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## Abstract

Greenwashing is the attempt to *appear* more environmentally responsible and so exists at the intersection of environmental marketing and fraud. Environmental marketing is done by companies to present information about their ecological efforts and effects on the environment related to their products, services, and processes. Deceptive presentation of this information may be subtle in form but staggeringly harmful in its consequences. This guide provides business students of all majors with a firm foundation in greenwashing basics.

- What exactly is greenwashing, and why do we care?
- What organizations are protecting the public interest by monitoring green fraud?
- What are the regulations which govern corporate greenwashing?
- What are greenwashing consequences for consumers, citizens, and companies?
- What companies have been caught in greenwashing attempts?
- Where can students get more information on this important topic?

This guide covers a range of issues related to the use of marketing tools to exaggerate companies' environmental responsibility. Although this topic at first glance may appear to be pertinent primarily to marketing majors, greenwashing knowledge is of vital importance to all business majors in their current roles as consumers and citizens and their future positions with corporations to whom greenwashing is such a temptation. Each business student needs to understand as clearly as possible the ways in which companies interact with society, including how companies affect the environment in which society operates. Future business leaders also need to build skills in critical analysis so they may judge green marketing statements and also assess the validity of third party judgments about company statements and companies' environmental effects.

## GREEN WHAT?

Greenwashing is a clever play on the well known terms "white washing" which refers to the general attempt to appear better than one is and "brainwashing" referring to the manipulation of beliefs. Greenwashing, a catchy turn of phrase, can be thought of as "whitewashing with a green brush" (<http://www.greenwashingindex.com/what.php>, also endnote 1). But it could more accurately be called deceit, deception, dishonesty, distortion, exaggeration, falsification, fiction, fraud, and misrepresentation concerning the impact on the environment of products, services and processes. Even though the reference to "green" suggests a limited concern with plants, environmental impacts include those affecting the physical world around us (Earth, air, water, flora, fauna) as well as human health.

The term "greenwashing" was first used in print to refer to the hotel industry's attempts to appear green through the well-publicized encouragement of customer reuse

of linens; the resulting reduction of washing linen cut costs and reduced related environmental impacts. As nothing else was changed that would have positive environmental effects, however, it appeared to some to be more greenwash than green progress (<http://www.abs-cbnnews.com/special-report/09/16/08/beware-green-marketing-warns-greenpeace-exec>, note 2).

Greenwashing has been defined as “*the expenditure by companies of more money to appear environmentally responsible than to be environmentally responsible*” (<http://www.greenwashingindex.com/what.php>, note 3). Unfortunately, this characterization understates the scope of the problem in a number of ways.

- **How can we know?** The focus on the dollar amount by which the green claims exceed the cost of green efforts makes this topic less accessible to all of us outside a company who do not know the input information—that is, how much the company spent on its marketing and how much the company spent on environmental efforts, much less such issues as how much of that marketing is fraudulent.
- **What marketing did the dollar buy?** The focus on the cost of green marketing fails to consider the *nature* of the marketing efforts, that is, the extent of the misrepresentation of how green the company is, as well as the intended and actual consequences for those to whom the environmental exaggeration is being marketed. The amount spent on marketing is not necessarily related to the consequences of that marketing.
- **How much green effort did the dollar buy?** The focus on the cost of green efforts fails to consider the extent of a company’s efforts to be environmentally responsible. Staggering amounts can be spent to accomplish little, while small expenditures can reap large benefits.
- **Whatever its cost, what is the nature of the green claim?** The cost of environmental practices is not necessarily related to the environmental claim being made in green marketing. The range of green claims is vast and can include statements about a variety of issues:
  - company attributes such as identity, history or intentions;
  - company actions related to inputs, processes, outputs, and/or downstream consequences of those outputs;
  - environmental effects, direct or indirect, of those actions.

Green marketing statements may claim

- meeting or exceeding environmental standards,
- not worsening environmental problems,
- improving environmental problems,
- and even not causing as many environmental problems as in the past (as in polluting less).

- **Whatever is claimed, what is the underlying truth about the company and its environmental effects?** Focusing on the cost of green marketing may misdirect our attention away from the larger issue of what is actually happening to the environment as a result of company actions and inactions.
- **How much green backlash did the dollar buy?** All marketing efforts rely for their effect on the dispositions of those to whom the marketing is directed. Many savvy consumers attempt to protect themselves from marketing misinformation and to spend their dollars in keeping with green values. Some consumers are alienated by the merest appearance of fraudulent marketing, not only avoiding offending companies but mistrusting even the marketing of companies whose green claims *are* carefully and accurately stated. Focusing on the cost of marketing does not reveal the unintended consequences of being tarred with a wide brush of green cynicism.
- **Fraud requires intent, but any misrepresentation can be far reaching.** The traditional greenwashing definition also may misdirect our focus by emphasizing the importance of intention (“*to appear environmentally responsible*”), whereas accidental misrepresentation, all other things being equal, can certainly be as misleading as deliberate deception.

A more inclusive definition of greenwashing might be company action or inaction which makes a company or its products or services or processes appear more environmentally benign than they in fact are.

## DETECTING GREENWASHING TECHNIQUES

*Ideally, we want to understand an item’s adverse consequences in three interlocking realms: the geosphere (including soil, air, water, and, of course, climate), the biosphere (our bodies, those of other species, and plant life), and the sociosphere (human concerns such as conditions for workers).*

*....greenwashing merely creates the illusion that we are buying something virtuous. Such products are greenish—they are draped with the mere appearance of ecological merit. (Daniel Goleman, *Ecological Intelligence*, 2009, note 4.)*

To assist in the identification of various forms of greenwashing, a number of organizations have published simple greenwash categorization schemes, with which the student of greenwashing should be familiar. EnviroMedia is an advertising and public relations organization which has positioned itself to do good and do well with the same actions (<http://www.greencanary.net/news-item.php?id=693>, note 5). It lists some basic ways in which greenwashing is accomplished.

- Mislead with words
- Mislead with visuals/graphics
- Vagueness in claims

- Exaggeration
- Avoidance of helpful information

EnviroMedia hosts the Greenwashing Index which enables individuals to post and rate the extent to which environmental ads are greenwashing attempts. This 5-point scale ranges from “a little green lie” to “an outright falsehood” and takes advantage of the combined wisdom of varied consumer feedback. Want to see ads, contribute ads or rate ads ranging from questionable to flagrantly deceptive? Visit the Greenwashing Index website (<http://www.greenwashingindex.com>, note 6).

In addition to providing the ad rating site, EnviroMedia also recommends a three-prong approach of focusing on the truth, the whole truth, and nothing but the truth when evaluating green marketing claims. The recommendation is to compare two sources of relevant information—from within the company and from outside the company—and take into account your own intuitive response to the marketing in question. Company-based information can include any environmental policy statements and specific claims made by the company in its annual reports, website, and advertising. Outside information includes news stories and third party assessments, examples of which are discussed in this guide. EnviroMedia’s approach enables one to establish an initial impression as to the truthfulness of the company’s green claims.

In 2008 Terrachoice Environmental Marketing conducted research into over a thousand ‘green’ products on the shelves of a big box store and found that only one avoided greenwashing. As Scot Case, Terrachoice Vice President and Executive Director of the EcoLogo Program ([www.ecologo.org](http://www.ecologo.org), note 7) noted, “It just shows we’re awash in greenwash” (<http://www.time.com/time/magazine/article/0,9171,1840562,00.html>, note 8).

In 2009, Terrachoice identified Seven Sins of Greenwashing (<http://sinsofgreenwashing.org>) identifying one addition to the Six Sins originally published in 2007), discussed below and at their website (<http://www.terrachoice.com> ).

- **The Sin of Fibbing:** Understandably this category is the least often encountered as it involves false statements which would be actionable, such as claiming an inappropriate certification.
- **The Sin of the Hidden Tradeoff:** This kind of greenwashing attempts to misdirect attention away from brown practices and towards apparently green practices. For instance, a company may tout one product which includes recycled material while not addressing its other polluting and wasteful practices and products.
- **The Sin of No Proof:** This greenwashing category includes claims lacking supporting evidence, such as third-party certification. Examples include claims of statistics that are creations of the company and for which no data is publicly available.

- **The Sin of Vagueness** includes images and claims that are not clear in their import, such as claiming or implying that a product is all-natural or that the company is environmentally conscientious.
- **The Sin of Irrelevance** involves images and claims that imply or assert information that is not relevant, that is, not helpful to users deciding among alternatives. For instance, claiming that products or processes do not use or produce a banned substance, when by law, no company can legally use or produce that substance.
- **The Sin of the Lesser of Two Evils** is a form of misdirection within a product category, emphasizing the greener aspect of an environmentally harmful product.
- **The Sin of Worshipping False Labels** is the seventh sin, added in the 2009 report, and includes company images and implied or explicit claims about certifications that are fabrications. An example would be a label designed to look like a certification.

Greenpeace's Stop Greenwashing site (<http://www.stopgreenwash.org/>) begins "Clean up your act, not your image" and categorizes greenwashing attempts into four approaches.

- **Dirty Business** is the greenwashing category which attempts to misdirect consumer attention away from the company's essentially non-green status by highlighting a green effort.
- **Ad Buster** includes ads costing more than the green effort they promote.
- **Political Spin** involves appearing publicly green while working behind the scenes to undermine mandated environmental responsibility and regulation.
- **It's the Law Stupid!** This category includes green marketing which implies a claim of proactive voluntary actions but in fact concern legally mandated action or inaction.

Listed at the Stop Greenwashing site are numerous greenwashing examples in various industries: oil, auto, electricity, coal, nuclear, and forests.

## **WHEN DOES GREEN MARKETING CROSS THE GREENWASHING LINE?**

This question is the province of the Federal Trade Commission (FTC), which is currently in the process of updating its Green Guides (Guides for the Use of Environmental Marketing Claims, first published in 1992 and updated in 1996 and 1998). The FTC has authority to file complaints against environmental marketing that it considers fraudulent. The current Green Guide specifies that a claim should be evidence-based, specific and clear in its claim, and not exaggerated. These three requirements address many but not all of the greenwashing approaches discussed above so far (note 9) but the guidelines are only as good as their enforcement. Since their inception, the FTC has filed fewer than 50 complaints against marketing claims,

(note 10) including those against companies (Kmart, Tender, Dyna-E) claiming biodegradability for products that are not biodegradable and four companies claiming that bamboo clothing is environmentally friendly when the process which converts bamboo into usable rayon is highly polluting (<http://www.environmentalleader.com/2009/06/10/ftc-cites-kmart-tender-dyna-e-for-false-green-claims/>, note 11).

The Green Guide does not yet specify that the environmental impact of decisions should take a lifecycle approach. Lifecycle analysis includes “looking at how (product) production, transport and use affect(s) greenhouse gases, water supply, total energy use, toxicity to humans and animals, potential for acid rain, smog and other factors” (<http://www.nrn.com/article/%E2%80%98greenwashing%E2%80%99-emerges-inconvenient-trend>, note 12). The *Current Guide* is available at the FTC website (<http://www.ftc.gov/bcp/grnrule/guides980427.htm> ).

In October 2010, the FTC proposed revised Green Guides. Discussion of the changes (including considerations about lifecycle analysis) and the full text of the proposal are available for comment by December 2010 at: <http://www.ftc.gov/os/fedreg/2010/october/101006greenguidesfrn.pdf>. A summary of the proposed revisions is available at [http://www.ftc.gov/bcp/edu/microsites/energy/about\\_guides.shtml](http://www.ftc.gov/bcp/edu/microsites/energy/about_guides.shtml).

## **THE 10 WORST GREENWASHERS, 2010.**

Want to see who, along with British Petroleum, is considered egregiously guilty of greenwashing? Check out their greenwash ads at The Ecoist website (<http://webecoist.com/2009/03/22/greenwash-worlds-worst-greenwashers/>, note 13). Other identified greenwash offenders include the American Coalition for Clean Coal Electricity (funded by the coal industry), General Motors (Hummers, anyone?), ExxonMobil (funder of the climate change denial industry), Monsanto (developer of non-reproducing seeds and recombinant bovine growth hormone, among other developments of concern), Malaysian Palm Oil Council (claiming sustainability of palm oil plantations which replace rainforest habitat), American Electric Power (habitat destroyer while claiming environmental friendliness), Dow Chemical (dioxin polluter), Fur Council of Canada (“Fur is green...the ultimate eco clothing”), Fiji Water (shipping water in plastic around the world).

## **WHERE IN THE WORLD IS GREENWASHING INFORMATION?**

**Greenwashing versus certification:** TerraChoice documents for 11 credible environmental certifications whether the certification is based on the product lifecycle, whether the certification process is based on publicly available standards, and whether that standard development process is transparent (<http://sinsofgreenwashing.org/findings/greenwashing-report-2009/>). This information, plus product categories, label images and website links are provided for:

- EcoCert
- EcoLogo
- Energy Star
- EPEAT
- U.S. EPA's Design for Environment
- Forest Stewardship Council
- GreenSeal
- GreenGuard
- Sustainable Forestry Initiative
- USDA Organic
- U.S. EPA's WaterSense.

**Greenwashing watchdogs:** Table 1 below lists organizations which provide information about companies' greenwashing claims; also listed are the organizational websites and contributions to the greenwashing education effort.

**Table 1—Who’s Who and What’s What in Analyzing Green Marketing**

Organization	Identity/Contributions to Greenwashing Detection
EcoLogo Program <a href="http://www.ecologo.org">www.ecologo.org</a>	<p><b>Identity:</b> Type I eco-labeling program (ISO designation based on scientific-based intra-category comparison of products), audited by the Global Eco-labeling Network (see below) as meeting ISO 14024 standards for eco-labeling.</p> <p><b>Contributions:</b> Online search feature for EcoLogo within 140 product/ service categories or by manufacturer</p>
EnviroMedia <a href="http://www.greenwashingindex.com/criteria.php">http://www.greenwashingindex.com/criteria.php</a>	<p><b>Identity:</b> Joint project of EnviroMedia Social Marketing and University of Oregon School of Journalism and Communication</p> <p><b>Contribution:</b> Interactive Greenwashing Index, Seven Sins of Greenwashing report</p>
Federal Trade Commission <a href="http://www.ftc.gov/">http://www.ftc.gov/</a>	<p><b>Identity:</b> This Federal agency includes the Bureau of Consumer Protection, protecting consumers against unfair, deceptive or fraudulent practices</p> <p><b>Contributions:</b> Guides for the Use of Environmental Marketing Claims, 1992, 1996, 1998, now under revision</p>
Global Eco-labeling Network (GEN) <a href="http://www.globalecolabelling.net/">http://www.globalecolabelling.net/</a>	<p><b>Identity:</b> International non-profit association of third-party labeling organizations founded in 1994 to improve, promote and develop eco-labeling. GEN includes 24 member organizations, including GreenSeal in North America (USA) and TerraChoice (North America Canada).</p>
Green Life <a href="http://www.thegreenlifeonline.org">http://www.thegreenlifeonline.org</a>	<p><b>Identity:</b> [formerly Earth Day Resources for Living Green]</p> <p><b>Contributions:</b></p> <ul style="list-style-type: none"> <li>• In concert with EcoPledge.com, issued annual report “Don’t Be Fooled” which named 10 worst greenwashers, last published 2005</li> <li>• Greenwash 101, online primer</li> </ul>
Greenpeace <a href="http://www.stopgreenwashing.org">http://www.stopgreenwashing.org</a>	<p><b>Identity:</b> International nongovernmental entity whose mission is to “ensure the ability of the earth to nurture life in all its diversity” through direct action, lobbying and research</p> <p><b>Contribution:</b> Stop Greenwashing website presents (and accepts from users) greenwashing video and print ads from oil, auto, electricity, coal, nuclear forest industries.</p>
GreenSeal <a href="http://www.greenseal.org">http://www.greenseal.org</a>	<p><b>Identity:</b> Develops science-based environmental certification standards and uses those standards in the certification assessment of a wide range of products.</p> <p><b>Contribution:</b> “Find a Certified Product” supports ad hoc consumer inquiries into certified products and services in various categories.</p>
Greenwash Brigade <a href="http://www.publicradio.org/columns/sustainability/greenwash/">http://www.publicradio.org/columns/sustainability/greenwash/</a>	<p><b>Identity:</b> Public Radio group of environmental analysts</p> <p><b>Contribution:</b> series of articles examining green claims</p>
TerraChoice <a href="http://www.terrachoice.com/">http://www.terrachoice.com/</a>	<p><b>Identity:</b> For-profit marketing firm</p> <p><b>Contribution:</b> Greenwashing Index (discussed in this article)</p>

**Greening up.** Table 2 below lists some of the websites dedicated to various aspects of green consumerism, business, and marketing, including:

- Suggestions for green purchasing
- Environmental news
- Opportunities to make green contributions while shopping and doing internet searches.

**Table 2—Some of Many Additional Online Green Resources**

Green Resource	Comments
AltUse <a href="http://www.altuse.com/">http://www.altuse.com/</a>	<b>Identity:</b> Google-searchable online database: <b>Contribution:</b> Searchable and interactive “Alternative Uses for Everyday Products”
Citizens Market <a href="http://citizensmarket.org">http://citizensmarket.org</a>	<b>Identity:</b> Crowd-sourced website in development stage <b>Contribution:</b> Goal is collecting and organizing data to support environmentally relevant purchase decisions via consumer access to company environmental scores after scanning (cell phone photograph) in-store product code
Environmental Leader <a href="http://www.environmentalleader.com/">http://www.environmentalleader.com/</a>	<b>Identity:</b> Energy and environmental news for businesses <b>Contribution:</b> Environmental Leader website and EL Daily e-letter
Goodlifer <a href="http://www.goodlifer.com">http://www.goodlifer.com</a>	<b>Identity:</b> Website dedicated to responsible version of American dream <b>Contributions:</b> “Ideas and Insights for a Positive, Enthusiastic, Sustainable, Achievable & Bright Future”
GoodSearch <a href="http://www.goodsearch.com">http://www.goodsearch.com</a>	<b>Identity:</b> Search engine, powered by Yahoo, enabling charitable fundraising without additional consumer spending: “You Search, We Give”. <b>Contribution:</b> Contributes 50% of advertising revenues to consumer-specified charities for searches done through its site
GoodShop <a href="http://www.goodsearch.com/goodshop.aspx">http://www.goodsearch.com/goodshop.aspx</a>	<b>Identity:</b> Website affiliated with GoodSearch, enabling charitable fundraising without additional consumer spending: “You Shop, We Give”. <b>Contribution:</b> Contributes up to 30% of purchase price to consumer-specified charities for purchases done through its site
Green Detectives <a href="http://www.greendetectives.net">http://www.greendetectives.net</a>	<b>Identity:</b> Web page powered by EnviroMedia <b>Contribution:</b> green news articles and term decoder (video explanations of environmental phrases such as ‘cap and trade’)
Green Restaurant Association at <a href="http://www.dinegreen.com">http://www.dinegreen.com</a>	<b>Identity:</b> Non-profit environmental information source since 1990 for restaurants, manufacturers, distributors, consumers <b>Contributions:</b> <ul style="list-style-type: none"> <li>• Provides for-fee Green Restaurant Certification (standards at website)</li> <li>• Searchable Green Restaurant Database</li> <li>• Environmental consulting/assessment</li> <li>• Education pages at website with glossary</li> </ul>
GreenWashing.net <a href="http://www.greenwashing.net">http://www.greenwashing.net</a>	<b>Identity:</b> 2002 Article by Shireen Deen <b>Contribution:</b> “Don’t Be Fooled: American’s 10 Worst Greenwashers”
Planet Green <a href="http://planetgreen.discovery.com/">http://planetgreen.discovery.com/</a>	<b>Identity:</b> 24 hour eco-lifestyle television channel, also online, as is sister site TreeHugger.com. <b>Contribution:</b> Video and articles offering suggestions for greener

Green Resource	Comments
	lifestyle choices
Re-Nest <a href="http://www.re-nest.com">http://www.re-nest.com</a>	<b>Identity:</b> Web-site affiliated with Apartment Therapy <b>Contribution:</b> ideas and products for “Abundant Design for Green Homes”
Spend For Good <a href="http://www.spendforgood.com/stores">http://www.spendforgood.com/stores</a>	<b>Identity:</b> Online site enabling charitable fundraising without additional consumer spending <b>Contributions:</b> Lists vendors which donate portion of purchase price to charities (including 112 organizations working for the environment)
State organizations like Virginia Green at <a href="http://www.deq.state.va.us/p2/virginiagreen/">http://www.deq.state.va.us/p2/virginiagreen/</a>	<b>Identity:</b> Site for partnership between Virginia Department of Environmental Quality, the Virginia Tourism Corporation, and the Virginia Hospitality and Tourism Association <b>Contributions:</b> Work to reduce environmental impacts of state tourism through voluntary structured (checklist) but non-monitored commitment by lodging, restaurants, golf courses, etc. Searchable database of Virginia Green participants Virginia Green Gazette newsletter

**BEYOND THE ENVIRONMENT**

Table 3 below lists a selection of e-letters to which one can subscribe for news about the broader topics of corporate social responsibility (CSR) and sustainability, which include concerns about the interaction of government, business, consumers, and the environment.

**Table 3: Resources to keep up with Corporate Social Responsibility news**

E-letter	Details
BusinessRespect	Biweekly; subscribe at <a href="http://www.businessrespect.net/newsletter.php">http://www.businessrespect.net/newsletter.php</a> , which also has <ul style="list-style-type: none"> <li>• international CSR news,</li> <li>• resources (including CSR terms, discussion of issues, listing of CSR jobs)</li> <li>• and commentary (such as ranking of other CSR publications).</li> </ul>
Center for Media and Democracy	Quarterly; subscribe at <a href="http://www.prwatch.org/cmd/prwatch.html">http://www.prwatch.org/cmd/prwatch.html</a> which also has <ul style="list-style-type: none"> <li>• back issues online and</li> <li>• a series of online articles related to the Center’s mission of “investigative reporting on the public relations industry...to recognize and combat manipulative and misleading PR practices.”</li> </ul>
CSRwire	Daily news; subscribe at <a href="http://www.CSRwire.com">www.CSRwire.com</a> which also has <ul style="list-style-type: none"> <li>• a free searchable directory of 2700 organizations working on all aspects of CSR</li> <li>• a listing of worldwide CSR events (such as conferences, classes)</li> </ul>
Ethical performance	Monthly; subscribe at <a href="http://www.ethicalperformance.com/">http://www.ethicalperformance.com/</a> which also has <ul style="list-style-type: none"> <li>• International CSR news</li> <li>• Resources (including listing of CSR jobs)</li> <li>• Free searchable directory of CSR professionals to assist in business CSR efforts</li> </ul>
Global Reporting Initiative	subscribe at <a href="http://www.globalreporting.org/NewsEventsPress/LatestNews/">http://www.globalreporting.org/NewsEventsPress/LatestNews/</a> . GRI developed voluntary global reporting standards for business sustainability reporting. Website includes a searchable database of company reports based on GRI standards.

## GETTING GREEN-SMARTER

Opportunities abound for students wanting more formal opportunities to intensively study the issues of the business impact on the environment as well as the larger issue of sustainability in business. Universities and other education providers are available to fill that desire.

For instance, Beyond Grey Pinstripes “spotlight(s) innovative full-time MBA programs that are integrating issues of social and environmental stewardship” (<http://www.beyondgreypinstripes.org/index.cfm>, note 14). BGR provides an online searchable database of schools with related MBA coursework, gathered through a biennial survey of international business programs. A ranking is provided of the top 100

business schools, based on coursework, student exposure, faculty research and administrative support for sustainability issues.

Net Impact's network of professionals and students believe that "business has the power to lead us to a more sustainable world" and publishes its annual *Business as Unusual* (<http://www.netimpact.org/displaycommon.cfm?an=1&subarticlenbr=2288>) which compiles feedback from current MBA students as to the commitment of their 80 academic programs to environmental and sustainability issues.

In addition to online sources, students of greenwashing are strongly recommended to read books such as *Ecological Intelligence*, authored by Daniel Goleman (author of *Social Intelligence* and *Emotional Intelligence*), published in 2009, and source of the majority of quotations in this article. *Ecological Intelligence* provides strong support for a deep green skepticism about *all* environmental claims and an impassioned plea for us to see through the greenwashing to the reality beneath. Rather than believing any green claims, Goleman recommends thinking of green as a verb, a process of becoming greener. Of equal importance to making well informed decisions in harmony with one's own conscience (and for the benefit of society and the world in which we live) is also a healthy skepticism of the green evaluators. We are all advised to study the criteria by which greenness is measured.

*Green is a process, not a status—we need to think of “green” as a verb, not an adjective. That semantic shift might help us better focus better on greening. (Goleman, page 28)*

*....green choices, helpful as they are, too often lull us to more readily ignore the way that what we now think of as “green” is a bare beginning, a narrow slice of goodness among the myriad unfortunate impacts of all manufactured objects. Today's standards for greenness will be seen tomorrow as eco-myopia...Everything made has innumerable consequences; to focus on one problem in isolation leaves all the others consequences unchanged...Indeed, nothing made industrially can be utterly green, only relatively more so. (Goleman, pages 26, 27)*

Of particular relevance to business students are Goleman's discussions of the *devalue* chain, the absolute necessity of a life cycle assessment of product impacts, and the need for radical transparency so we can see the extent of the problems.

*...the notion of a value chain misses a crucial part of the equation: while it tracks the value added at each step of the way, it ignores the value subtracted by negative impacts. Seen through the lens of a product's Life Cycle Assessment, that same chain tracks a product's ecological negatives, quantifying environmental and public health downsides at each link...the devalue chain. (Goleman, page 27)*

*We don't know the true impacts of what we buy and don't realize that we don't know. ..We suffer a vast, shared blind spot. The millennia since the dawn of civilization have seen the slow but steady emergence of novel varieties of threats, so that today our species faces danger from forces that elude our built-in perceptual alarms...Nothing in our evolutionary past has shaped our brain for spotting less palpable threats like the slow heating of our planet, the insidious spread of destructive chemical particulates into the air we breathe and the things we eat, or the inexorable destruction of vast swaths of flora and fauna on our planet. (Goleman, pages 30, 32)*

*Our brain excels at handling threats in the moment but falters at managing those coming at us in some indefinite future. ..Our brains have been finely tuned to be hypervigilant at spotting dangers in a world we no longer inhabit, while the world we live in today presents us with abundant dangers we do not see, hear, taste, or smell. Although the human brain is extremely alert [to] threats it can sense, our brain is unsuited for the ones we face on the ecological front: these are dangers that come gradually, or at the microscopic level, or globally...But to survive today, we must perceive threats that are beyond our thresholds for perception. We must make the invisible visible. (Goleman, pages 33, 34)*

*In economic theory, transparency's power comes from providing key information that changes consumers' choices, which in turn creates new incentives for businesses to align their practices with the public's priorities. (Goleman, page 79)*

Whether in our roles as consumers or employees, working to distinguish the various shades of green will ultimately protect our health, our environment, and the interests of companies which take those two values seriously.

## **THE IMPORTANCE OF BEING GREEN SAVVY [Summary and Conclusions]**

Significant downstream effects of greenwashing differ, depending on how successful the greenwashing attempt. Successful greenwashing can misdirect consumer dollars as well as business-to-business investment, contributing to the inefficiency of the marketplace. Successful greenwashing can direct regulatory attention away from environmental damage, undermining the system of checks and balances designed to protect the vulnerable. Successful greenwashing can give us all a false sense of security that the environment is actually being protected, that human health is actually being safeguarded, and that our society is taking impacts seriously.

Unsuccessful greenwashing is greenwashing that has been perceived for what it is. It can damage the greenwashing companies, through regulatory response and (more quickly) consumer backlash. Consumers (and businesses) that have decided to carefully spend their limited dollars in ways as environmentally benign as possible will tend to signal their anger at being misled by penalizing companies perceived as greenwashers. In addition, there is a growing number of employees who will scrutinize

the ethical record of prospective employers and avoid companies who are not walking the environmental walk.

*Greenwashing pollutes the data available to consumers, gumming up marketplace efficiency by pawning off misleading information to get us to buy things that do not deliver on their promise...Greenwashing steals market share from products that genuinely have more benefits and hampers the success and market penetration of better innovations. (Goleman, page 74)*

*When it comes to our collective ecological goals, the swarm rules might boil down to: (1) Know your impacts, (2) Favor improvements, (3) Share what you learn. (Goleman, page 50)*

Effective educational resources bring together information and perspectives, provide insight and motivation to further exploration, and suggest approaches one may take to extend one's study. This article serves as a primer for students who are interested generally in knowing the truth about the consequences of business activities and for those students who are interested specifically in knowing more about businesses which try to *make green by looking green*. Without a starting place, one can be easily overwhelmed by the existence of so many 'green' products, so much green marketing, and so many organizations that claim to be protecting or improving the environment when in fact the greenest thing about them may be their claims. This article, through its tabled organization of information, offers an effective approach to the problem of so much information about green marketing and so little time.

One may be interested in following the admonition to "First, do no harm". One may strive to do good while doing well. These motivations are both served by becoming sensitive to greenwashing attempts, by becoming familiar with greenwashing watchdogs, and by being emboldened by the power of informed consumers and employees to improve business and protect people and the world in which we work together.

As knowledge is best extended by experience, five research activities are included below to provide hands on experience in accessing and interpreting information using the sources cited in this resource.

Learn. Choose well. Pass it on.

## SUGGESTED RESEARCH ACTIVITIES

### I. YOUR PICKS FOR WORST AND BEST GREENWASHERS

Review companies listed as greenwashing on the sites identified in this article.

1. WORST: Identify the company whose greenwashing is most extreme, that is the company whose environmental marketing is the farthest from the truth, the whole truth, and nothing but the truth. Explain your choice.
2. BEST (AT GREENWASHING) Identify a company whose greenwashing has been relatively successful (with consumers) and far reaching enough that it enabled the company to profit greatly while doing significant environmental damage. Explain your choice.

### II. YOUR TOP TEN LIST

Review products of companies listed as greenwashing on the sites identified in this article. If you could remove ten cited products from the marketplace, what would they be? Rank them from 10 to 1 (1 being the worst) and explain your reasoning.

### III. GREEN GARDENING AND LAWN CARE

#### IV.

1. Identify *companies* which produce and market synthetic lawn care and gardening chemicals (fertilizers, insecticides, herbicides, fungicides).
2. Identify the green *marketing* for specific branded products (brand names).
3. Using the tabled links within this article, ascertain whether greenwashing has been identified related to these companies and/or products.
  - a. If so, document your findings and sources.
  - b. If not, do a general internet search to identify claims of greenwashing outside the third party watchdog organizations listed in article tables. Document findings and sources.
4. Identify the extent and nature of the most egregious (in your opinion) greenwashing of the products you have identified. Provide support for your opinion.

**V. BRITISH PETROLEUM OIL SPILL CASE STUDY—WHAT GREEN PROBLEM?**

*"It's gospel in business schools that Johnson & Johnson set the bar on handling a disaster when it dealt with the poisoning of Tylenol (and thus murder of some of its customers) in 1982. The massive, and immediate, recall was unprecedented and set the standard for corporate behavior in the face of existential threats to a business.*

*Cut to 2010 where BP leaders apparently never read the J&J case study. CEO Tony Hayward infamously said that the spill was "relatively tiny" compared to the "very big ocean." That statement is both scientifically baseless and beside the point - the amount of leakage that the CEO should accept from his operations is approximately zero. Unfortunately, Hayward hasn't learned much in the way of media training as he told a reporter this week that he wants to end this disaster because, "I'd like my life back." <http://blogs.hbr.org/winston/2010/06/the-bp-oil-spill-top-5-lessons.html> @ 11/23/10*

1. Research the J&J 1982 tylenol case and the standard that J&J set for responding to company-related disaster. Do the same for BP's response to their oil spill. In your opinion, to what extent is BP's response a matter of greenwashing? Support your opinion.
2. Greenwashing generally involves either claiming greater greenness than is real or denying culpability when doing damage. In your opinion, what should BP have *said* differently when speaking to the media? Support your opinion.
3. Briefly, what would BP have to have *done* differently to make their actions match your recommended publicity?

**VI. BE YOUR OWN WATCHDOG**

Name one company whose greenwashing has been so artful that they have not been cited by one of the greenwashing watchdogs. Analyze the nature of their greenwashing and provide your opinion as to why it is successful, that is, why it has *not* been identified as greenwashing. Suggest conditions that would make greenwashing attempts more or less effective. Explain your reasoning.

## ENDNOTES

[All websites cited above were available Fall 2010;  
additional information provided in notes below.]

- (1) "What is Greenwashing? It's Whitewashing But with a Green Brush", EnviroMedia Social Marketing, July 12, 2010 <http://www.greenwashingindex.com/what.php>.
- (2) Purple Romero, abs-cbnNews, "Beware of green marketing warns greenpeace exec", September 17, 2008, July 12, 2010, <http://www.abs-cbnnews.com/special-report/09/16/08/beware-green-marketing-warns-greenpeace-exec>
- (3) 2010 EnviroMedia Social Marketing, July 12, 2010, <http://www.greenwashingindex.com/what.php>.
- (4) Daniel Goleman, Ecological Intelligence (New York: Broadway Books, 2009); these quotes on pages 27 and 57. All indented quotes in this article are from this same source, with page numbers provided in parentheses at quote ends.
- (5) Tuerff-Davis EnviroMedia, formed in 1997 and headquartered in Austin, Texas, has three subsidiaries: EnviroMedia Social Marketing, EnviroMedia Buying Services and Green Canary Sustainability Consulting, July 12, 2010, <http://www.greencanary.net/news-item.php?id=693>.
- (6) 2010 EnviroMedia Social Marketing, July 12, 2010, [http://www.greenwashingindex.com/spot\\_gw.php](http://www.greenwashingindex.com/spot_gw.php)
- (7) EcoLogo, established in 1988, is a third-party, multi-attribute eco-labeling program approved by the Global Ecolabelling Network, an international association of eco-labeling programs, as meeting the ISO 14024 standard, July 12, 2010, [www.ecologo.org](http://www.ecologo.org).
- (8) Bryan Walsh, "Eco-Buyer Beware: Green Can Be Deceiving", September 11, 2008, Time Magazine, July 12, 2010, <http://www.time.com/time/magazine/article/0,9171,1840562,00.html>
- (9) "Regulation of Greenwashing by the Federal Trade Commission", July 12, 2010, [http://www.think2100.com/index.php?option=com\\_content&view=article&id=65:regulation-greenwashing-ftc-green-products-buy-purchase-consumer-business-advertising-marketing&catid=35:green](http://www.think2100.com/index.php?option=com_content&view=article&id=65:regulation-greenwashing-ftc-green-products-buy-purchase-consumer-business-advertising-marketing&catid=35:green).
- (10) Gabriel Nelson of Greenwire, "FTC Moves May Signal Start of 'Greenwashing' Crackdown", New York Times, February 3, 2010, July 12, 2010, <http://www.nytimes.com/gwire/2010/02/03/03greenwire-ftc-moves-may-signal-start-of-greenwashing-cra-90834.html>.

(11) “FTC Cites Kmart, Tender, Dyna-E for False Green Claims”, Environmental Leader, June 10, 2009, July 12, 2010, <http://www.environmentalleader.com/2009/06/10/ftc-cites-kmart-tender-dyna-e-for-false-green-claims/> retrieved at 3/10/10.

(12) Bret Thorn, “Greenwashing’ emerges as an inconvenient trend”, Nation's Restaurant News, New York, Aug. 18, 2008, Vol. 42, Iss. 32, p. 43 (2 pages), July 12, 2010, <http://www.nrn.com/article/%E2%80%98greenwashing%E2%80%99-emerges-inconvenient-trend>.

(13) Steph, “Calling ‘em Out: The World’s 10 Worst Greenwashers”, July 12, 2010, <http://webcoist.com/2009/03/22/greenwash-worlds-worst-greenwashers/>

(14) Beyond Grey Pinstripes, July 12, 2010, <http://www.beyondgreypinstripes.org/index.cfm>.

Note: Photograph by Carole E. Scott

