Exposing the CSR Pretenders

By Wayne Visser

> "Industrialism created a limitless appetite for resource exploitation, and modem science provided the ethical and cognitive license to make such exploitation possible, acceptable, and desirable" – Vandana Shiva

Can Big Tobacco ever be responsible? British American Tobacco (BAT) have engaged in extensive stakeholder consultation exercises and, since 2001, their businesses in more than 40 markets have produced Social Reports, many of which have won awards from organisations as diverse as the United Nations Environment Programme, PriceWaterhouseCoopers and the Association of Certified Chartered Accountants. BAT has also been ranked in the Dow Jones Sustainability Index, the FTSE Ethical Bonus Index and Business in the Community (BITC) Corporate Responsibility Index, and they funded Nottingham University's International Centre for CSR.

Yet this is the industry where, in 1994, the CEOs of 7 of America's largest tobacco companies1 testified before the House Subcommittee on Health and the Environment of Congress, all denying that cigarettes are addictive. They lied under oath. And this is the business that, according to the World Health Organization, kills more than AIDS, legal drugs, illegal drugs, road accidents, murder and suicide combined.' Of everyone alive today, 500 million will eventually be killed by smoking, and while 0.1 billion people died from tobacco use in the 20th century, ten times as many will die in the 21st century. Isn't responsible tobacco an oxymoron?

Of course, it's not just Big Tobacco. What about Big Oil? This is the industry that set up and funded the Global Climate Coalition (GCC) to lobby against the emerging consensus of climate science and policy development until it was embarrassed into disbanding in 2002. A 2007 report by the Union of Concerned Scientists, entitled Smoke, Mirrors & Hot Air, documented how ExxonMobil adopted the tobacco industry's disinformation tactics, as well as some of the same organisations and personnel, to cloud the scientific understanding of climate change and delay action on the issue. According to the report, ExxonMobil funnelled nearly $16 million between 1998 and 2005 to a network of 43 advocacy organisations that seek to confuse the public on global warming science.

Or what about BP? In 2000, the company reportedly spent $7 million in researching the new 'Beyond Petroleum' Helios brand and $25 million on a campaign to support the brand change. Greenpeace concluded at the time that 'this is a triumph of style over substance. BP spent more on their logo this year than they did on renewable energy last year'. Antonia Juhasz, author of The Tyranny of Oil (2008), is similarly sceptical, claiming that at its peak, BP was spending 4% of its total capital and exploratory budget on renewable energy and that this has since declined. That's even before we factor in the Texas City refinery explosion in 2005, or the catastrophic Gulf spill in 2010, or BP's ongoing investments in the Alberta tar sands. Isn't sustainable oil a contradiction?

While many of these examples – and I could cite countless more, from automotive, agricultural, chemicals and other industries – are a little more than the familiar toxic mix of old-fashioned dirty lobby tactics, many companies today in engage in far more subtle and seemingly plausible campaigns of misdirection – investing in environmental management systems, producing sustainability reports, and performing supply chain audits. Each of these actions is, on its own merits, laudable and to be encouraged; applauded even. But all too often, they are used as a smokescreen to mask the more damaging impacts and irresponsible practices of business.

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[1] Philip Morris U.S.A., RJ Reynolds Tobacco Company, U.S. Tobacco, American Tobacco Company, Lorillard Tobacco Company, Liggett Group, Brown and Williamson Tobacco Company

Behind these actions lies a pervasive driver. According to the UN Global Compact and Accenture's 2010 CEO survey, three corporate attributes – brand, trust and reputation – were consistently cited by CEOs as their primary reason for acting on sustainability. Simply put, CSR or sustainability are seen as a means of promotion in an Age of Marketing. As we saw in the BP case, 'greenwash' has become one of the popular labels applied to this kind of PR-driven misdirection by companies on environmental issues.

The word was coined by environmentalist David Bellamy in the 1980s and plays off of the concept of 'whitewashing' – literally painting over the cracks to cover up inherent faults. In 1999, the Oxford English Dictionary added the term, defining it as: 'Disinformation disseminated by an organisation, so as to present an environmentally responsible public image; a public image of environmental responsibility promulgated by or for an organisation, but perceived as being unfounded or intentionally misleading.'

Jose Lopez, EVP of Operations of Nestle admits that 'there is probably out there an environment for pretenders, for the greenwashers. It's going to get harder and harder to tell apart the greenwasher from the real guy. The reason is, we have a lot of information on what constitutes good sustainability practice,' i.e. it's easier to copy apparently credible behaviour.

One classic example was an advert run by Shell which has a picture of a factory with flowers coming out of the smoke-stacks and claiming: 'We use our waste CO_2 to grow flowers'. There was a grain of truth in the claim, as in the Netherlands the company did capture CO_2 and use it in floral hothouses. However, since Shell only used 0.325% of its CO_2 output in this way, the Advertising Standards Authority banned the advert, following complaints.

As a result of this kind of greenwash, the UK's Committee of Advertising Practice (CAP) Code, enforced by the Advertising Standards Authority, created a clause for environmental claims in 1995. Since 1998, it has also published a non-binding 'Green Claims Code', advising advertisers on how best to make good claims. Despite this, greenwashing complaints, the majority of which are upheld, continue to rise year-on-year. One rather fun, yet informative, publication is 'The Greenwash Guide' by Futerra.

Of course, this kind of PR-spin does not only apply to environmental issues. After the launch of the UN Global Compact, companies started to be accused of 'bluewash' – a reference to the blue of the UN logo and business using association with the United Nations to appear more responsible than they really are. Likewise, although I haven't heard the term, I can imagine the 'redwash' brush being applied to companies claiming social, community or labour responsibility that masks their real negative impacts on society.

Let's be clear, I'm not into corporate witch hunts or evil empire theories, but isn't it time we stop giving credit to industries and practices that tick superficial CSR and sustainability boxes, while doing little or nothing to change the underlying irresponsibility and unsustainability of their industries? Many companies are stuck in an Age of Marketing, with promotional CSR as their modus operandi, and it's time that we exposed them, so that we can separate the CSR pretenders from the 'real mccoys'.

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