

98% of Companies are Guilty of Greenwashing

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If you've been following the news, you'll see a lot of stories about one of the most unfortunate marketing trends of our times: greenwashing, writes Patty Calkins, vice-president: Environment, Health & Safety at Xerox.

As you may know, greenwashing occurs when companies make exaggerated claims about the eco-friendliness of their products and services in the hope that they will boost sales to people concerned about the future of the planet. It's certainly a popular approach. In fact, a report issued in 2009 by TerraChoice, a North American environmental marketing agency, assessed more than 2 000 products and found that almost all of them — 98% — were guilty of greenwashing.

Of course, any effort to mislead the public is unethical. So every organization should avoid the practice. But greenwashing can also expose a company to significant risks. The black eye factor. Many watchdog groups and media organisations are carefully scrutinising environmental claims these days. And if you fail their tests, you will be publicly branded as a greenwashing offender. That kind of negative publicity hurts your brand

image and your financial performance. The threat of regulatory action. In some countries, governmental organisations are getting involved in the battle against greenwashing. In the US, for example, the Federal Trade Commission is filing more complaints about deceptive green advertising than ever before. If that trend continues, greenwashing companies may eventually expose themselves to costly fines as well as damaging publicity. Here's something else to keep in mind. A recent survey released by the National Geographic Society suggests that greenwashing may actually be harmful to the environment. The survey — called the Greendex — assessed the environmental impact of 17 000 consumers from 17 countries. And although there was measurable progress in most countries, many consumers said they were not doing more to adopt a green lifestyle because "companies make false claims about the environmental impacts of their products". In fact, greenwashing was the most commonly cited deterrent to progress, according to the survey report. When you add it all up, it's clear that greenwashing is bad for business and bad for the environment. All of which makes a pretty convincing business case for a different approach. If you really want to reap the benefits

that come with a green public image, the best approach is to weave sustainability into the way you do business every day. It's also vitally important to develop green programmes that produce measurable results for the environment AND your bottom line. That's why you need:

- * A sound strategy that coincides with important environmental priorities;
- * A disciplined methodology for assessing problems and evaluating opportunities;
- * Clearly defined metrics for measuring the environmental and economic impact of projects and improvements; and
- * A long-term commitment to sustainability success

When you put all of these pieces together, you can create smart, effective sustainability programmes that will reduce your costs, improve efficiency and drive innovation — all while reducing your impact on the environment.

These efforts will help you build a public image based on substance, not hype. And that will help you earn kudos — not criticism — for your efforts to go green