TACKLING GREENHUSHING AND GREENWISHING: EFFECTIVE ESG COMMUNICATION

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In the world of sustainability, companies are caught in a tricky game of perception. Greenhushing happens when businesses keep their eco-efforts quiet to avoid backlash or accusations of greenwashing. Greenwishing is all about making grand, feel-good sustainability promises without any real action behind them. And then there's greenwashing, the deceptive tactic where companies falsely promote their eco-friendly credentials to mislead consumers. Whether staying silent, making empty promises, or pretending to be greener than they are, these terms reflect the pressure businesses face in navigating the green movement.

GREENHUSHING

The term **greenhushing** is a term used to describe a lack of communication about a green agenda, or about progress in sustainability. When a company is doing 'the right thing' in environmental terms, we may expect them to shout it from the rooftops. This, however, is not always the case.

There are numerous examples of greenhushing in the corporate world. A study revealed that 23% of large private companies that have developed sustainability targets do not plan to publicise or discuss progress towards them.

This selective disclosure obscures the true sustainability the performance of companies and removes accountability for these businesses to achieve their goals. Ultimately, it compromises stakeholder trust and decision-making.

A famous example of greenhushing is Coca-Cola's "PlantBottle," made with only 30% plant-based materials. The company claims the bottle is more eco-friendly than a traditional plastic bottle, but because it’s still mostly made from non-renewable fossil fuels, it is still bad for the environment. Further, PlantBottle only makes up a small portion of Coca-Cola’s overall packaging. In fact, as of 2021, less than 10% of Coca-Cola’s packaging was made from plant-based materials, according to the company’s own sustainability report.

GREENWISHING

"Greenwishing" is when people, companies, or organisations claim they want to be more environment friendly but don't actually do anything meaningful to make it happen. It's like talking about wanting to protect the environment or reduce waste without taking real action to back it up. Instead of making changes that would have a positive environmental impact, they just express good intentions or goals. This is different from true sustainability, where actions align with eco-friendly goals and result in concrete, positive changes for the planet. in short, "greenwishing" is all talk and no action, often making it more about appearances than actually making a difference.

Silent Barrier to Sustainability: Zomato

Zomato, a popular food delivery service in India, has expressed strong commitments to sustainability, including **reducing plastic packaging**, **promoting eco-friendly alternatives**, and **adopting electric vehicles for deliveries**.

However, despite these claims, the company continues to use significant amounts of single-use **plastic packaging** - the shift toward greener practices has been slow. While Zomato has introduced some initiatives, such as offering eco-friendly packaging in select restaurants and experimenting with electric vehicles in limited areas, these actions are not widespread enough to make a significant impact.

Furthermore, Zomato's **fast delivery model** often conflicts with its sustainability goals, as it prioritizes speed over eco-friendly logistics. These inconsistencies between Zomato’s public environmental promises and the lack of meaningful large-scale action are a classic example of **greenwishing** expressing a desire for change without taking the concrete steps needed to bring that change to fruition.

GREENWASHING

Greenwashing is the process of conveying a **false impression** or misleading information about how a company's products are environmentally sound. Greenwashing involves making an unsubstantiated claim to deceive consumers into believing that a company's products are environmentally friendly or have a greater positive environmental impact than they actually do.

Some examples:

- The infamous controversy back in 2019 - **McDonald's** introduced paper straws that turned out to be non-recyclable. Aside from the questionable practice of cutting down trees to make disposable straws, this was a classic example of a corporate giant pretending to address an issue — in this case, plastic pollution — without actually doing anything.

- Another cynical greenwashing move is to slap a green label on something to make it appear more sustainable or healthy, as **Coca-Cola** did with Coca-Cola Life — that with 6.6% sugar was far from a healthy drink. You'd probably get less Life if you drank a lot of it.

- Hindustan Unilever Limited (HUL) made commitments to collect and process more plastic packaging than it sells by 2025.

  HUL marketed "**Rin**" (detergent) as being eco-friendly, with claims about biodegradable ingredients and a focus on environmental sustainability. However, despite these claims, the overall environmental impact of Rin and similar products remains concerning. Its production processes still rely heavily on water and energy-intensive methods.

  Additionally, HUL's sourcing of raw materials, like *palm oil*, has been criticized for contributing to deforestation and biodiversity loss.

- A fast fashion brand that has been accused of greenwashing for misleading consumers with its environmental scorecards is **H&M**.

TACKLING THE PROBLEM -

To tackle **greenhushing**, **greenwishing**, and **greenwashing**, companies can adopt several solutions, including:

1. **Clear Labelling**: Product should include simple language labels giving us information about what's in the product.
2. **Traceability**: Some forward thinking brands have been helping buyers track their products sustainability using helpful tech.
3. **Accreditation**: Don't just take brands word for it. Look for companies that are audited or accredited by third parties.
4. **Accountability**: Ironically, truly sustainable brands are transparent about how they're affecting the environment.
5. **ESG Reporting**: The **Securities and Exchange Board of India (SEBI)** has mandated **ESG reporting** for the top 1000 listed companies from FY 2022-23 to enhance transparency and sustainability. Companies are required to disclose their **Environmental, Social, and Governance (ESG)** performance, focusing on carbon emissions, water usage, waste management, employee welfare, community engagement, and governance practices like board diversity. The mandate aims to provide **measurable, data-driven disclosures**, offering stakeholders a clearer view of sustainability efforts. This initiative helps reduce **greenwashing** by ensuring companies substantiate their claims and prevents **greenwishing** by promoting real, actionable goals. SEBI's mandate fosters **long-term sustainability**, encouraging companies to act responsibly and be accountable for their environmental and social impact.
6. **Third-party Certifications**: Companies can obtain certifications from trusted organizations (like Fair Trade, LEED, or Carbon Trust) to validate their environmental claims. These certifications offer credibility and ensure companies follow through on their sustainability promises, avoiding greenwashing.

7. **Impact Audits**: Regular independent audits of a company's environmental impact help identify real improvements or gaps. By assessing actual outcomes versus claims, these audits ensure the company's practices align with its stated goals and help mitigate greenhushing and greenwashing.

Together, these strategies ensure companies are transparent, accountable, and genuinely committed to sustainability.

CONCLUSION

To tackle **greenhushing** and **greenwishing**, companies must adopt transparent **ESG communication** strategies. By setting clear, measurable sustainability goals and providing regular, data-backed updates in ESG reports, businesses can avoid underreporting achievements (greenhushing) and making vague claims (greenwishing). This allows stakeholders to clearly understand a company's true environmental and social impact.