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## **'GREENWASHING' – A NEW REPORT**

A new report has warned that 'greenwashing' by companies has become a 'many-headed beast', taking a variety of forms, ranging from accidental inaccuracies when marketing to highlighting a single green practice that distracts from other polluting activities.

What is 'greenwashing'? In English, it has been common to use the word, 'eyewash' for something said or done that is not true and is intended to deceive. 'Greenwashing' is a word recently invented, to describe when a company, for marketing purposes, claims to be environmentally conscious but actually isn't making any notable sustainability efforts.

The new report, published by *Planet Tracker*, identifies six types of 'greenwashing' that emerge from an analysis of corporate green claims.

*Planet Tracker* notes that 'greenwashing', which it broadly defines as companies making themselves 'appear more environmentally friendly than they really are', is attracting the attention of regulators around the world. The publication hopes that by identifying various forms 'greenwashing' takes it will enable investors and consumers to be more discerning when making environmentally led decisions.

### **Six types of 'greenwashing'**

The report invents six words to specify particular ways of 'greenwashing'.

1. '*Greencrowding*' is based on the notion that 'hiding in a crowd of other corporates can keep environmentally damaging approaches hidden. A report, *The Alliance to End Plastic Waste: Barely Credible*, shows how corporates can seem to be doing something collectively, but individually are not at all committed.
2. '*Greenlighting*' describes how companies shine a spotlight on green credentials in order to draw attention away from environmentally damaging activities. For example, manufacturers showcase decarbonization even as they expand plastics pollution and damaging use of resources.
3. '*Greenshifting*' refers to when companies try and shift the blame for unsustainable practices up or down the supply chain.
4. Other companies are using '*greenlabelling*', a practice of marketing departments to mislead through their advertisements by claiming something is green.
5. '*Greenrinsing*' is a growing practice, which occurs when companies regularly change their climate and sustainability targets before they've been achieved. *Planet Tracker* highlights Coca-Cola and PepsiCo as two corporations guilty of this.

6. Finally, the report notes the increasing role of ‘greenhushing’ in corporate communications. This term refers to corporates under-reporting or even hiding their sustainability data and performance to avoid stakeholder scrutiny.

### **United Kingdom (UK) first official investigation**

In 2022, the British Competition and Markets Authority (CMA) announced that it will undertake an investigation into ‘greenwashing’, with an initial focus on fashion. Brands found to be flouting the authority’s Green Claims Code could face fines and other penalties. One 2021 study of the websites of 12 of the biggest British and European fashion brands, found that 60% of their environmental claims could be classed as unsubstantiated and misleading.

The CMA’s Green Claims Code sets out how businesses can ensure that their claims, messaging and communications are accurate, clear and understandable to the relevant stakeholders; that important information about any product or service is included and that comparisons made against other products or services are ‘fair and meaningful’. The Code also proposes that what companies say about their products applies over the lifecycle of a product, and not just to the point of sale.

Effective global regulation and prosecution of ‘greenwashing’ is clearly needed urgently to protect the planet from this form of corporate deceit.

*Source: ‘Planet Tracker’, January 2023, reported by edie media, [www.edie.net](http://www.edie.net) Edited by Alison Healey.*

## **OXFAM REPORT: SURVIVAL OF THE RICHEST RELEASED TO COINCIDE WITH WORLD ECONOMIC FORUM, DAVOS**

The World Economic Forum annual meeting of governments with the wealthy of the world always gives us food for thought about what it means for so few people to own and control the growth of the world’s wealth. To coincide with the opening day of the meeting in January 2023 Oxfam released its *Survival of the Richest* report reminding us that we live in an unprecedented time of multiple crises. Tens of millions of people are facing hunger and hundreds of millions more face an impossible rise in the cost of basic goods such as food, shelter, the heating of their homes. *Poverty has increased for the first time in 25 years.*

While the poorest lose, the very richest have become dramatically richer and corporate profits have hit record highs, in an explosion of inequality. These concerns of Oxfam echo dire warnings from major international authorities. In 2022, the World Bank announced that we will fail to meet the goal of ending extreme poverty by 2030; in fact, global progress in this project has come to a halt amid what is likely to be the largest increase in global inequality since the Second World War. The International Monetary Fund is forecasting that a third of the global economy will be in recession in 2023. For the first time, the United Nations Development Program has found that human development is falling in nine out of 10 countries.

The Oxfam analysis shows that:

- At least 1.7 billion workers worldwide saw inflation outpace their wages in 2022 and a cut in their ability to buy food or keep the lights on.
- Whole nations are facing bankruptcy, with debt payments ballooning out of control.

- The poorest countries are spending four times more repaying debts – often to predatory, rich, private lenders – than on healthcare.
- Over the next five years, three-quarters of governments are planning to cut spending to a total of \$7.8 trillion dollars.

### **Extreme wealth**

Meanwhile, the scale of wealth being accumulated by those at the top, already at record levels, has accelerated. Over the last 10 years, the richest 1% of humanity has captured more than half of all global capital. Since 2020, according to Oxfam’s analysis of Credit Swiss data, this wealth-grab by the super-rich has accelerated, and the richest 1% have captured almost two-thirds of all new wealth.

Billionaires have seen huge gains during the pandemic. A flood of public money pumped into the economy by rich countries, necessary to support their populations during the crisis, also drove up asset prices and wealth at the top. In the absence of progressive taxation, the super-rich pocketed unprecedented fortunes. Although billionaire fortunes have fallen slightly since their peak in 2021, they remain trillions of dollars higher than before the pandemic.

The current cost-of-living crisis is also creating dramatic gains for many at the top. Food and energy corporations are seeing record profits and making record payouts to their rich shareholders and billionaire owners. *Corporate price profiteering is driving at least 50% of inflation in Australia, the USA and Europe, in what is as much a ‘cost-of-profit’ crisis as a cost-of-living one.*

According to Oxfam, every billionaire is a policy failure because: extreme concentrations of wealth undermine economic growth, corrupt politics and the media, corrode democracy and propel political polarisation. The richest are key contributors to climate breakdown. A billionaire emits a million times more carbon than the average person, and billionaires are twice as likely as the average investor to invest in polluting industries like fossil fuels. This is evidence of an economic system that fails to deliver for humanity. *The system of low taxes and huge gains for a few to benefit us all (the ‘trickle-down’ system) has no basis of truth.*

### **Taxing the rich**

The Oxfam report explores how, in recent history, taxation of the richest was far higher; that talk of taxation of the rich and making billionaires pay their fair share is hugely popular; and how taxing the rich claws back power from the elite and reduces economic inequalities, and also racial, gender and colonial inequalities. It lays out how much the rich should pay, and the practical, tried and tested ways by which governments can raise such taxation. It shows us how taxing the rich can set us clearly on a path to a more equal, sustainable, poverty-free world.

One of the key solutions that Oxfam believes to hold immense potential is to tax the rich. The world should aim to halve the wealth of billionaires between now and 2030, both by increasing taxes on the top 1% and adopting other billionaire-busting policies. This would bring billionaire wealth and numbers back to where they were just a decade ago in 2012. The eventual aim should be to go further and abolish billionaires altogether, as part of a fairer, more rational distribution of the world’s wealth.

**Elon Musk**, one of the world's richest men paid a 'true tax rate' of just over 3% from 2014 to 2018. **Abei Christine**, a market trader in Northern Uganda who sells rice, flour and soya, makes \$80.00 a month in profit. She pays a tax rate of 40%.

#### **FOUR STEPS TO A MORE EQUAL WORLD**

1. Introduce One-off Solidarity wealth **taxes** and corporate windfall taxes as well as much higher taxes on dividend payouts to stop crisis profiteering.
2. Permanently increase **taxes** on the richest 1%, eg, to a minimum of 60% of their income from both labour and capital.
3. **Tax** the wealth of the super-rich at rates high enough to systematically reduce extreme wealth and lower power concentration and inequality.
4. Use the revenues from these taxes to **increase government spending in sectors of inequality**, such as healthcare, education, food security and to fund a just transition to a low-carbon world.

*Source: 'Survival of the Richest', Oxfam Report published on the opening day of the World Economic Forum Annual Meeting in Davos, January 2023. Edited by Mary Boyd.*

Hope is... an orientation of the spirit, and orientation of the heart; it transcends the world that is immediately experienced and is anchored somewhere beyond its horizons. Hope, in this deep and powerful sense, is not the same as joy that things are going well, or willingness to invest in enterprises that are obviously heading for success, but rather *an ability to work for something because it is good, not just because it stands a chance to succeed... It is not the conviction that something will turn out well, but the certainty that something makes sense, regardless of how it turns out.*

Václav Havel

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