

# Insights

At Aneuvia, we believe in democratizing financial wellness and investment advice for the betterment of companies, communities and individuals. Here we share our insights, point of view and advice on global impact investing, corporate diversity and inclusion, new financial market trends, impact investment funds and more.

Stay ahead of the curve with insightful news and analysis that can help your company or organization make crucial decisions for better business outcomes.

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## The Real Cost of Greenwashing to Society

Posted by Janelle Metzger

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It's no surprise that the demand for corporate responsibility has increased as more people reflect on the long-term impacts of climate change. In fact, in a [November 2020 Ipsos poll](#), roughly 63% of U.S. adults said they believed “purchasing sustainable brands or products makes a difference for our environment,” with 57% noting that they felt “better” when buying “sustainable brands or products.”

But unfortunately, the same increase can also be seen with greenwashing, a term used when a business presents itself as environmentally friendly to hide its past or present harmful environmental practices.

Oil behemoth Chevron is one example. Just recently, NGOs [filed a complaint](#) with the FTC, accusing the firm of “egregiously misleading consumers” after being unconvinced by the company’s clean-energy claims. The NGO compiled the results into what it calls ‘[The Greenwashing Files](#)’: a set of profiles of each firm, laying out their advertised climate-friendly claims alongside data points that illustrate the companies’ actual climate impacts.

GreenwashingFiles

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The true cost of greenwashing is trust. Consumers who prefer sustainable brands and products lose trust in companies who claim they prioritize sustainability, but daily to integrate ESG into all aspects of their business strategy. It then drives consumers to fall back into non-sustainable practices, and question brands that truly live sustainable practices. We cannot reverse the positive intentions of

consumers and companies and continue to fall victim to regressive policies or lack of policy.

At Aneuvia, we believe that the key to making progress is elevating ESG reporting to the same standards as financial reporting. When robust metrics and disclosures are established, we as a society are able to better assess the impact of business on key sustainability issues and ultimately, put our people and planet front and center.

Our latest whitepaper [The US's ESG Regulatory Environment: Past, Present, and Future](#) provides a brief history of the stops and starts in ESG reporting over the past decade. Despite the lack of binding ESG disclosure regulations, the ESG reporting landscape in the US is growing. According to the Governance & Accountability Institute, over 90% of the S&P 500 companies published corporate sustainability reports in 2019. The proportion of companies reporting has steadily grown from 53% in 2012.

While it is positive that companies are relying on voluntary standards and frameworks in the absence of mandatory ESG reporting metrics and disclosures, we must be aware of greenwashers who speak proudly about sustainability without contributing to a better world.

This article: [The Real Cost of Greenwashing to Society](#) first appeared on <http://aneuvia.com>.



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