

## Picking out a Green-washing Machine?

Greenwash is a term that, in the 70s and 80s, was used to describe external corporate communications aimed at painting, perhaps not the complete, but indeed a greener corporate image than what was reality. Interestingly, it was a time when the anti-nuclear movement was taking shape, and in response, the nuclear power division of Westinghouse ran four-colour advertisements highlighting the anti-polluting virtues of atomic power as 'reliable, low-cost...neat, clean, safe.' There is no reference to whether the term greenwash came out of this propaganda machine of Westinghouse, but "greenwash" only entered the official lexicon of the English language in 1999 through its inclusion in the Concise Oxford English Dictionary. Oxford defines greenwash as: "Disinformation disseminated by an organisation so as to present an environmentally responsible public image."

Fast-forward 30 years from the days of DuPont producing an advertisement full of seals clapping, whales and dolphins jumping, and flamingos flying, all set to Beethoven's Ode to Joy, to project its newfound green image. There is now more information on corporate environmental and social performance than ever before. Firstly, because the market is demanding more information for the purposes of analysing corporate performance, and secondly, because companies have learnt to be more forthcoming with information so as to avoid reputational damage due to misread market signals. There are over 150 corporate environmental or sustainability reports in Australia alone, a ten-fold increase over less than five years. And, the reports are getting bulkier.

Is any of it Greenwash? A review of case studies reveal that companies mired in controversy seek to use Corporate Social Responsibility to promote 'free-market environmentalism', legitimise de-regulation and mask 'divide and conquer' strategies aimed at their critics, says Bob Burton, co-author of *Secrets and Lies: the anatomy of an anti- environmental PR campaign*.

But, my opinion is that, at least with a number of the companies I have worked with, the primary driver for corporate environmental or sustainability reporting is in response to stakeholder requests for information – whether related to community aspects of operations, or investor interest. That said, how does one distinguish greenwash in the content? Independent stakeholder-engaged assurance of sustainability reports is one way of increasing scrutiny of this information, so that balance is brought to corporate performance communication, just as an appropriate level of diligence is exercised on financial performance communication through independent audit. Assurance of information using the AA1000 Assurance Standard could enhance credibility by not only verifying whether the reported information is accurate, but also ensuring that the report is complete in presenting all its key issues.

There is a new imperative that has likely future greenwash implications for corporations. These are principles and charters, which are voluntary in nature, that involve corporate participation by becoming signatories. Examples include the Global Compact, Equator Principles and the Ethical Trading Initiative. Companies that have signed onto such charters, without strategic intent, may find wavering levels of commitment resulting in a lack of capacity to successfully meet promises made. Starbucks has already been awarded a Don't Be Fooled Awards for failing to adhere to its Environmental Mission Statement by slipping from industry leader to laggard on ethical trading, and for adopting a patchwork approach to sustainability through its "Commitment to Origins" line of coffees. Whilst honourable in nature, companies need to ensure clarity in vision before signing voluntary charters or prepared to be accused of being greenwashing machines.

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