Advancing Green Purchasing Through the Use of Trusted Ecolabels

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GoodGuide in Brief

- **Our goal:**
  - Help people buy products that are healthier, greener and more socially responsible

- **Our approach:**
  - Rate products and companies by their health, environmental and social impacts
  - Get this information into the hands of consumers at the point of purchase
But consumers lack the information needed to match their buying decisions to their preferences

Marketing claims are not trusted (e.g., “Greenwashing”)

Proliferation of single-attribute certifications is confusing

Easy-to-understand, actionable guidance at the point of purchase is rarely available
Using Mobile Technology

[Image of two iPhones: one displaying the GoodGuide scanner app and the other showing the scan result of a barcode with ratings for health, environment, and society.]
• **Single summary rating** combines health, environmental and social impacts
• **0 – 10 scale** for ease-of-understanding
• **Distributional information** for quick comparison
• **Ratings explanations** spotlight key indicators driving scores
GoodGuide Ratings Overview

- Ratings address the three major domains of corporate social responsibility:
  - Human Health
  - Environment
  - Society

- Ratings characterize product, brand and company-level performance

- Ratings are designed to be directionally correct in a comparative decision-making context:
  - In this sector/category, brand/product X is a better choice than brand/product Y
Category-Specific Scoring Methods

- Indicators are selected based on standard impact assessment methodologies, adapted to address data availability
  - For Health, use indicators that track the standard output of chemical risk assessments or nutritional evaluations
  - For Environment, use indicators that track the standard output of life cycle assessments
  - For Social, use indicators that track standardized reporting on corporate social responsibility
- Evaluated attributes and indicator sets vary by product category
  - Chemical hazard and exposure indicators for household chemical & personal care products
  - Nutritional evaluation for food & drink products
  - Environmental but not health scoring for paper products
Data Acquisition

- Aggregate data from variety of sources
  - Licensed data – Socially responsible investment metrics, product inventories
  - Authoritative data – Regulatory agencies, scientific institutions, NGOs
  - Unstructured data – Media, company websites

- Use tools to automate data retrieval, entity matching, subject mapping and change/update detection

- GoodGuide rates
  - >75,000 products from >1,500 companies
  - >150,000 products by mid-2011
GoodGuide Value Tree
Combines H, E & S Attributes to Generate Product & Company Ratings

Product-Level Tree

- Consumer Filters
- Product Management
- Human Health Impacts
- Resource Management
- Environmental Impacts
- Social Impacts

Company-Level Tree

- Environment
  - Environmental Management
  - Resource Management
  - Environmental Impacts

- Social
  - Corporate Governance
  - Consumers
  - Society
  - Workers
Product Management Ontology

- Increase score of products with attributes certified by third-parties - scale of increase based on evaluation of scope & stringency of different certifications

- Lower score of products with ingredients subject to restrictions, considering US, EU, Canada & Japan regulations as well as trade association guidelines

- Lower score of products that are made using or contaminated by “bad actor” chemicals

- Lower score of products that fail to publicly disclose the data needed to rate them (e.g., no ingredient list)
Household Chemical – Air Fresheners

Lysol Dual Action Cubes

7.1 GoodGuide's Rating

Health
This product contains one or more ingredients that raise a low level of health concern.

Environment
The company that makes this product has an above average score in use of resources.

Society
Compared to other companies, this company receives an above average rating on labor and human rights.

Enozo Hanging Closet Freshener, Potpourri

4.0 GoodGuide's Rating

Health
This product contains one or more ingredients that raise a high level of health concern.

Environment
Compared to other companies, this company scores well on reducing air pollution.

Society
Compared to other companies, this company receives an above average rating on labor and human rights.
Ratings are done at the company-level.
Public information about the impacts of a company's manufacturing operations almost never have product-level resolution.

Some product categories support environmental scores at the product-level, based on ascertainable product attributes like material choice, recyclability, energy efficiency, etc.

If both product and company-level E scores are available, they are combined using weights that vary by product category, based on degree to which product-level scores address overall impacts in that category.

Availability of indicator data varies significantly between large and small companies:
- Coverage by third-party or regulatory databases (e.g., Toxics Release Inventory)
Seventh Generation Paper Towels 100% Recycled

- **GoodGuide’s Rating**: 8.7
  - **Health**: N/A
  - **Environment**: 9.0
    - This product has a high amount of recycled fiber. Paper made from recycled fiber consumes fewer resources than paper made from virgin fiber.
    - **Environmental Ratings**:
      - **Product**: 9.2 out of 10
      - **Company**: 8.4 out of 10

Kirkland Signature Paper Towels

- **GoodGuide’s Rating**: 3.3
  - **Health**: N/A
  - **Environment**: 2.6
    - The company that makes this product has one of the lowest scores in climate change.
    - **Environmental Ratings**:
      - **Product**: 2.4 out of 10
      - **Company**: 3.2 out of 10
  - **Society**: 3.9
    - The company that makes this product has a below average score in ethical policies and performance.

Paper – Paper Towels
Paper Towels – What Drives Scores?

- Environment
  - Product: 9.0 out of 10
    - Certifications: 9.0 out of 10
    - Paper Bleaching Process: 10 out of 10
    - Recycled Content Index: 9.0 out of 10
  - Company: 8.4 out of 10
    - Environmental Impact: 8.4 out of 10
    - Environmental Management: 9.3 out of 10
    - Resource Management: 7.9 out of 10

- Environmental Ratings
  - Company: 3.2 out of 10
    - Environmental Impact: 3.5 out of 10
    - Environmental Management: 3.1 out of 10
    - Resource Management: 2.9 out of 10
### Social Ontology

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<th>Social</th>
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<td>Labor and Human Rights</td>
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**Ratings are done at the company-level**

It is virtually impossible to acquire information about the impacts a specific product has on social attributes such as worker rights, etc.

**A few product categories support social impact scores at the product-level** (e.g., coffee, because of social focus of third-party certifications like Fair Trade)

**Availability of indicator data varies significantly between public and private companies**

- Coverage by third-party or regulatory databases
- Maturity of governance structures
- Availability of resources to fund benefits, philanthropy, etc.
- Sophistication of policy positions or performance metrics
Hot Topics

• Relationship of GoodGuide to Other Sustainability Initiatives
  – Third-Party Certifiers
  – Research Projects - The Sustainability Consortium

• Incorporating Consumer Opinions
### Third-Party Certifiers

- GoodGuide tracks certifications relevant to company sector or product category

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- 符号: 有些标签适用于多种类型的产品。

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来源：World Resources Institute, Big Room Inc. | Bonnie Berkiwitz and Laura Stanton/The Washington Post - May 3, 2010
Impact of Certifications on Ratings

- Certifications are evaluated on their scope, stringency and authoritativeness
- Based on our review, may be used
  - As a positive contributor to product H or E score
  - As a positive contributor to company E or S score
  - Only as a user filter
Sustainability Consortium

- Product-level sustainability declarations
- Controlled by measurement & reporting standards for consumer product categories
Social Networking Overlay

Tell us what you think

<table>
<thead>
<tr>
<th>Recommend</th>
<th>Avoid</th>
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<td>(197)</td>
<td>(26)</td>
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Recommended Because
- works well (8)
- fair price (2)
- good on health (2)
- environmentally friendly (3)
- good social record (3)

Avoided Because
- works poorly (4)
- expensive (3)

Add “voice of the crowd” perspective, but **does not impact scientific ratings.**

Consumer feedback provides data on important attributes that are not included in ratings, such as product efficacy.
The Future

• Automated decision support for consumer purchasing will be integrated into both online and offline shopping experiences
  – Matching purchases to personal preferences
  – Sustainability attributes will be included
  – Consumers need different sustainability guidance than companies

• Sustainability data disclosure will increase rapidly in response to consumer and retailer demand, spanning a producer’s entire supply chain

• For consumer audiences, information aggregators/integrators will be more influential than certifiers or marketers