON FOOTPRINT**
0.5 kg CO₂e/kg

IMPACT LABELS



ATTRIBUTE S



Sustainability Claims for Consumer Packaged Goods

COMMUNICATE THE SUSTAINABILITY OF YOUR PRODUCTS IN AN EASY-TO-DIGEST WAY

ON-PACK



Sustainability Claims for E-commerce

EMPOWER SHOPPERS TO MAKE PURCHASING DECISIONS THAT ARE ALIGNED WITH THEIR VALUES

E-COMMERCE

YOUR STORE



YOUR BRAND
Honey Granola Bars
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- Animal Welfare

Drive sales growth and shopper loyalty by labeling products on-shelf

FACILITATE HIGHER IMPACT PURCHASES BY HELPING SHOPPERS MAKE SENSE OF THE NOISE

ON-SHELF



Sustainability Claims

CUSTOMER SUCCESS STORY

Product Sustainability Ratings drive online and in-store sales for major retailer

THE OBJECTIVE:

Major global retailer was interested in assessing the sustainability of 400k products on-shelf and highlighting best-performing products to boost online and in-store sales.

THE SOLUTION:

HowGood worked with the retailer to rate all products across 8 key environmental and social impact metrics. After conducting a trial in one of their banners, the retailer labeled all products with HowGood ratings on their e-commerce site and across 6000 stores globally.

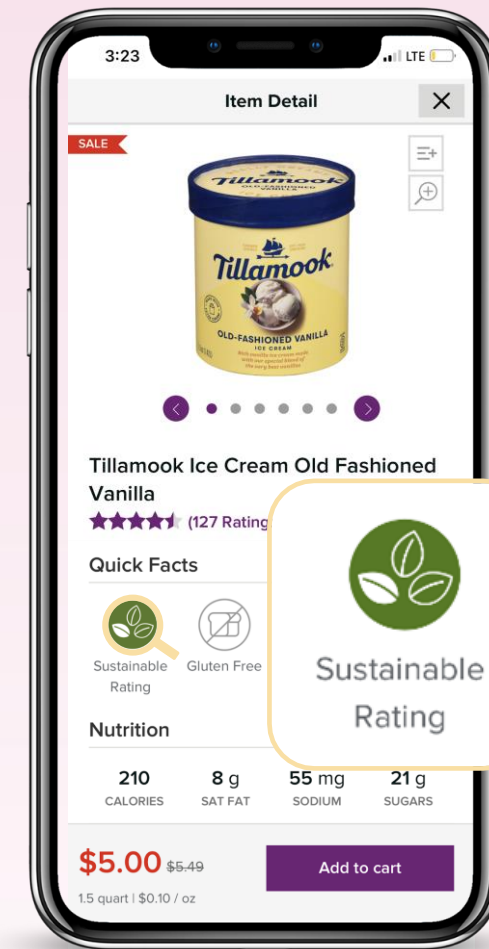
+234%

Average sales lift for products that rated "best" across one banner



+\$624k

Average increase in sales of "best" rated products in 1 day across one banner



Sustainability Claims: HowGood Ratings @ Major Retailer

Average sales increase for products achieving each rating during HowGood trials



Avoiding Regulatory Challenges

Watchouts and lessons



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U.S. Regulators and “Green” Claims

- Federal Trade Commission (FTC)
 - Advertising claims
- U.S. Department of Agriculture
 - National Organic Program (NOP)
 - “natural”, “sustainable”, or “organic”
 - Sustainable Agriculture



Federal Trade Commission (FTC):

“Should not make broad, unqualified general environmental benefits claims like “green” or “eco-friendly”.

[Enviromental Claims: Summary of the Green Guides \(ftc.gov\)](https://www.ftc.gov/guides/guides-environmental-claims)

FTC

1) How the packaging is made:

- Recycled, renewable materials, made with renewable energy, carbon offsets

2) How disposed of:

- Recyclable, biodegradable, compostable, less waste, free of, VOC-free, non-toxic, ozone-friendly.

FTC Green Guides

- Issued in 1992 with numerous revisions
- Latest revision includes:
 - “1) general principles that apply to all environmental marketing claims;
 - 2) how consumers are likely to interpret particular claims and how marketers can substantiate these claims; and
 - 3) how marketers can qualify their claims to avoid deceiving consumers.”

[Green Guides | Federal Trade Commission \(ftc.gov\)](https://www.ftc.gov/green-guides)

Federal Trade Commission (FTC):

- Truthful and substantiated
- Qualify the claims
 - Clear, prominent, and specific
- Need competent and reliable scientific evidence
 - Carbon offsets
 - Compostable
 - Non-toxic

[Enviromental Claims: Summary of the Green Guides \(ftc.gov\)](https://www.ftc.gov/guides/green)

FTC: Green Guides and Packaging

Compostable (260.7)

- Competent and reliable scientific evidence
- Safe and timely manner
- In appropriate compost facility or home compost
- Qualifying statement



FTC: Green Guides and Packaging

Degradable

- Within one year
- Awareness of what is the product degrading into?
- Deceptive and unqualified if they are customarily disposed of in landfill, or incinerator.
- Example: Claim based on soil burial tests and presence of water and oxygen; however, in solid waste stream it will not degrade in one year.



FTC: Green Guides and Packaging



<https://www.mcrcsafety.com/blog/environmentally-friendly>

- Recyclable
- Recycled Content



[What Do the Chasing Arrows Mean, Anyway? | Sierra Club](#)

FTC and Certifications and Seals

FTC Endorsement Guides:

- Disclose material connections
- Should not use certifications or seals that do not convey basis
- Prevent deception (AKA clearly and prominently identify specific environmental benefit)
- Substantiate all express or implied claims

[Environmental Claims: Summary of the Green Guides \(ftc.gov\)](#)

Intro: Avoiding Regulatory Pitfalls

- Recent cases: Two in 2022 Kohl's and Walmart Case Summary
 - The FTC sued Kohl's, Inc. and Walmart, Inc. for falsely marketing dozens of rayon textile products as bamboo. Both companies also are charged with making deceptive environmental claims, touting that the "bamboo" textiles were made using ecofriendly processes, while in reality converting bamboo into rayon requires the use of toxic chemicals and results in hazardous pollutants. The court orders settling the complaint require the companies to stop making deceptive green claims or using other misleading advertising, and pay penalties of \$2.5 million and \$3 million, respectively.
- From <https://www.ftc.gov/legal-library/browse/cases-proceedings/2023171-kohls-inc-us-v>

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Intro: Avoiding Regulatory Pitfalls

NAD - 01/31/2023 - Kimberly-Clark Action against Dyper for biodegradable claim

- Summary
 - New York, NY – January 31, 2023 – In a challenge brought by Kimberly-Clark Corporation, the How (NAD) of BBB National Programs determined that Dyper, Inc. provided a reasonable basis for claims that certain components of its bamboo viscose diapers are biodegradable but recommended that the claim be further qualified to make clear the circumstances in which the stated diaper components would actually degrade.
- <https://bbbprograms.org/media-center/dd/dyper-biodegradable>

Thank You!



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**Natural
Products**
EXPO WEST®



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