

Erik Fritzsche's Issue Map

Avoiding (Unintentional) Greenwashing

Greenwashing is one of the biggest challenges in ESG communication. Companies often become perpetrators unintentionally: Well-intentioned sustainability initiatives or statements can create distorted realities if they are incomplete or misleading. Even the unconscious overemphasis of positive aspects while neglecting problematic areas can give the impression of greenwashing. This not only damages reputation but also carries legal risks. Indirectly, this can impact revenues, profits, and overall company value.

An issue ignored, is a crisis invited! – Henry Kissinger

Check whether your communication falls into any of the following traps!

- **Green by Focus:** Creating a distorted reality by highlighting and emphasizing sustainable or "green" achievements while concealing existing environmental impacts along the production and supply chain. This can occur consciously and strategically or unconsciously and unintentionally. Regardless of the motivation, this constitutes greenwashing. In essence: *Highlight the positive, hide, obscure, or camouflage the negative.*
- **Green by Risk Shifting:** Providers of products that cause environmental damage through the use or consumption by end-users evade responsibility by blaming the consumer. In essence: *Avoid taking responsibility and shift it onto others.*
- **Green by Whitewashing:** Misleading, sometimes entirely fabricated, or confusing green labels create the impression of sustainable products or practices, even though the facts fail to support this. In essence: *More appearance than substance.*
- **Green by Announcements:** Companies present themselves as "green" by repeatedly proclaiming sustainability goals, only to change them regularly before achieving any. In essence: *Announce new commitments without ever delivering.*
- **Green by Concealment:** To avoid scrutiny or oversight by investors or regulators, companies hide, suppress, or obscure undesirable activities. In essence: *Stay under the radar.*

- **Green by Vagueness:** Companies use broad terms like "environmentally friendly," "green," or "sustainable" without providing specific details or evidence. In essence: *Communicate vaguely with pleasant-sounding but undefined claims.*
- **Green by Unsubstantiated Claims:** Companies make environmental claims without presenting evidence. These claims may be exaggerated or difficult, if not impossible, to verify. In essence: *Make bold claims and leave the burden of proof to others.*
- **Green by Contrast Effect:** Companies position their "dirty" products next to even dirtier ones, showcasing an environmental advantage that would not hold up when compared against broader benchmarks. In essence: *The worse highlights the bad as better.*

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