



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.

- 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.

GREENHUSHING
= WHEN COMPANIES DELIBERATELY CHOOSE TO UNDER-REPORT OR HIDE THEIR SUSTAINABILITY EFFORTS.

CAUTION ⚠️

GREENHUSHING = *under-reporting & hiding*

GREENWASHING = *over-reporting & exaggerating*

GREENHUSHING | HONEST & TRANSPARENT COMMUNICATION | GREENWASHING

WHY IS IT A CONCERN?

- 1 Being **silent about a huge global issue** means that there's less impact and inspiration.
- 2 Lack of truthful information can lead to **mistrust from buyers interested in sustainability**.
- 3 The vagueness could earn the brand a **false reputation of quiet consciousness**.

BUT... WHY WOULD BRANDS DO IT?

- 1 Fear of criticism and bad reputation
- 2 To reduce consumer guilt
- 3 Negative perception with sustainable products
- 4 Lack of confidence in sustainability targets
- 5 Small companies find it hard to tick the boxes
- 6 Uncertainty about how to communicate sustainability

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**.



- **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 **eco-friendly 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.