

A BEGINNER'S GUIDE TO GREENWASH

A decade ago environmentalists coined the word "greenwash", which the US group CorporateWatch defines as "the phenomenon of socially and environmentally destructive corporations, attempting to preserve and expand their markets or power by posing as friends of the environment".

Increasingly mining companies are producing many reports — vision statements, environment reports, policies, audit reports - proclaiming their environmental virtues. Many shareholders and community groups are asking how they can tell whether a company is serious about its stated commitment to the environment or whether it is just faking it. Here are some simple rules of thumb.

1. Follow the money trail: Many mining companies are generous donors to political parties, think tanks and other groups in the community. Few companies actually disclose in their annual reports exactly whom they are donating, even though it is shareholders money. While they are required to disclose donations made to political parties in Australia, donations to other groups and political parties outside Australia are not covered. Ask about all their donations.

2. Follow the membership trail: Many companies claim credit for their environmental policy but hide their anti-environmental activism behind the banner of an industry association to which they belong. For example, many companies will claim to be environmentally responsible while simultaneously supporting campaigns by the Minerals Council of Australia for mining in National Parks, against the Kyoto greenhouse protocol or against Aboriginal land rights. Find out what industry organisations companies are members of and look at their policies. Assume the individual companies support the trade associations policy positions until such time as they publicly state they don't agree with them or they resign.

3. Follow the paper trail: Most companies, or their trade associations, will make



How Shell would like to be seen.

submissions to inquiries on a wide range of issues. They will also send lots of letters to politicians and government agencies. Ask about submissions made by the company and their lobbying on issues you care about. You will probably discover that instead of lobbying for tougher environmental standards, they are busy trying to weaken the standards that exist.

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4. Ask about the skeletons in the closet: Some companies include in their reports details about problems they have discovered in the year. However, don't let your guard down. One PR adviser to the mining industry suggested that a good strategy was "to acknowledge your prior misbehaviour ... I don't chiefly mean things you have done that nobody knows you have done ... I'm talking about negative things on the public record."

Every company knows it has problems at its minesites that it doesn't want the public to know about. Get to know individual mining operations and ask questions.

5. Test for access to information: Many companies will make lofty statements about their commitment to openness and providing information to shareholders on issues. Don't just take them at their word,

test them. In their reports they will probably refer to environmental impact statements, reviews, audits, monitoring data etc. Ask to see them.

You will be amazed at how most will refuse. Never take "that's commercially confidential" for an answer. It is corporate speak for "no". If they want your investment or your support you are entitled to have reasonable questions answered. If they can't provide the information, they shouldn't claim to be open. All this material could be easily loaded on to their website so that you and anyone else could access it from your computer or a library.

6. Test for international consistency: Many companies will have a long list of exploration and mining projects that they will be involved in around the world but will have different standards for them all. They mightn't dump tailings in rivers or the ocean in Australia, but they are more likely to dump in Papua New Guinea. If they have projects overseas, ask to see their Environmental Impact Statement.

7. Check how they handle their critics: Some companies go to extraordinary lengths to try and silence their critics with legal threats through to working closely with police and military forces.

8. Join an appropriate group: If there is a group of ethical shareholders for your company, join them. Or if you are a member of an investment group or circle, test to see how many others are interested in talking about researching companies against your preferred ethical standards. If you are a member of a superannuation fund, ask whether and how they screen the companies in which they invest.

You can also track issues that may affect specific companies by monitoring the media, joining groups like MPI, getting yourself on e-mail lists that post information about companies you are interested in.

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