**# Introduction**

We have noticed that consumers’ demands of environmental-friendly products have been continually increasing in past years. As a large corporation established with environmental protection as our core competence, we are deeply committed to integrating sustainability into every aspect of our operations and we have a solid brand image based on the authenticity and reliability of our products. However, as the investigation of our company’s products deepens, I have found that part of the raw materials of our products are not meeting the environmental standards. Which are obviously not the same as our advertisements claimed they are 100 percent environmental-friendly. Behaviors like such not only breach the principles of marketing integrity but also may cause legal risks and consumers’ trust backlash.

This report will be concentrated on the scope and influence of this kind of ethical violations. First we would discuss about the definition of ethical violations in this issue, including lose the trust from consumers and lack of transparency in advertising. Next we would discuss about the scope and impacts would be caused of this issue. The scope part would contain the number of influenced consumers and the effects on the environment caused by this issue. While the impact part we would mainly discuss about how this case would affect our consumers and our company.

Then the report would provide some practical and workable suggestions to make damage control and improve our manufacturing processes. We firmly believe that the best products must be environmentally-friendly, so we must make a commitment to the public and environment to provide sustainable, harmless products without troubled materials.

**# Discussion**

First we should hold a discussion about the ethical violations in this circumstance which should contain the definition, scope and impacts of the violations in this case.

**## The definition of the ethical violations**

The company has violated the ethical principles of truthfulness and transparency in its environmental product advertising. And they are specifically presented as

* Using non environmental-friendly materials to manufacture part of the products
* Using false statements of environmental performance of the product in marketing which could mislead consumers

These behaviors have breached the industry ethical standards and may furtherly violate consumer protection law and advertising regulations.

**## The scope and impacts of the ethical violations**

**### Scope**

* **Consumers**

We had 30 percent of total products in the last year using troubled materials which have been sold to costumers nationwide.

Among these troubled products, 50 percent were using completely non-recyclable materials and the other 50 percent were consist of environmentally harmful ingredients

The approximately number of the costumers are about 15,000 people.

* Environment

The product waste could pollute the marine environment and impact a large number of marine life species.

The use of non-biodegradable raw materials may lead to the overexploitation of resources. For example, some raw materials may come from scarce natural resources, resulting in excessive reliance on and destruction of ecosystems such as forests and minerals.

**### Impacts**

* To consumers:

Our false advertisement has misled consumers into purchasing our products based on incorrect information, which may have violated their rights and interests.

* To corporation:

The impacts to corporation could be divided into three kinds of risks, which are reputation, finance and compliance.

* + Reputation risks: As the non environmentally-friendly material using issue being exposed, our corporation may face to strong criticisms from consumers and journalists.
  + Finance risks: Our corporation may face to a heavy fine of breaching environmental protection laws, meanwhile we may provide compensation to consumers who had been influenced by the troubled products.
  + Compliance risks: The false statements in advertising have violated the advertising laws and may lead to investigations by regulatory authorities.

Next we still need to hold a discussion of the public’s opinions of false environmental advertising issues. It is necessary to understand the shift in our position regarding public trends before and after the issue.

**### Public’s Opinions**

According to the industry data, global consumers’ attention to sustainable products has increased in recent years, which means their tolerance on using products with non environmentally-friendly materials are being less and less.

Therefore, we should avoid manufacturing products with non environmentally-friendly materials, take damage control actions as communicating transparently with the consumers or recall the issued products to prevent the violations causing further harmful effects.

**# Recommendations**

* Transparent communication with consumers

As we mentioned earlier, we must take steps to prevent further harmful consequences resulting from these violations. We should acknowledge that some of the materials used in our products are not genuinely environmentally friendly, and we are sincerely concerned about the implications and potential outcomes of this issue. We should communicate all the details involved to demonstrate our sincere apologies for what we have done and to regain public confidence.

* Recall the troubled products as soon as possible

Since we had manufactured the issued products, we should recall the products as many as we can and meantime as soon as possible. A one-minute delay in response could result in the death of a living creature due to our issue. And to be responsible for our consumers, we should recall the sold products and provide compensation to those who purchased our products but may lose the trust once they learn the truth.

* Sett up consumer’s complaint and feedback system

We don’t know how many consumers have realized their purchased products have a non environmental friendly issue. But we should require our customer service department to set up a complaint feedback mechanism to deal with the potential cases of this issue. For example, if a customer realizes that the product is harmful because of the materials and requests to return, we should response quickly with sincere apologies and issue a refund.

* Make long-term commitments to sustainability

We made a mistake in selecting materials, and to make amends, we must commit to long-term sustainability in our manufacturing processes. Sustainability is the foundation of our industries and without it there would be no more marketing or manufacturing. We must continue to seek the raw materials which are really environmentally-friendly and recyclable. And we should keep our promise in front of our consumers.

* Establish marketing oversights

We should set up a work group of marketing oversight under the marketing department in order to avoid issues like false advertising and misleading. These oversight people should not be involved in advertising decisions but just give their opinions on the outcomes by their colleagues. Once the oversight team believes that there are false statements in our advertising we must remake our decisions in the earlier advertisement.

* Improve the raw materials examination

After making the commitments, we should improve the examination of raw materials because of we were using non environmentally friendly materials which proves that there must be a defect in our materials choice. A good way to recognize the materials is third-party testing agencies engagement. If we couldn’t examine the materials by our own we could let the professionals to do it for us, which could reduce the harm of using non environmentally friendly materials.

* Conduct regular environmental impact assessments

Besides, we could also conduct an assessment of our product’s environmental impact. Making sure not only the manufacturing processes are environmentally friendly is important but also the outcomes should not do harm to the environment. We should also engage a third-party agency to assess our products, ensuring transparency and demonstrating our commitment to never repeating the same mistake. If the assessment shows that our product is still not meet the environmental standards, we should suspend production for rectification.

* Enhance the ethical guidelines

After this case, what we learn is to avoid using non environmentally friendly materials in production. We could transform the case consequences into valuable lessons and add them into our ethical guidelines. And we must place a strong emphasis on using environmentally friendly materials in the future employees’ training to avoid the same mistake.

**# Summary and Conclusions**

Finally, let’s organize the outline of the whole case. We are the manufacturer of a product with raw materials which are not environmentally friendly. But what we claimed is that we are totally using environmentally friendly materials in the process. These behaviors caused ethical violations which are losing public trust and lacking transparency. These violations affect about 15,000 people and do real damage to the ocean environment and may cause overexploitation of resources. Besides this issue does cause a lot of ethical influences to our company including reputation reduction, fine and compliance risks.

As the crisis rises, what we can do is hold a transparent and clear communication with our consumers to explain the cause and effect. Next we should initiate the recall procedure and set up a complaint and feedback system. Then we should make a commitment to using environmentally friendly materials in our manufacturing, with real actions like establishing oversight teams and conducting regular environmental impact assessments.

What we have learned is that humankind’s development should go with environmental sustainability. If we leave the environment alone and let us exploit the resources, there will be soon nothing for us and our future generations to use. Another important lesson is that we must show honesty in our marketing, we should advertise our products from facts but not false statements. Once we pursue perfection in these fields could lead our products popular among customers.