



Greenhushing and its Implications

For Prelims: [Greenhushing](#), [ESG \(environmental, social, and governance\)](#), [Greenwashing](#), [Carbon Neutrality](#), [EU's Greenwashing Directive](#).

For Mains: Implications of greenhushing in global sustainability transition.

[Source: DTE](#)

Why in News?

Recently, there has been an increase in [carbon-neutral certified firms](#) across the globe, but many **choose not to promote** their environmental achievements, leading to a global trend known as "**greenhushing.**"

- Firms motivated by **altruism** and a desire to maintain their **social salience** are reluctant to communicate and tend to greenhush.

What is Greenhushing?

- Greenhushing occurs when firms **under report or strategically withhold information** about their environmental **goals and achievements.**
- Greenhushing firms **don't advertise their green credentials** or deliberately remain silent about their future commitments to environmental sustainability.

Why do Firms do Greenhushing?

- **Litigation Concerns in the United States:** In the US, **public companies may face lawsuits** if they are seen as prioritising **sustainability over shareholder profits.**
 - This legal risk discourages companies from openly discussing their environmental initiatives.
- **Backlash Against ESG:** In conservative states within the US, there has been **backlash against [ESG \(environmental, social, and governance\)](#)** efforts.
 - It has prompted some firms to stop discussing their environmental goals to **avoid political and regulatory scrutiny.**
- **Lower Quality of Green Products:** Many consumers associate [green products](#) with **lower quality or higher prices.**
 - Therefore, many companies are reluctant to promote the environmental benefits of their products which may **harm their brand** by reinforcing these negative perceptions.
- **Avoiding Future Commitments:** Companies that are vocal about their sustainability efforts often **attract attention** and are held to **higher standards.**
 - By remaining silent, firms can **avoid** expectations of **future commitments** or pressure to achieve more ambitious environmental goals.
- **Avoiding Customer Discomfort:** When people are on vacation, they often want to escape from problems like [climate change](#) or [resource depletion](#).
 - Hence, many businesses in the tourism industry prefer **not to communicate** their

environmental efforts to avoid making their customers **uncomfortable**.

- **Greenwashing Accusations:** Public accusations of [greenwashing](#) can harm a firm's image and cause reputational damage to brands. To avoid the negative impacts of criticism, these firms prefer to **hide** their achievements from **external audiences**.
 - **Greenwashing** is a term used where a company makes **false or misleading statements** that their products/services are more [sustainable](#) than they are in reality.
- **Lack of Customer Demand:** Many consumers are either unaware of [carbon neutrality](#) or rarely ask for **carbon neutral products** when making purchasing decisions.
 - Without the demand from customers, companies are reluctant to spend money on advertising their carbon neutrality.

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The infographic is set against a teal background. At the top, the word 'GREENHUSHING' is written in large, white, outlined letters, with a hand holding a white umbrella over the 'I'. Below this, a definition states: 'WHEN COMPANIES DELIBERATELY CHOOSE TO UNDER-REPORT OR HIDE THEIR SUSTAINABILITY EFFORTS.' To the left, a circular diagram compares 'GREENHUSHING' (under-reporting & hiding) and 'GREENWASHING' (over-reporting & exaggerating) as being not equal to 'GREENWASHING'. Below this is a spectrum from 'GREENHUSHING' to 'GREENWASHING' with 'HONEST & TRANSPARENT COMMUNICATION' in the center. The middle section, 'WHY IS IT A CONCERN?', lists three points: 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. The bottom section, 'BUT... WHY WOULD BRANDS DO IT?', lists six reasons: 1. Fear of criticism and bad reputation (stars icon). 2. To reduce consumer guilt (sad face icon). 3. Negative perception with sustainable products (thumbs down icon). 4. Lack of confidence in sustainability targets (person with question mark icon). 5. Small companies find it hard to tick the boxes (store icon). 6. Uncertainty about how to communicate sustainability (two people talking icon).

GREENHUSHING

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

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**.
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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

Why Firms Become Carbon Neutral Certified?

- **Competitive Advantage:** Carbon neutrality helps to **differentiate** themselves from **competitors**, attract talent and access finance at better terms.
- **Maintaining Social Salience:** Some firms seek carbon neutrality to maintain their **social salience** and build stronger relationships with stakeholders to improve **public perception** and stakeholder trust.
- **Ethical Commitment:** Ethically motivated firms pursue **carbon neutrality** because they believe it is the right thing to do.
 - These companies are driven by a **passion for environmental sustainability** and a **sense of responsibility** to protect the planet.

What are Concerns with Greenhushing?

- **Rising Global Trend:** A report by climate consultancy **South Pole** found that **58%** of companies surveyed are reducing their **climate communication** due to increased regulation and scrutiny.
- **Reduced Transparency:** When companies do not openly communicate their sustainability efforts, it becomes **difficult to assess** the progress they are making in reducing carbon emissions.
 - It reduces the ability to **track and verify** climate action progress.
- **Slowing Global Sustainability Transition:** If these businesses withhold information about their environmental efforts, it could **delay the adoption of sustainable practices**, weakening the overall global effort to combat climate change.
- **Domino Effect:** Fear of **backlash and retaliation** from regions or industries that oppose sustainability efforts **deter other businesses and companies** from adopting sustainable practices.
- **Impact on Consumers:** When companies are silent about their sustainability achievements, it may lead to consumers continuing to **buy products** that are **less sustainable**, inadvertently slowing down the demand for [eco-friendly](#) alternatives.

What can be Done to Address Greenhushing?

- **Highlighting Sustainability:** Companies should emphasise that environmental sustainability is a **journey and not a destination**.
 - Engaging their audiences and highlighting their efforts for continuous improvement can **reduce criticism** and **allay concerns** about greenwashing accusations.
- **Stronger Regulations and Guidelines:** Better regulations can bring **clarity**, build trust and level the playing field. Eg. [EU's Greenwashing directive](#) bans misleading advertisements and provides consumers with **better product information**.
- **Consumer Education on Sustainability:** Increasing consumer awareness about sustainability can help **reverse negative perceptions** of green products and choose companies that are more sustainable.

Drishti Mains Question:

Q. Discuss the concept of "greenhushing" in the context of corporate environmental responsibility. What are its implications for sustainability reporting?