

# THE BOTTOM LINE



## How to avoid the risk of Greenwashing?

June 23rd 1988 marked the date on which climate change became an international issue. In a landmark testimony before the U.S. Senate Energy and Natural Resources Committee, Dr. James Hansen, then director of NASA's Institute for Space Studies, stated that;

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"Global warming has reached a level such that we can ascribe with a high degree of confidence a cause-and-effect relationship between the greenhouse effect and observed warming... In my opinion, the greenhouse effect has been detected, and it is changing our climate now."

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During 2020 Auditel's Carbon Strategy Group released a guide to design and deliver a sustainable business. Our commercial research into decarbonisation led to a quick realisation that Auditel were well placed with a wealth of experience to enter this industry, with a strong proposition that was a good strategic fit with the core business.

We discovered PAS2060, the only internationally recognised standard for carbon neutrality, which had been released with a relatively slow uptake by BSI in 2010. PAS 2060 was developed by BSI (and other organisations such as Defra and Carbon Trust) to specify requirements to be met by an organisation seeking to demonstrate carbon neutrality through the quantification, reduction and offsetting of greenhouse gas (GHG) emissions and came into effect in April 2010.

Auditel worked closely with BSI during the early part of 2021 to raise awareness of the benefits of using PAS2060 due to help support market demand and at the same time become one of the first members of their Associate Consultants programme to be able to offer support to the standard.

The reason for our market positioning was clear; over a 32-year period from 1988 to 2020, the environmental movement had developed at pace through organisations passion to save our planet. However, this passion was in a totally unregulated market.

### SELF-CERTIFICATION

SME or corporate, some companies will try to do it themselves, believing they may have both the knowledge and the resources internally after a degree of research. This can be a breeding ground for some of the worst types of claims for greenwashing being made whilst the organisation really is trying to do the right thing.

There is an argument to say, why would you do this, you have an accountant and a solicitor, carbon emissions are now government compliance, with balance sheet liabilities and corporate taxation on their way for 2023. Carbon accounting is a professional service that probably should be left to the experts.

The old saying is true 'what gets measured gets managed'. When left to your own devices, this in turn opens up the options of calculation methods. There are a plethora to choose from including free online calculators in exchange for your email address, all the way to bespoke software packages encompassing eye watering costs. As this market is also unregulated, the accuracy of these products also vary and go un-challenged.

## 10 stand-out cases;

- **INNOCENT:** Insincere TV adverts
- **KEURIG:** Misleading recycling claims
- **IKEA:** Accredited illegal logging
- **WINDEX:** Misleading plastic packing claims
- **H&M:** Insincere sustainable fashion claims
- **HEFTY:** False representation of the product
- **RYANAIR:** False low-emissions claims
- **QUORN:** Unverifiable carbon-footprint claims
- **SHELL:** Gas lighting of the general public
- **NESTLE:** Misleading plastic reduction claim

[www.thesustainableagency.com/blog/greenwashing-examples](http://www.thesustainableagency.com/blog/greenwashing-examples)

There has been development both in organisations trying to do the right thing themselves, together with independent companies offering their own set of guidelines and accreditations achieving their self-generated badge of honour for public display of commitment to the cause.

There are three main areas of certification, accreditation and standards to consider.

If carbon neutrality is the ultimate goal, the plan will inevitably include the purchase of offsets. Robust examinations prove there is a vast disparity in the accuracy of the current calculation tools, which can lead to purchasing either too many or indeed too few offsets defeating the original objective, again leading to potential claims of greenwashing.

### INDEPENDENT ACCREDITATION

Outsourcing professional services has traditionally led to some very passionate organisations with a wealth of environmental knowledge, promoting their beliefs on sustainable business practices. There are a few who have been around for quite some time and with the lack of any recognised standards, historically creating their own, effectively you could say marking their own homework.

This could arguably be better than self-certification, as certainly the passion and possibly the knowledge will be more robust, usually involving an annual subscription fee to be a member or partner of the organisation.

