

# GREENWASHING

The act of giving the impression that a company's products are ecologically friendly can be understood as greenwashing. When a company spends more effort and money on portraying itself as environmentally friendly rather than on actually reducing its environmental impact, this is greenwashing.

It's a dishonest marketing ploy used to deceive customers who prefer to purchase goods and services from companies who care about the environment. Making an unsupported claim in order to lead consumers to believe that a company's products or operations are more ecologically friendly or have a bigger positive environmental impact than they actually do. Additionally, greenwashing can happen when a business tries to highlight ecologically friendly features of a product to conceal its involvement in practices that are harmful to the environment.

The phrase "greenwashing" was first used in 1986 by environmentalist Jay Westerveld in a critical essay that was motivated by the irony of the "save the towel" movement in hotels, which had little effect beyond saving hotels money on laundry bills<sup>1</sup>.

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<sup>1</sup><https://www.aol.com/2011/02/12/the-history-of-greenwashing-how-dirty-towels-impacted-the-green/>



Some of the greatest carbon polluters in the world have recently tried to reinvent themselves as environmental champions. By changing their names, brands, or packaging, products can be greenwashed. Products that have been greenwashed may give consumers the impression that they are healthier, more natural, or chemical-free than rival brands.

An example of Greenwashing- It is claimed by the company that a product is "environmentally preferable." This assertion most likely means that the product is more ecologically friendly than competing goods. This claim is false since it is exceedingly improbable that the marketer can back up the ideas it is trying to get across. If the advertiser accompanied the claim with clear, conspicuous language limiting the environmental superiority representation to the specific attributes for which the advertiser has support, as long as the context of the advertisement did not imply other deceptive claims, the claim would not have been misleading <sup>2</sup>.

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<sup>2</sup><https://www.ecfr.gov/current/title-16/chapter-I/subchapter-B/part-260/section-260.3>

Another example- A new shower curtain is packaged in plastic with the word "recyclable" written on it without any more explanation. If any element of either the plastic box or the shower curtain, other than small, incidental components, cannot be recycled, the claim is misleading since it is unclear from the context of the statement whether it pertains to the plastic container or the curtain<sup>3</sup>.

There is another concept called green marketing which is the promotion of products that are thought to be safe for the environment. It encompasses a wide range of actions, including as the alteration of products, adjustments to the production process, sustainable packaging, and modifications to advertising. Between green marketing and greenwashing, there is a thin line difference. Green marketing, as opposed to greenwashing, refers to the practice of businesses promoting their goods and services as being environmentally beneficial. Green marketing is realistic, truthful, and open advertising, and it denotes that a good or service satisfies the criteria that makes it green.

Greenwashing can be avoided by the companies by avoiding the use of words or terminology with unclear definitions, such as "eco-friendly" or "natural", branding visuals that offer an unreasonable appearance of being green (e.g., flowers blooming, water fountains, mountains etc), designations that are just unreliable; be wary of overt attempts to "green" a harmful product in order to make it seem safe (For instance, eco-friendly cigarettes) and false statements which utilises information that is wholly made up.

## **WHY GREENWASHING SHOULD BE AVOIDED**

Greenwashing deceives investors and customers who are truly looking for ecologically friendly businesses or products; it is a dishonest and unethical practice.

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<sup>3</sup><https://www.ecfr.gov/current/title-16/chapter-I/subchapter-B/part-260/section-260.3>

Green products are frequently more expensive and might be sold at a premium, which can cause consumers to overpay. Greenwashing can significantly harm a company's reputation and brand if the company is found to be adopting such practices.

The Alliance to End Plastic Waste (AEPW), a Singapore-based nonprofit organization supported by significant oil and chemical firms including Shell, ExxonMobil, and Dow, asserts that it has committed \$1.5 billion to the removal of plastic waste from poor nations. In spite of this objective, AEPW not only broke its commitment to clean up the Ganges River in India, but also its member groups continued with plans to increase plastic production.<sup>4</sup>


Business of Sustainability index, 2021 by Greenprint revealed that 64 percent of Americans are willing to pay more for environmentally friendly goods. The environmental impact of their products is a concern for more than three-fourths (77%) of Americans and 73% of Americans consider a product's environmental friendliness when making a purchase.<sup>5</sup>



<sup>4</sup><https://www.reuters.com/article/us-environment-plastic-insight-idUSKBN29N024>


<sup>5</sup>[https://greenprint.eco/wp-content/uploads/2021/03/GreenPrint-Business-of-Sustainability-Index\\_3.2021.pdf](https://greenprint.eco/wp-content/uploads/2021/03/GreenPrint-Business-of-Sustainability-Index_3.2021.pdf)





Walmart settled allegations of greenwashing in February 2017 by paying \$1 million to resolve the claims that the nation's largest retailer sold plastics that were falsely marketed as being ecologically friendly. The selling of plastics with "compostable" or "biodegradable" labels is prohibited by California state law because environmental officials have found that such statements are false without any information about how quickly the product will decompose in a landfill.<sup>6</sup>

For some investors, environmental issues and environmental, social, and governance (ESG) factors have grown in importance. This has prompted many companies to concentrate on becoming more environmentally friendly through measures like emissions reduction, trash reduction, use of renewable energy and recycling, among others. Some businesses, however, may instead save money while claiming that they are doing so in order to have sustainable approach. Investors and the general public may be misled by the unethical practice of greenwashing and thus must be avoided.



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<sup>6</sup><https://www.environmentalleader.com/2017/02/greenwashing-costing-walmart-1-million/>