

Headline: Corporate greenwashing 'bad and getting worse'

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PARIS, France -An in-depth analysis published Monday of the climate action claims made by 24 multinationals with a combined income of \$3 trillion shows that almost all are falling far short on their green promises.

"Corporate greenwashing is a serious problem, and a growing one," Gilles Dufrasne, co-author of the 2023 Corporate Climate Responsibility Monitor report and policy lead for Carbon Market Watch, told AFP in an interview.

"Spurious claims give the illusion that corporations are taking serious action to tackle the climate crisis when in fact they are sweeping it under the carpet."

The interview has been lightly edited for concision and clarity.

"Carbon neutral", "good for nature", "net zero" — the average consumer just doesn't understand what these claims mean.

Most people think "carbon neutrality" means that emissions have been reduced when actually they have only been compensated.

This is misleading, because often it's going to cover only a portion of the emissions from a certain product, or it's going to rely on the purchase of emission reductions schemes that just don't deliver the climate impacts that they're supposed to.

A project, for example, to protect a forest may have a massively exaggerating impact, and is vulnerable to forest destruction.

For a company to say, "I've contributed to supporting this project" is much less risky in terms of misleading consumers.

Some companies are genuinely trying to do the right thing but are being badly advised by all the consultants that they are paying, who sometimes have conflicts of interest because they also sell carbon credits.

I have a lot less patience for big multinationals because they have the resources to do their homework. It is not a good justification for Shell, Nestle, Volkswagen and other major companies to say they didn't understand what's behind these carbon credits.

You also have a need for more rules around how you reconcile the need to reduce a company's own emissions, versus the need to finance projects that are outside of their activities.

If you're Microsoft, you need to reduce your own emissions but you also need to provide financing to reduce deforestation because you are a company with a lot of financial resources and there's no way that we can reach the level of investment that is needed if we just bank on public finances.

Ultimately it is unrealistic to expect companies to be moral actors in the absence of external drivers. Regulations are needed requiring companies to reduce their emissions, and regulating what they can — and cannot — say to consumers.

The short term action that's needed is to ban carbon neutrality claims. If the company wants to buy junk carbon credits that don't represent anything, they're free to do so, but they're not free to make false and misleading statements.

Of course, there is a risk that if we ban a certain set of words, then marketing departments from companies will come up with another set of words that might be equally misleading.

The problem is different in different jurisdictions. It is especially present in Europe and increasingly in the US, which is mostly where consumers care more about climate action.

We've seen companies actually adopting targets for products sold in Europe that are not applicable to products sold elsewhere.

The European Union is currently reviewing its consumer protection legislation, in particular in the context of green claims and greenwashing. As part of that there is an ongoing discussion on implementing a ban on 'carbon neutrality' claims.

It's preventing consumers and regulators from understanding why we need to transition and why we need to adopt behavioural changes, why we need to make costly investments, why we need to adopt regulation of emissions.

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Because if you can do everything in a carbon neutral way already — you can fly in a carbon neutral way, you can eat carbon neutral hamburgers and whatnot — then why change?