

Greenwashing is nothing but Hypocrisy

2009-08-21 18:08:07 by intuited

Dr. Mir F. Ali

The Climate Greenwash awards are out!

The [Climate Greenwash Awards](#) are organized by Corporate Europe Observatory, Attac Denmark, The Climate Movement, ClimaX and Friends of the Earth Denmark to challenge the corporate capture of the UN climate talks and to highlight the way in which big businesses are increasingly turning to green spin to hide their polluting agenda. Energy companies, many of which once denied that climate change was happening, are now keen to portray themselves as green heroes in the fight against climate change. However, the awards organizers warn that many of the so-called solutions being put forward by businesses will not help reduce emissions. Companies are advocating unproven technologies such as carbon capture and storage (CCS) and failed mechanisms such as carbon trading, to justify their continuing pollution.

There were six nominees - ArcelorMittal, BP, DONG, Repsol, Shell, and Vattenfall. Swedish energy giant Vattenfall was revealed as the winner of the Climate Greenwash Award 2009 at a ceremony in Copenhagen on the eve of the World Business Summit on Climate Change on Saturday 23 May. Vattenfall, which won with 39% of the vote, was nominated for "its mastery of spin on climate change, portraying itself as a climate champion while lobbying to continue business as usual, using coal, nuclear power, and pseudo-solutions such as agrofuels and CCS".

The Danish Government was also given a special award for its role in helping establish the World Business Summit on Climate Change - which is expected to attract some of the world's most polluting companies; for providing business lobbyists with direct, privileged access to negotiators ahead of crucial UN Climate Change talks in December; and for withdrawing support for Danish wind energy and failing to meet its Kyoto targets

This is not really news as these tricks have been practiced for a long while. For instance:

- In an advertisement in National Geographic magazine in 2004, Ford Motor Company tried to convince readers of its commitment to the environment by announcing the launch of the Escape Hybrid SUV and the remodelling of its River Rouge factory. One print ad read, "Green Vehicles, Cleaner Factories. It's the right road for our company, and we're well underway." What Ford failed to tell readers is that it only planned on producing 20,000 of its Hybrid SUVs per year, while continuing to produce almost 80,000 F-series trucks per month. Moreover, just prior to the campaign's release, the Environmental Protection Agency announced that Ford had the worst fleet wide fuel economy of all major automakers. Ford's failure to live up to its environmentally friendly image earned the company first prize among America's "**Top Ten Worst Greenwashers**" of the year;
- The Coca-Cola Company was presented recently with the Polaris Institute's first Corporate Greenwashing Award at its annual general meeting in Wilmington, Delaware. The award was presented to companies that have pushed profits higher while investing millions of dollars into covering up environmentally damaging services with corporate social responsibility projects. "After careful consideration, the Coca-Cola Company stood out as the company that has worked the hardest this year to present itself as socially and environmentally responsible - while continuing to harm environments and communities through the production and distribution of its products", says Verda Cook, Campaigns Coordinator at the Polaris Institute; and
- According to the Toronto Star April 17, 2009 in a story by Catherine Porter, of the more than 2,000 self-described environmentally friendly products in North America examined by the environmental marketing firm [TerraChoice](#), only 25 were found to be indisputably "sin free." The rest were greenwashing. According to TerraChoice, they are not revealing the specific stores visited for the report. However, store types included major 'big box' retailers in the following categories: Pharmacies, Grocery Stores, Office Supplies, 'Big Box' Multi-category, hardware/DIY and toys/baby products stores. Knowing the specific companies, firms and people that are committing these "sins"

would be useful.

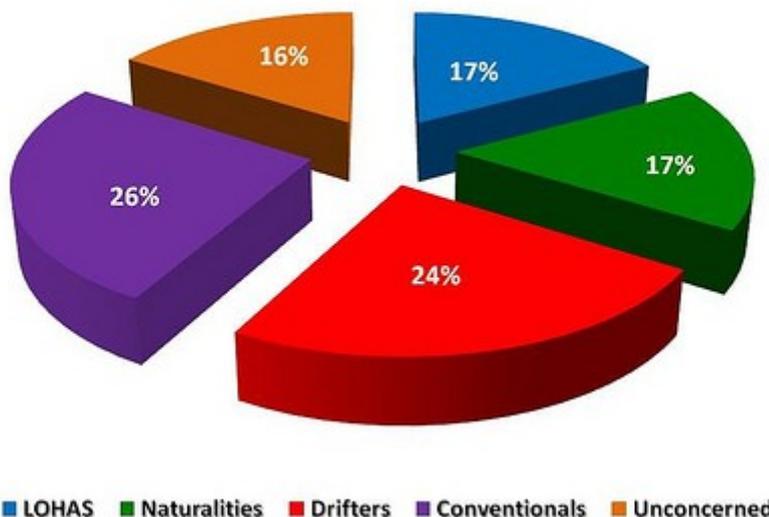
“Greenwashing,” a pejorative term derived from the term “whitewashing,” was coined by environmental activists to describe efforts by corporations to portray themselves as environmentally responsible in order to mask environmental wrongdoings. The term “greenwashing” was originally confined to describing misleading instances of environmental advertising, but as corporations’ efforts to portray themselves as environmentally virtuous have diversified and proliferated, so have charges of greenwashing. The term is now used to refer to a wider range of corporate activities, including, but not limited to, certain instances of environmental reporting, event sponsorship, the distribution of educational materials, and the creation of “front groups.” However, regardless of the strategy employed, the main objective of greenwashing is to give consumers and policy makers the *impression* that the company is taking the necessary steps to manage its ecological footprint.

The practice of greenwashing is having a huge negative impact on the overall perceptions of corporations. According to a 2009 Edelman study of more than 20 countries, global trust in business is at an all-time low and diminishing, with people less trustful of all sources of information about companies. The “Edelman Trust Barometer,” an output of this research, shows trust in advertising is down to 13 percent from 30 percent, and trust in company websites is down to 21 percent from 30 percent.

Paradoxically, other studies show that demand for environmentally low-impact products remains high. The 2009 “Cone Environmental Survey,” for example, found that attitudes toward environmentally responsible products remain strong despite a weak economy which is indeed good news.

It is important to keep in mind the variations within the consumer group when considering customer perceptions. The Natural Marketing Institute’s 2008 U.S. consumer segmentation model identified the following groups:

US Consumer Segmentation Model ...



8/16/2009

Turner Lane Development Corporation

Figure 1

Here is the explanation:

- **LOHAS (Lifestyles of Health and Sustainability):**
 - Purchase green goods and are active in environmental stewardship;
- **Naturalites:**
 - Focus on health and organic goods but are not politically active in environmentalism;
- **Drifters:**
 - Have good intentions but various factors other than the environment influences their

behaviour.

- **Conventionals:**
 - Do not have “green attitudes” but take mainstream actions, such as recycling and conserving energy; and
- **Unconcerned:**
 - Do not conduct behaviour that prioritizes the environment or society.

Here is a graph about the types of greenwash which is included in the guide published by Futerra Sustainability Communications under the heading of Understanding and Preventing Greenwash (A Business Guide):

Types of Greenwash ...



8/19/2009

Turner Lane Development Corporation

Figure 2

Here is the explanation for each aspect of the graph:

1. Misguided Greenwash:

This category includes companies that have made substantial efforts to improve the environmental performance of their products and processes but are unable to communicate these efforts effectively. These companies may be making sweeping generalizations in their claims to try to sound “environmentally friendly,” or they may be using language that turns off potential customers. They have the potential to move towards the “Effective Environmental Communications” quadrant by focusing their messages accurately on key impacts backed up with data;

2. Unsubstantiated Greenwash:

At first glance, these companies seem to be doing commendable work and providing data to back up their claim. However, a deeper dive shows that the company does not deserve as much credit as it seems. It may be lobbying against the very environmental policies it claims to uphold, or it may be putting more resources into its communications than its actual initiatives. False efforts will eventually be uncovered as the public becomes more educated and sensitive to greenwash, and it is only a matter of time that these companies will be sent to the “Greenwash Noise” quadrant;

3. Greenwash Noise:

In cases where a company says, “We’re green,” but does not have much to back up this claim, these messages are not compelling to consumers. Much work needs to be done to move these companies to the top right quadrant, but it is feasible. By assessing the company’s impacts throughout the value chain,

developing and implementing an environmental strategy, and then communicating these efforts accurately, these companies can create a path to the “Effective Environmental Communications” quadrant; and

4. Effective Environmental Communications:

These businesses are improving the environmental and social performance of their products and aligning these efforts throughout various functions within the company. They are able to communicate their efforts so that consumers clearly understand the impacts and other businesses look to these companies for leadership.

In the final analysis, having effective communications may not be good enough to restore consumer confidence in corporations. Perhaps the best strategy for the authentic corporations to explore the ways of getting their green products and services certified with the objective to demonstrate their indisputable commitment to sustainability which should help them to distinguish themselves from Greenwashers. The concept of certification of products and services based on their origins or manufacturing is not entirely new, but the recent trend toward certification has occurred on a broader scale and with a wider geographical reach than any of its historical precursors. As a result, the need for third-party certification companies to test and certify green products and services is growing immensely and creating astonishing job opportunities for the people with adequate skills set.

Ironically, while the green certification helps authenticate green products and services, the cost of the certification is justified by increasing the prices of the green products and services. In other words, regardless of whether they can afford it or not, consumers with the commitment to purchase green products and services are subsidizing the cost of the certification which is a direct result of the greed, dishonesty, and hypocrisy of Greenwashers who should have been prosecuted if there were proper laws in place.

Dr. Mir F. Ali is a Sustainability Analyst with Turner Lane Development Corporation, a real estate development company with the commitment to build sustainable communities in British Columbia, Canada (mir@turnerlane.com).
