

The contrarian

## Sell-out at the Sierra Club

**The Clorox partnership fiasco demonstrates poor levels of transparency and weak corporate governance at the Sierra Club, argues Jon Entine**

Transparency and accountability are double-edged. Embedded in an organisation's culture they can burnish credibility and encourage progressive innovation. But if the promise does not match the practice, the greenwashing backlash can cause considerable brand damage. Look no further than the Clorox saga at the Sierra Club.

Earlier this year, Sierra Club, the world's largest environmental group, with more than 700,000 paid members, announced a deal to sell, for an undisclosed sum, the rights to use its brand label on Clorox's line of Green Works cleaners produced without chlorine.

"It's taking money from the devil," says Peggy Fry, one of the volunteer leaders of the northern Michigan Sierra Club who resigned en masse in July. She discovered the partnership while surfing the internet. "As far as the membership was concerned, it was cloaked in secrecy."

The club's national leadership has rebuffed requests by members and the media to release financial details of the agreement. "I'm shocked and devastated that we don't meet the standards for open accountability and transparency that we demand of corporations," says one prominent staff member in another part of the country. Sounding like a classic corporate whistleblower fearful of retaliation, the staffer asks for anonymity.

The agreement has shaken other mainstream environmental NGOs, including ones that regularly engage in dialogue with business.

"We certainly wouldn't have done it," Rick Hind, legislative director for Greenpeace, told Ethical Corporation. Hind says that

the Sierra Club's executive director, Carl Pope, told him in March that he would make use of his new relationship with Clorox to discuss converting to safer processes or chemicals to replace chlorine gas. Hind is yet to hear back from Pope.

The Environmental Defense Fund's head of corporate partnerships Gwen Ruta says the fund wants companies "to benefit financially from environmental innovations we help develop". She adds: "But we don't endorse a company or a particular product and we don't take payment from our partner companies – the environment is our only client."

The Sierra Club executive committee's move to endorse the Clorox cleaner appears to directly circumvent its own corporate financial acceptance policy, which baldly states: "The club will not endorse products."

### Process concerns

Activists have expressed, privately, as much concern with how the Sierra Club handled its corporate governance and decision-making processes as the decision to partner with Clorox itself.

Sierra Club officials refused to be interviewed for this column, but there is scant evidence to support spokesman David Willett's assertion that the decision to "make the really big changes we need to protect the environment", which is how he has characterised the partnership with Clorox, was widely vetted internally.

There is rebellion at the highest levels. "We have a national corporate accountability committee that's empowered to deal with these kinds of alliances and they were not even told that this was in the



Reputation flusher

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works," says the anonymous staff member.

The club's toxics committee pointedly noted that it was not consulted before the deal was signed. The national agriculture committee has reiterated that it considered Clorox a major violator of environmental laws and requested that the national board of directors rescind the partnership and return royalties.

The confronting corporate power taskforce wrote: "We not only oppose the substantive decision itself, but condemn the undemocratic and autocratic nature of the decision. The process used to make this decision demonstrates a flagrant disregard for the basic democratic values, history and tradition of the Sierra Club."

NGOs take brand risks in forging partnerships that are absolutely necessary in an ultra-competitive global marketplace. The stick of messy public criticism and litigation can only work if there are carrots. But key are transparency and internal democracy, which are doubly important for groups that depend on a network of volunteers and paid members.

"Sierra Club prides itself on its membership democracy," the whistleblower told Ethical Corporation. "It would be helpful if we practise what we preach." ■



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