Net Positive is a new approach to doing business. To succeed, business must do more than minimise its negative impact – it must be designed to have a positive impact on the world.

Corporate Responsibility (CR)

Responsible Marketing

policy standard and guidelines

Version 1.1  June 2013
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Contents
Corporate Responsibility (CR)
Responsible Marketing policy standard
1. Purpose 1
2. Aim 2

Corporate Responsibility (CR)
Responsible Marketing guidelines
3. Introduction 3
4. What is meant by ‘responsible marketing’? 3
5. What are the business risks and opportunities related to responsible marketing? 3
5.1. Risks 3
5.2. Opportunities 4
6. Guidelines on Responsible Marketing related activities 4
6.1. Making eco-promises 4
6.2. About ‘Greenwashing’ 4
6.3. CR marketing activities 5
7. Other related policy and activities 6
8. Transparency 6
9. Further guidance and information 7

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We are currently reviewing our guidelines and policy standards in line with Net Positive and will issue updates over the next year.

Corporate Responsibility (CR)  
**Responsible Marketing policy standard**

1. **Purpose**

As a leading home improvement retail group in Europe and Asia, Kingfisher has a duty to market its products and services in a responsible way. Also, to ensure that all associated communications and marketing activities are legal, fair, honest, transparent and sensitive to the views and needs of our stakeholders.

Kingfisher’s Corporate Responsibility (CR) policy, supporting policy standards and goals aim to fully integrate sustainability into our business thinking, and to make us the customer choice for sustainable home improvement products and services. We have a responsibility for the safety of our products, to ensure that they are ethically sourced and that we sell these in an honest, non-exploitative way. We are well placed to influence consumer behaviour towards taking positive action, environmentally and socially, and to bring sound benefits for our business and stakeholders through the marketing of our products and services.

Kingfisher’s Code of Conduct defines minimum standards for ethical business practice, and outlines the principles to being truthful, fair, abiding by the law and upholding our good reputation. The CR Responsible Marketing Standards and guidelines are for specific marketing activities which are CR related, including eco-product design and marketing, energy or other CR related campaigns aimed at customers and other stakeholders.

As we continue to raise the profile of our CR environmental and social initiatives, we recognise concerns from our stakeholders. There is increased risk of ‘greenwash’ – a term used to describe the perception of consumers and other stakeholders that they are being misled by a company’s claims about products, services and initiatives they are undertaking.

Kingfisher’s **CR Responsible Marketing Guidelines** provide operating companies with support to establish sound principles, and ways to apply these to the benefit of our business and stakeholders. They help us to prevent risks that could potentially damage Kingfisher’s reputation from CR related marketing activities.

It is the responsibility of each individual operating company to meet the objectives of the Kingfisher CR Responsible Marketing Policy Standard. These will depend on the country and operating environment, the brand, the market and the need in each region.
2. **Aim**

To market products and services responsibly, ensuring that all communications and activities are legal, fair, honest, transparent and sensitive to the views and needs of our stakeholders.

Kingfisher expects the following standards to be applied:

- Offer customers honest and accurate information, responsible marketing, and in doing so inspire trust in our brand.
- Provide guidance on using products in a healthy and environmentally responsible way.
- Prevent inappropriate marketing of products, services and initiatives related to sustainability, which might be misleading, false or untrue.
- To ensure that responsible marketing practices benefit our stakeholders and meet Kingfisher’s sustainability objectives.
3. Introduction

These guidelines have been written to provide support for operating companies so that they understand the issues of CR related marketing activities, Kingfisher’s expectations for responsible marketing practice, and ways to apply these to the benefit of the business and its stakeholders. Also, so that they understand ways to mitigate and manage the risks, as well as the opportunities, associated with proactive use of our CR credentials in marketing and customer communications.

As outlined in our Policy Standard, as we continue to raise the profile of our environmental and social initiatives we recognise concerns from our stakeholders, and the increased risk of ‘greenwash’, – a term used to describe companies that claim to be ‘greener’ than they actually are, and the perception of consumers and other stakeholders that they are being misled by a company’s claims about products, services and initiatives they are undertaking.

Through combining our CR and marketing expertise we can achieve a key aim of our ‘Future Homes’ Sustainability Strategy: to embed sustainability in the business from products we offer, to deliver value to our business, our customers and other key stakeholders.

It is the responsibility of each individual operating company to meet the objectives of the Kingfisher’s CR Responsible Marketing Policy Standard. This will depend on the country, operating environment, the brand, the market and the need in each region. Individual operating companies will be at different stages in terms of their marketing of CR related products, services and initiatives.

4. What is meant by ‘responsible marketing’?

Responsible marketing is achieved when a company has addressed opportunities or concerns around its products or services through marketing in a way that is legal, fair, honest, transparent and sensitive to the views and needs of its stakeholders; and by doing so, has achieved a positive environmental and social impact.

Responsible marketing is not achieved when false/misleading claims are made about products, services and marketing activities – see guidelines on ‘greenwashing’ [www.futerra.co.uk/downloads/Greenwash_Guide.pdf](http://www.futerra.co.uk/downloads/Greenwash_Guide.pdf)

5. What are the business risks and opportunities related to responsible marketing?

5.1. Risks

- Increased governmental/regulatory requirements e.g. eco-product labelling.
- Prosecution due to a false claims or enforcement actions by regulators resulting from inaccurate or misleading product statements or claims.
- Loss of reputation through poor media attention.
- Negative and intrusive attention from NGOs and other stakeholders.
- Customer confusion and mistrust.
- Negative media publicity resulting in loss of credibility with key stakeholders, partners and institutions.
- Loss of investment.
Employee mistrust and disillusionment leading to non-retention.

Joint projects which might expose credibility issues of external partners.

Lack of consultation with relevant internal business experts prior to launching products and marketing initiatives, e.g. CR campaigns.

5.2. Opportunities

- Potential investment opportunities leading to enhanced share value.
- Potential to attract customers and encourage them to buy our products and services over others, therefore driving sales.
- Potential to exploit new markets and strengthen brand, e.g. eco-product innovation and bringing new sustainable products to the market through collaboration with suppliers.
- Encouraging positive consumer action through the availability and communication of our CR message supported by a portfolio and sustainable products to help them.
- Enhanced reputation through positive attention from media, NGOs and other stakeholders.
- To maximise opportunities through aligning marketing operations effectively with Corporate Responsibility initiatives.
- Employee skills development and increased potential through internal joint working.

6. Guidelines on Responsible Marketing related activities

In order to ensure that operating companies meet the requirements of Kingfisher's CR Responsible Marketing Standard, they must consider all CR/sustainability related marketing activities, including the following:

6.1. Making eco-promises

Eco-promises include commitments to do something, e.g. to develop energy efficient products and make direct/self declared claims through use of text such as ‘this product is chemical free’ or through the use of specially developed symbols and labels which denote a quality standard. These may be made through advertisements, on websites and on products themselves. In context to our business, Operating Companies must ensure that any ‘promises’ they make are truthful, accurate, not misleading and achievable. Special attention should be paid to:

- Production of corporate statements which make promises, and ensuring that advice of the CR specialists and approval of senior CR and Marketing managers is sought.
- Targets set – if these are publicly stated ensuring that there are plans in place to achieve them, and that progress is reported with relevant outcomes and data.
- Product labelling and guidance given to consumers, ensuring that this is truthful and fair, in consultation with relevant CR and other departmental specialists.

6.2. About ‘Greenwashing’

As already highlighted above, ‘greenwash’ is a term used to describe the perception of consumers and other stakeholders that they are being misled by a company’s claims about products, services and initiatives they are undertaking. Greenwash misleads the public by stressing the environmental credentials of a person, company or product when these are unfounded or irrelevant. It can be found in advertising, PR or on packaging, and made about people, organisations and products.
Consumers have started sending strong environmental signals through their purchasing habits and preferences. The growth in the production and sales of eco-products is a powerful force that both maximises our competitive advantages, and forces businesses to take environmental responsibility more seriously. But, consumers often rely on advertising and other corporate messaging to inform their purchasing choices, and ‘greenwash’ is undermining confidence in that advertising.

‘Greenwash’ is often the result of over-eager communications campaigns and lack of understanding, rather than intentional malicious intent.

Other ‘greenwash’ areas to be aware of:
- Poorly defined language – this is words or terms with no meaning, e.g. ‘eco-friendly’.
- ‘Green’ products produced in unacceptable conditions, e.g. eco-products made in factories that do not meet acceptable standards for working conditions.
- Suggestive pictures, e.g. images which might create an unjustified ‘green’ impact.
- Misleading claims, e.g. emphasising one small green element while ignoring the wider content or context of a product.
- Making claims that you are ‘the best’, and being sure that you can justify it.
- Endorsements, i.e. a label that looks like it’s endorsed by a third party but it is not.
- Claims made that cannot be substantiated and supported by documentary evidence.

6.3. CR marketing activities
There are a wide range of marketing materials to be considered, which may be used for a variety of CR related marketing activities. Marketing and CR teams should work collaboratively with other appropriate departmental specialists, to ensure that all materials and activities adhere to our CR Responsible Marketing Policy Standard. These include:

- Ensuring that all advertising and media, including written reports, TV, website, photographic or direct written materials, statements or claims are true, and have been approved by the appropriate business specialists/senior managers, before sign-off by marketing managers.
- Campaigns which might include cross-departmental working e.g. joint CR and Marketing team projects. Campaign managers from each department should work together to ensure that the objectives and activities of the campaign meet our CR Responsible Marketing Policy Standard. This will include proof of any CR promises/claims with any relevant data. Approval for campaigns and marketing activities should be sought from business specialists/senior managers.
- Partnership working and use of shared logos e.g. B&Q UK’s One Planet Living, and Castorama’s ‘Partners for the Planet’. It is the responsibility of Operating Companies to check the credibility of the partners they work with, including public profile and reputation. They should not work with partners who have operated in an unlawful way, or are likely to bring Kingfisher’s reputation into disrepute, e.g. associated with proven allegations, and/or received significant negative media.

Partner logos should be verified for credibility and any claims associated with them, e.g. a logo which claims that a product is of a certain standard, or one which claims certain commitments to social or environmental causes.

- Cause Related Marketing activities (CRM) – where a percentage of product sales are given to a not for profit organisation, and are used to increase the exposure of an environmental or social issue or cause. Potential partners and their commitment to social and environmental causes should be verified and subject to appropriate due diligence,

- Product rating schemes, e.g. European Energy Rating Label A-G. These should be checked for industry and other relevant credibility, e.g. conforming to local government standards.
7. Other related policy and activities

Operating Companies should consider where the CR Responsible Marketing Policy Standard may need to be incorporated into other areas of policy and guidance. This might include brand and customer relationship management where environmental or social issues need to be taken into consideration, and in particular where this links to building trust, confidence and loyalty with customers and stakeholders, e.g.

- Brand Management guidelines
- Customer Satisfaction surveys and integration of feedback relating to environment/eco-product
- Customer Insights management, e.g. impact assessment of a marketing/CR campaign

Operating companies should ensure that their CR Marketing activities take account of relevant regional or national government codes, such as the European Commission’s Guidelines for Making and Assessing Environmental Claims, and the Defra Green Claims Code (UK).

Evidence must be provided to ensure that initiatives and claims made are verifiable from relevant stakeholders e.g. suppliers, partners, NGOs etc and other associated codes, standards and data.

Eco-promising is something for consideration throughout our entire Group business operations, including our supply chain. Operating Companies should consider the CR Responsible Marketing Policy Standard and guidelines in context to these.

8. Transparency

Our stakeholders expect us to be transparent about the impact that we make on the environment and society. Being open and honest improves our relationships with stakeholders, gives our customers confidence and trust in our business and the products we sell, therefore improving brand loyalty. To achieve this Operating Companies must ensure that the outcomes of their initiatives are verifiable, backed with relevant quantitative data that is subject to verification and is from reputable source to back up claims, and reported through written reports, media and website etc.

Examples of positive/current responsible marketing activities:

- B&Q UK’s Energy Efficiency Made Easy campaign which encourages customers to improve the energy efficiency of their home is a good commercial campaign, which not only provides products and services to help its customers to improve energy efficiency, but it also seeks to provoke action by customers on the environment rather than simply following demand.
- Castorama France workshops on saving energy efficiency which helps customers to reduce their impact and save money.
- Kingfisher and B&Q UK eco-design of product initiative designed to prepare for the EU Directive on energy-using products (EuP).

Examples of poor media attention

To help operating companies to understand the risks; the following are examples/case studies from media of the implications to businesses that make false or misleading claims, where they didn’t do what they said they would do:

- A large retailer announced a ‘zero waste to landfill’ aim for 2010, which would mean making better use of waste from over 300 stores, and reducing packaging by 10 percent. But when the National Consumer Council (UK) assessed their practices, they rated their performance as being considerably lower than other leading retailers. The learning from this was stating a commitment to the environment, but not following up on their promises.
A car manufacturer launched their new model, as a response to the growing demand for more environmentally safe vehicles. But, production rates are low, and some are saying that the company is doing just enough to make ‘Green PR’ work to their advantage – possibly netting more profits and appeasing all the cynics. Some may say that green vehicles are simply ‘not popular’ enough yet to warrant a higher rate of production, that perhaps the demand is not big enough for a larger supply (an example of a report from the Greenwashing Index).

9. Further guidance and information

**Futerra Sustainability Communications’ Greenwash Guide** – introduces the history of ‘greenwashing’, why it is dangerous, what the signs of ‘greenwashing’ are, guidance on how to avoid it and how the right green messages can bring business advantage. Please view: [www.futerra.co.uk/services/greenwash-guide](http://www.futerra.co.uk/services/greenwash-guide)

**Green Claims Code (UK)** – outlines standard information that the public can expect to be given about environmental impacts of consumer products. Please view: [www.defra.gov.uk/Environment/consumerprod/gcc/index.htm](http://www.defra.gov.uk/Environment/consumerprod/gcc/index.htm)


**Facts from research (UK Ethical Consumerism Report – 2007)**

According to research by Ipsos Mori, four in five Britons believe many firms pretend to be ethical just to sell more products, an increase from two-thirds in 2005. Furthermore, almost 80% want to see companies back up ethical claims with proof.

Highlighting the growing dissatisfaction with big companies’ green campaigns is the FTSE 100 ‘Green Washers and Green Winners’ survey. It was recently compiled by public relations consultancy Chatsworth Communications, which polled UK ‘opinion-formers’, such as journalists and political groups.

Spending on green energy tariffs also more than doubled in the UK in 2006, growing from £54 million to £127 million. Furthermore an estimated £247 million was also spent on insulation and double-glazing for environmental reasons, whilst spending on energy efficient light bulbs increased by 44% to £26 million.

**Guidelines for ‘Green’ Claims produced by Advertising Standards Agency (UK)**

From Focus work May 2008:

With the increasing attraction of the ‘green pound’, all sorts of products are being marketed on their environmental credentials. CAP (Committee of Advertising Practice) and ASA have seen claims for many different ‘green’ products ranging from electricity, houses, paints, cars, clothing, investment trusts, fridges, paper, credit cards, furniture, beauty products and many more. The temptation to over-claim in a market in which consumers will often pay a premium for environmentally friendly products or have more brand loyalty to an ‘ethical’ marketer is enormous and set to increase.

In 2007, the number of consumer complaints to the Advertising Standards Authority (ASA UK) about green claims in ads doubled in comparison with 2006. A claim that is deemed to be misleading by the ASA can result in a campaign having to be changed or withdrawn.

For further details of this focus work and guidance from CAP with marketers in mind, their CopyAdvice team has a set of new AdviceOnline entries on our website to give marketers a helping hand when making ‘green’ claims – please go to: [www.cap.org.uk/NR/rdonlyres/B283E897-2FAD-4CC6-B460-FEA2568C13CB/3198/Insight_May2008.htm](http://www.cap.org.uk/NR/rdonlyres/B283E897-2FAD-4CC6-B460-FEA2568C13CB/3198/Insight_May2008.htm)
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