



# Understanding Misleading Environmental Claims of Products in Australia

## An overview of different claims and their environmental significance

Every product has an environmental impact. Even the most environmentally progressive products have an impact on the environment in their manufacturing, consumption, and disposal life-cycles.

Recognizing the environmental challenges of the 21<sup>st</sup> Century, a large market for environmentally preferable products has emerged. The overall value of this market is in the many billions of dollars. In fact, the overall aim of sustainable development is to convert all market operations to have a low and sustainable impact on the environment.

With the growth of this new social, market, political, and economic agenda, and the commercial benefits for manufacturers, a wide range of environmental information is being presented on the market. This information is being presented among the three tiers of government and corporate procurement, for the purpose of capturing the commercial dollars in consumer demand for green products.

The objectives of consumers are to buy “greener products”, that is: ‘products which have a significantly reduced environmental impact to comparable products’. Consumers are not interested in whether the manufacturer donates to Greenpeace, whether they have a policy to do well for the environment, or whether they have a nice brochure of their environmental performance. Consumers typically want to know at the time when they are purchasing whether the product is a “green product” – one that does significantly less harm to the environment.

The marketing and manufacturing sector understand this demand and have, in the majority of cases over the last decade in Australia, turned their environmental priorities to their marketing and public relations

departments, rather than their production and technical managers. The results are, in the majority of cases: false, misleading, irrelevant, and very selective environmental information on products and marketing material of products. In order to understand the types of information these marketing departments are presenting to the public, a range of statements, policies, and programs are explained below in order to help those interested in green procurement to understand the relevance and meaning behind these claims.

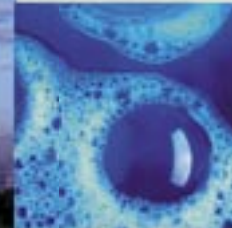
Importantly, each of these claims is tested against the market demand for “products which have a reduced environmental impact in comparison to like products”.

The most common ways by which products state their environmental preference are through:

### Single Issue Claims or Environmental Branding:

Many products in Australia currently seek to gain environmental market recognition by displaying their good environmental performance through a single environmental attribute statement. Detergents may be “low in phosphorous”, dishwashers may be “water efficient”, and air conditioners may be “environmentally friendly due to their avoidance of ozone depleting substances”. Even boxes of matches display the statement “environmentally friendly”.

When taking a scientific approach to these claims however, we find that the major environmental impacts of the detergents are: their sodium content, their use of non-biodegradable materials, and their fragrances and colorants - all of which place much greater impact on both treatment plants and waterways. Hence a statement such





as “phosphorous free” is not a credible indicator of environmental performance. For dishwashers, the major environmental impact is energy use, and hence an uninformed consumer seeking to buy an environmentally preferable dishwasher on the basis of a water efficiency label would be misled and manipulated by the manufacturer. For air conditioners that make the statement as to their environmental friendliness on the basis of the non-use of ozone depleting substances, consumers may not be aware that substitutes may be very powerful greenhouse gases. Hence these air conditioners have a significant impact on the environment not only in terms of their refrigerant, but also their energy efficiency during use. Even matches have an environmental impact on logging, treatment, and packaging, and cannot be classed as ‘environmentally friendly’.

The complex multi-impact nature of environmental loads along the production, consumption, and waste cycles of products means that single indicators should not be used as a guide to the environmental performance of different product groups. While such statements may be accurate, they may mislead the consumer by making the impression and claim that the product is environmentally preferable to other similar products. The branding of products with a product name that implies good environmental performance is an even less suitable indicator of actual environmental performance. However, to the uninformed consumer, these types of marketing tactics have to date been successful due to the lack of better information, more detailed and credible labeling, and declarations and independent guides on this complex set of environmental considerations.

Products implying environmental preference on the basis of single and often irrelevant claims intentionally seek to capture the environmentally conscious market by misleading the consumer. Brand names that display environmental imagery are even more overtly misleading. Green procurement officers and everyday members of the public should steer away from such misleading claims by producers. The overall environmental impact needs to be considered, and in order to do this effectively, information on the primary environmental impacts and the product’s performance against those impacts needs to be provided to consumers.

### **Environmental Management System EMS:**

**A**n EMS is a document- and procedure-based administrative system focused on the environmental impacts of an operation. It records test and emission results, establishes procedures for emergencies or environmentally significant events, reporting guidelines, and formalizes systems for regulatory compliance. It is typically facility-focused. Larger operations with environmental significance tend to have an EMS system - most usually compliant with the ISO 14 001 standard.

Having an EMS is by no means an indication of the environmental performance of products that are made by any given department. It is entirely feasible and expected that products with a much greater environmental impact than comparable products can originate from facilities that have an EMS. An EMS should not be accepted as an indicator of the environmental performance of a product or operation. Many tropic rainforest logging companies, and toxic chemical, energy, and pollution intensive manufacturing operations have an EMS. The international community has recognized the tendency for manufacturers that have an ISO 14 001 EMS to claim good environmental performance of their products and have established the ISO 14 020 standards that are the international guidelines for environmental labeling and environmental declaration.

### **National Packaging Covenant:**

**T**he national packaging covenant is a program that was established by the packaging industry and government in Australia. To join the packaging covenant manufacturers are required to outline feasible plans for reducing the environmental impact of their waste and packaging. The packaging covenant is only directed towards packaging. Manufacturers that join the covenant are not audited as to their performance, are not obliged to meet any targets on waste, nor are obliged to even successfully undertake the actions in their plans. The Covenant as has been in operation to date is not an indicator of the environmental performance of a product or even the environmental performance of the packaging.

Being a signatory to the National Packaging Covenant is not an indicator of the environmental performance of a product or producer although many industry groups and manufacturers suggest it to be so in their marketing and corporate PR documents.

### **Environmental Policy or Industry Code of Conduct:**

**A** manufacturer displaying an environmental policy which is typically a generic statement of commitment to the environment or an industry code of conduct is not an indicator as to the actual environmental performance of their product. Industry and individual manufacturer policies rarely require specific quantifiable environmental outcomes. Such policies or Codes of Conduct are not an indication of the environmental load of their products. It is again entirely feasible that companies may have such established policies but still deliver a product which is more environmentally damaging in comparison to similar products.



## Participant in Eco-efficiency Agreements or Government programs such as the Greenhouse Challenge or Cleaner Production Programs:

In order to encourage the uptake of environmental initiatives in industry, government has established a wide range of voluntary programs typically financed through the public purse. These programs are typically voluntary in nature and do not require specific minimum environmental performance requirements. While examples can be quite diverse, the programs aim at reporting of: environmental loads, the implementation of specific environmental actions such as alternative material testing, water efficiency, energy efficiency, or production innovation.

There are many manufacturers that belong to such programs. For example, the Greenhouse Challenge program of the Australian Greenhouse Office has over 800 member participants. However these programs do not translate into a comparative reduced environmental load of manufactured products. In fact, many programs, such as the Greenhouse Challenge, do not even require an improvement of environmental loads to maintain membership. There are many companies that have products with a very large environmental impact that are members of such programs. Membership to these programs is not an indicator of actual good environmental performance of products, but merely that the company has undertaken a voluntary initiative to meet the specific objectives of a program. To date we have not been made aware of any government environmental program which has specific minimum environmental impact benchmarks as a prerequisite of membership or participation.

## The way forward on green purchasing:

In order for consumers to exercise their environmental convictions they need to understand the primary environmental impacts of products they purchase and the specific impacts of the product they intend to purchase in comparison to like products. This is a big ask for both the uninformed consumer and even the professional procurer. Luckily, the international community has established national environmental labelling programs run by third parties to provide this analysis for consumers and deliver environmental declarations to manufacturers whose products are truly environmentally preferable. Some 38 countries have established national programs that deliver a life-cycle-based environmental assessment of products against standards which stipulate minimum environmental performance characteristics among different product groups. These standards are typically free to the public and are created using leading professionals in the field and a national consultation process. The Australian body is the Australian Environmental Labelling Association Inc ([www.aela.org.au](http://www.aela.org.au)), and the Good Environmental Choice label is given to

a wide range of consumer and building products. The international body for these national programs is the Global Ecolabelling Network ([www.gen.gr.jp](http://www.gen.gr.jp)). There are also a range of international environmental labelling schemes typically concentrated on the raw material industries, such as: agriculture, forestry, and fisheries, that operate as national programs. These include the organic agriculture, forest, and marine stewardship programs which provide a non-profit, independent, third party life-cycle-based environmental assessment for these industries ([www.isealalliance.org](http://www.isealalliance.org)). Next time you are looking for an environmentally preferable product, look to one of these independent labels from the national and international ecolabelling programs for your environmental assurance.

The Good Environmental Choice Label is Australia's national environmental assessment program for a wide range of consumer and building products. The program is administered by a non-profit organisation and the program already has a spectrum of standards for a wide range of consumer and building materials. These standards can form the basis of your tender documents and are publicly available at [www.aela.org.au/standardsregister.htm](http://www.aela.org.au/standardsregister.htm).

Products are tested and their production sites audited to gain recognition by the Label. If products demonstrate that they are environmental leaders within their product group by establishing compliance to the voluntary environmental labelling standards, they display the GEC label. Certified products are available on the certified products register at [www.aela.org.au/productsregister.htm](http://www.aela.org.au/productsregister.htm) with a description of the actual quantifiable environmental results of the assessment.

For more information, contact:

[www.aela.org.au](http://www.aela.org.au)  
[www.goodenvironmentalchoice.org.au](http://www.goodenvironmentalchoice.org.au)  
[www.greenprocurement.org.au](http://www.greenprocurement.org.au)

ph: 02 6287 3100  
fax: 02 6287 3800



## National Ecolabelling Programs for Different Product Sectors

### Green Power

The Sustainable Energy Development Authority (SEDA), was established by the NSW Government in 1996 to promote products and services that reduce energy related greenhouse emissions while achieving economic, environmental and social benefits for NSW communities. SEDA pursues this objective by fostering sustainable energy supply and end use through education and market transformation, targeted energy efficiency programs, and financial support for emerging sustainable energy technologies. SEDA established the Green Power Accreditation Program in 1997. The program, which SEDA now project manages on behalf of the National Green Power Accreditation Steering Group, was expanded nationally in 2000. The Steering Group is comprised of member state agencies from Victoria, Queensland, the ACT, South Australia and Western Australia.

Website: [www.greenpower.com.au](http://www.greenpower.com.au)

Contact Number: 136 206



### Green Globe

GREEN GLOBE 21 is the global Benchmarking, Certification and improvement system for sustainable travel and tourism. It is based on Agenda 21 and principles for Sustainable Development endorsed by 182 Heads of State at the United Nations Rio de Janeiro Earth Summit. It provides companies, communities and consumers with a path to sustainable travel and tourism. GREEN GLOBE provides a benchmarking and certification product for over 20 business sectors in the travel and tourism industry and has participants in all continents and 48 countries.



Website: [www.greenglobe21.com](http://www.greenglobe21.com)

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### Good Environmental Choice

The Good Environmental Choice Label was founded in 2000 and is administered by the Australian Environmental Labelling Association Inc a non-profit non-government organisation with a national outreach. The full product life cycle label is product focussed with standards in a range of consumer, building and industrial products. The program is self declared to comply to the requirements of ISO 14 024: International Standard for Third Party Environmental Labelling and Declaration Programs.

Website: [www.aela.org.au](http://www.aela.org.au)

Australian Environmental Labelling Association Inc  
Tel: 02 6287 3100  
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Email: [office@aela.org.au](mailto:office@aela.org.au)



### Forest Stewardship Council (FSC)

The FSC was founded in 1994 and is an international body which accredits certification organisations in order to guarantee the authenticity of their claims. In all cases the process of certification is initiated voluntarily by forest managers who request the services of a certification organisation. The goal of the FSC is to promote environmentally responsible, socially beneficial and economically viable management of the world's forests by establishing a worldwide standard of recognised and respected Principles of Forest Stewardship.



The FSC international Website: [www.fscoax.org](http://www.fscoax.org)

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Email: [tcadman@certifiedforests.org.au](mailto:tcadman@certifiedforests.org.au)

### Marine Stewardship Council (MSC)

The MSC's role is to recognise, via a certification programme, well-managed fisheries and to harness consumer preference for products bearing the MSC label of approval. The MSC is a non-profit international organisation. Australia hosts the first fishery certified to the MSC Standard (West Australian Rock Lobster Fishery) and has some 25 products from certified fisheries available in Australian retail outlets, including products from the Alaskan salmon and New Zealand hoki fisheries.



Website: [www.msc.org](http://www.msc.org)

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### Australian Certified Organic (ACO)

The FSC was founded in 1994 and is an international body which accredits certification organisations in order to guarantee the authenticity of their claims. In all cases the process of certification is initiated voluntarily by forest managers who request the services of a certification organisation. The goal of the FSC is to promote environmentally responsible, socially beneficial and economically viable management of the world's forests by establishing a worldwide standard of recognised and respected Principles of Forest Stewardship.



Website: [www.australianorganic.com.au](http://www.australianorganic.com.au)

### Mining Certification Trial

This project aims to evaluate whether independent, third-party certification could be applied to mine sites. The project will seek to develop principles and standards for social and environmental performance, and evaluate a model through site trials in Australia.

Website: [www.minerals.csiro.au/certification](http://www.minerals.csiro.au/certification)

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Fax: 03 9853 4156  
[www.wwf.org.au](http://www.wwf.org.au)

## Fair Trade Association of Australia and New Zealand

The Fair Trade Association of Australia and New Zealand (FTAANZ) is a new non-profit organisation, which has been formed to unify and strengthen the fair trade movement in Australia. The FTAANZ will do this by bringing together all interested parties in Australia and New Zealand to foster and promote a common understanding of fair trade: ensuring a better deal for producers and workers marginalized and disadvantaged through current international trade practices and rules.

The FTAANZ has established a mechanism to bring the Fairtrade certification label, linked to FLO (Fairtrade Labelling Organizations International), into Australia and New Zealand. The FTAANZ is involved in ensuring the credibility of the Fairtrade label on products such as coffee and tea and in helping to market these products in the Australian context.



## NASAA Certified Organic

NASAA - providing top quality certification services (IFOAM, USNOP, JAS,ORGAA) across Australia and South-East Asia.

Website: [www.nasaa.com.au](http://www.nasaa.com.au)

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## Australian Forestry Standard

Australian Forestry Standard Limited is a national body formed to promote sustainable forest management through the development and maintenance of the Australian Forestry Standard, and related complementary standards.

The AFS (AS 4708) is an Australian Standard developed under procedures accredited by Standards Australia. It is available for voluntary application by forest managers, and independent third party audit and certification by organisations accredited under JAS-ANZ procedures.

AFS Ltd supports the standards development and review processes, which are delegated to multi-stakeholder technical committees involving the full range of stakeholders in sustainable forest management outcomes. It seeks to promote the adoption of the AFS within Australia's forests, and promote its recognition as an internationally credible forest certification standard.

Website: [www.forestrystandard.org.au](http://www.forestrystandard.org.au)

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## Energy Rating

The Energy Rating website outlines the wide range of work carried out under the National Appliance and Equipment Energy Efficiency Program (NAEEEP). NAEEEP is funded by the Commonwealth, state and territory governments. The site includes details of various end-use energy efficiency programs, both mandatory and voluntary programs. Its main resource is the energy Rating comparative database for whitegoods, which is a major source of information for consumers - current hit-rate over 300,000pa.

Website: [www.energyrating.gov.au](http://www.energyrating.gov.au)

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## Water Rating

The water efficiency labels form part of the Water Efficiency Labelling Standards (WELS) Scheme being implemented cooperatively by the Australian, State and Territory Governments.

Website: [www.waterrating.gov.au](http://www.waterrating.gov.au)

Ph. 1800 803 772  
Fax: 02 6274 1640

Email: [wels@deh.gov.au](mailto:wels@deh.gov.au)



## Energy Star

The National Energy Star Program is an international standard for energy efficient electronic equipment with a specific focus on standby power consumption. It was created by the US Environment Protection Agency (EPA) in 1992 and has now been adopted by several countries around the world, including Australia, for standby power. Its use falls under the National Appliance and Equipment Energy Efficiency Program (NAEEEP) which is funded by the Commonwealth, state and territory governments. In the USA Energy Star is used on a wide range of products as an endorsement label for energy efficiency

Website: [www.energystar.gov.au](http://www.energystar.gov.au)

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