

### **GREENHUSHING - ENVIRONMENT**

**News:** While the number of carbon-neutral certified companies has been increasing globally, a notable trend has emerged where many of these firms opt not to publicize their environmental achievements, a phenomenon known as "greenhushing." This reluctance often stems from a blend of altruism and a desire to maintain their social salience without appearing to capitalize on their green initiatives.

### WHAT'S IN THE NEWS?

## What is Greenhushing?

- Greenhushing refers to when companies underreport or withhold information about their environmental goals and achievements.
- These firms deliberately do not publicize their eco-friendly efforts or remain quiet about their future commitments to environmental sustainability.

## Why Do Firms Engage in Greenhushing?

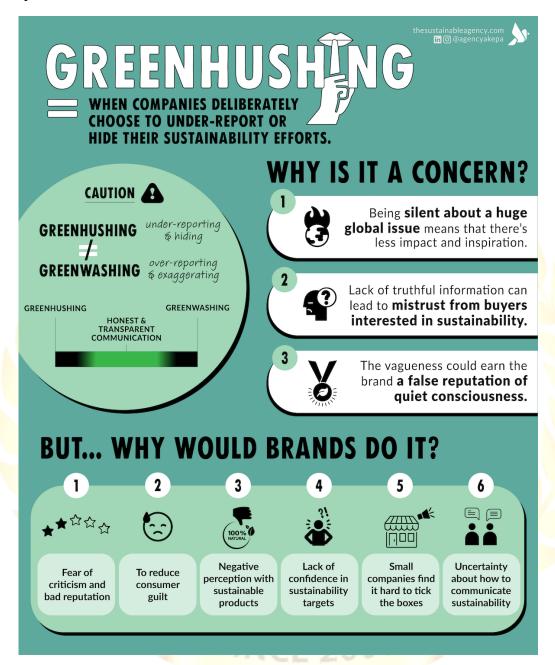
- In the US, public firms could face lawsuits if perceived as prioritizing sustainability over shareholder profits, leading to firms avoiding open discussions about their environmental activities.
- In some conservative regions of the US, there has been a backlash against ESG (Environmental, Social, and Governance) initiatives, causing firms to retreat from promoting their sustainability goals to avoid political and regulatory scrutiny.
- Many consumers perceive green products to be of lower quality or to have higher prices, discouraging companies from marketing their environmental contributions due to potential brand harm.
- Firms vocal about sustainability may attract unwanted attention and be held to higher standards, pushing them to remain silent to avoid future commitments or pressures to achieve more ambitious goals.
- In industries like **tourism**, companies may opt not to promote their environmental efforts, fearing they might make customers uncomfortable by reminding them of issues like **climate change** or **resource depletion**.
- Concerns about greenwashing accusations, where companies are criticized for falsely
  claiming to be more eco-friendly than they are, also encourage firms to hide their
  environmental achievements from public view.



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• A lack of consumer demand for **carbon-neutral products** further discourages companies from investing in marketing their **carbon neutrality**, as they are unwilling to spend on promotion without clear consumer interest.



## **Concerns with Greenhushing:**

- South Pole Report Findings: According to climate consultancy South Pole, 58% of surveyed companies have reduced their climate communication due to increased regulation and scrutiny.
- Assessment Challenges: Without open communication about sustainability efforts, it becomes difficult to evaluate a company's progress in reducing carbon emissions.



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- Tracking and Verification: Greenhushing reduces the ability to track and verify the progress of climate action.
- **Delayed Adoption**: Withholding information about environmental efforts could **delay the adoption of sustainable practices**, weakening the global effort to **combat climate change**.
- Fear of Backlash: Concerns about backlash from industries or regions that oppose sustainability efforts can discourage other businesses from adopting sustainable practices.
- Consumer Impact: Silence about sustainability efforts can lead to consumers continuing to purchase less sustainable products, inadvertently slowing down the demand for ecofriendly alternatives.

## **Solutions to Address Greenhushing:**

- Emphasize Sustainability as a Journey: Companies should stress that environmental sustainability is an ongoing process and not a fixed goal.
- Engage Audiences: Highlighting continuous improvement and engaging with audiences can help reduce criticism and ease concerns about greenwashing.
- Stronger Regulations: Clearer regulations, like the EU's Greenwashing directive, can help prevent misleading advertisements, providing consumers with more accurate product information.
- Increase Consumer Awareness: Raising awareness about sustainability can help reverse negative perceptions of green products, encouraging consumers to support companies that are committed to sustainable practices.

