

case 1-429-300  
February 5, 2013

## SC Johnson and the Greenlist™ Backlash

Chief Executive Officer H. Fisk Johnson leaned back in his desk chair at SC Johnson & Son's headquarters in Racine, Wisconsin, and paused for a moment to reflect on the events of the past two years. The lawsuits against his company regarding the patented Greenlist™ methodology, an internal environmental product-labeling system used on products like Windex® glass cleaner, had finally settled at a significant cost to the company. Greenlist™, which had resulted in significant product improvement, would no longer have a label on some of the company's most visible products due to the fact that consumers perceived the label to be a third-party environmental certification. To the press, he had admitted that though his company's legal case was strong, in retrospect, SC Johnson could have been more transparent about what the Greenlist™ logo represented.

The company had invested significant time and effort into the development of Greenlist™, a system that ranked ingredients in terms of environmental impact and provided a label for the SC Johnson products that had been evaluated according to their ingredients. Johnson didn't want to discard the entire Greenlist™ process out of fear of consumer mistrust. He believed in it and thought it was scientifically sound. He recalled his father, whose environmental actions as CEO of SC Johnson were controversial and costly to the company's bottom line. His father's efforts, which included the elimination of chlorofluorocarbons (CFCs) from the company's aerosols before it was federally mandated, were eventually seen as courageous and visionary. Johnson remembered his own keynote address at the Ceres Sustainability Conference in Boston, when he gave an impassioned speech in which he argued that current businesses and governments weren't doing enough to protect the earth's resources. Hopefully, his and his company's credibility had not been reduced by the lawsuits as much as he feared.

Would consumers continue to trust his company as green and socially responsible? Should SC Johnson continue to use Greenlist™ in its current form to improve products and reduce their environmental impact? How could the company market its greener products to effectively compete with companies like Clorox without risking accusations of "greenwashing"<sup>i</sup> and costly lawsuits? Was it good business strategy to continue investing in Greenlist™ if there wasn't an easy way to communicate its value to consumers?

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<sup>i</sup> Greenwashing is a form of spin in which companies mislead customers by making deceptive claims about the environmental attributes of products or services in order to increase sales.

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©2013 Andrew Hoffman. This case was developed under the supervision of Andrew Hoffman (Holcim US Professor of Sustainable Enterprise) at the University of Michigan's Ross School of Business by graduate students Alice Appleton, Cara Bastoni, Kara Davidson, and Yuan Zhang as the basis for class discussion rather than to illustrate the effective or ineffective handling of a situation. Secondary research was performed to accurately portray information about the featured organization and to extrapolate the decision point presented in the case; however, company representatives were not involved in the creation of this case.