

Ethics of... Environmental Sustainability

True green or a pale imitation? By Barbara Elmore

A marketing firm that helps corporations polish their “green” images uses a well-known courtroom phrase to evaluate advertisements: **The truth, the whole truth and nothing but the truth.**

Those words make up part of the “Greenwashing Index,” a Web site designed to provide understanding about the term “greenwashing.” Blurry on the meaning? Think of “whitewashing” in the pejorative sense. Substitute “green” as the prefix, and you have a word alluding to the *pretense* of being environmentally friendly, without taking much, if any, action. That pretense, says a co-creator of the Greenwashing Index, gets in the way of real environmental reform.

In contrast to issues of greenwashing, are organizations whose goal it is to make money while truly being “green,” like Green Mountain Energy. Green isn’t just part of its name. Established in 1997, the Austin company’s slogan is “To change the way power is made,” and it has carved out a role of building a market demand for electricity that comes from renewable sources.

Scott Hart, president of the company’s commercial division, said working at Green Mountain offers him the value of being part of a company that is “innovative, helpful to society and cutting edge.” What Green Mountain does “helps us clearly differentiate our product from anyone else’s. There is still a variety of different types of electrical generation, but we have made big advances in wind energy,” Hart said.

Hart, a ’98 Baylor MBA alumnus, said that even though the company is neither the largest electricity retailer nor the lowest-cost provider of electrical power, it has successfully met and encouraged the demand for electricity that comes from a renewable resource. “What we do has to do with the strategy around the product we sell. Many low-cost providers don’t make it very long in the marketplace. We are extremely competitive with the product we sell.”


One of the keys to its success is educating the public about the **connection between “clean” power, such as that produced by wind turbines, and the power that comes from fossil fuels or other non-renewable sources.**

The public is increasingly receptive to the message, Hart said.

Educating the public is also the purpose of the Greenwashing Index. “Ultimately, (consumers) don’t want to be misled,” said Stephen Roberts, vice president of Austin-based EnviroMedia Social Marketing. When organizations embark on misleading the public either on purpose or accidentally, he said, “It injures our chances of making improvements and tackling the climate change issue.”

In some cases, people might not understand that what they are doing or buying may not be as green or friendly to the planet as they were led to believe, Roberts said. “The more they are able to interpret for themselves... the more progress we can make toward solving water issues and climate change, and having a more sustainable society.”

Roberts and two professors at the University of Oregon established the index at the beginning of January 2008. “We were disappointed in not seeing more people talk about greenwashing as a number of advertisements related to the environment started showing up,” Roberts said. The professors were involved to help ensure the index was rigorously reviewed, he added. “We wanted to make sure the index would represent not just what we thought, but the thinking of academia, the way that people perceive advertising.”



The Web site allows registered members to post ads they believe are vague or misleading as well as ads they perceive as authentic. Additionally, the site encourages readers to view an entity's public face by asking five questions about purportedly green advertising:

- Does it mislead with words?
- Does it mislead with visuals or graphics?
- Does it make a green claim that is vague or not provable?
- Does it overstate or exaggerate how green the product/company/service is?
- Does it mask important information, making the green claim sound better than it is?

Breaking several of those rules might be a company that trumpets part of its business as environmentally sound while it ignores corporate practices that waste resources. Think of a hotel that encourages guests to help save natural resources by re-using towels. Meanwhile, it invests in landscaping that requires heavy watering and fertilizing and frequent mowing. And it uses lighting that drinks up power and never turns off.

Hart said the electricity-buying public is becoming more aware of the environmental impact of fossil fuels and the associated risks – not only the environmental risks but economic and geo-political issues – “where you might be fighting wars over energy.” **Renewable power is “home-grown,” he said, “and when we build a wind farm in Texas, the dollars stay here.”**

As a green company, Green Mountain now helps other commercial customers who are concerned about the environment and the economy as well as their public face. “We help them present themselves in a better light. Employers talk to us about using renewable strategy as a recruitment tool. Shareholders want to know the company is being handled responsibly.” Hart said addressing these concerns helps Green Mountain grow.

The market for green electricity is strong, he said. Selling is easier now than it was even a few years ago because of consumer interest and awareness about pressures on the environment. “We were the only (green power retailer) at first. Now, virtually every retailer has something with a renewable aspect. We built a strong brand and created awareness. We were instrumental in developing that marketplace.”

Because the green market is still forming, he is unsure that consumers can easily separate pretenders from those committed to environmental sustainability. “There are all these different buzzwords out there, and there are no regulations per se. But there are certifications, such as LEEDs for buildings (Leadership in Energy and Environmental Design), and Green-e (a certification program for renewable energy).”

Roberts hopes rigorous certifications will mean that the Greenwashing Index eventually can fade away. Meanwhile, opportunities are out there for authentically green entrepreneurs. “As a society, as we become more aware of what is sustainable, there is almost no limit to the types of industries that can produce a green company. It’s a matter of how an entrepreneur looks at the problem of that industry and whether they choose to solve it in a sustainable way.”

Hart added: “Conservation in general is something we have to embrace. There is a lot of economic opportunity around becoming more energy-efficient and less polluting. I don’t see it as something that will have a negative consequence on the economy.”