

How to avoid greenwashing

Planet Mark's Credible Communications Guide



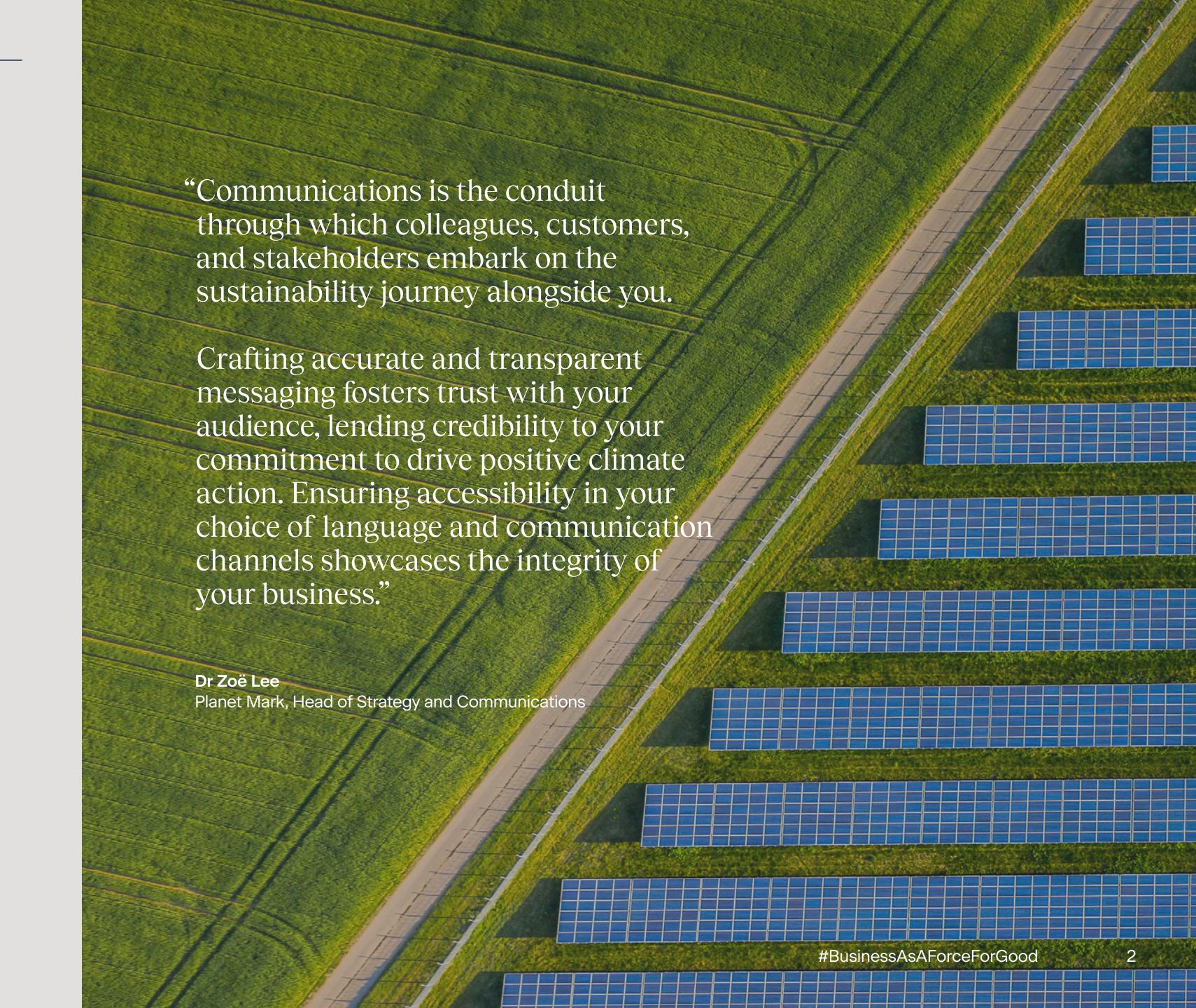
About this guide

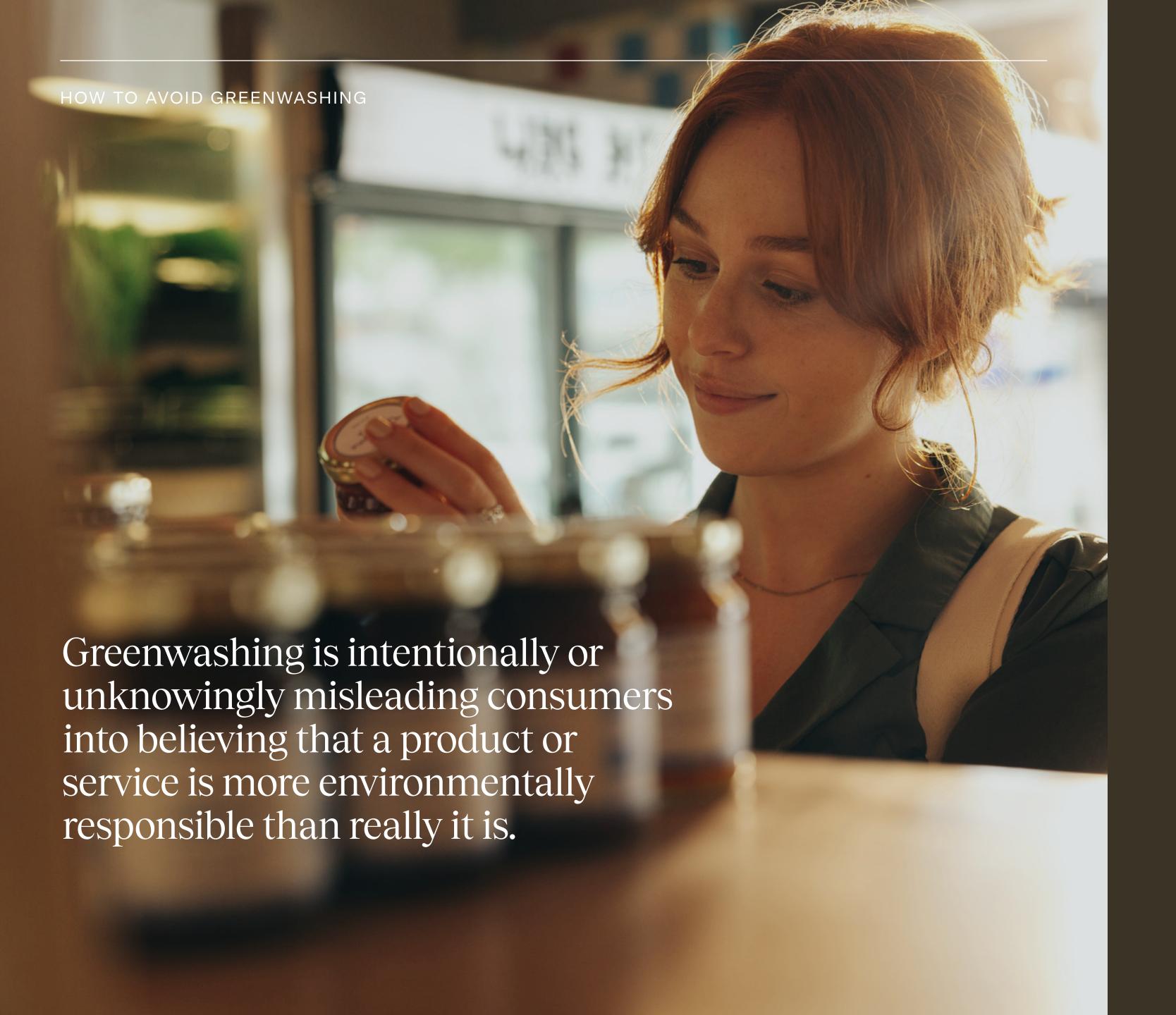
In recent years, the urgency to address environmental issues has led to a surge in sustainability initiatives across industries. However, among the genuine efforts lay the pitfalls of 'greenwashing' and 'greenhushing'.

As stakeholders, consumers, and regulatory bodies demand transparency and authenticity, the need for businesses to communicate their sustainability efforts credibly has never been more critical.

With the introduction of new legislations like the <u>EU Green Directive</u>, which places strict regulations on environmental claims and product labelling, the spotlight on accurate and transparent communication of sustainability credentials has increased.

This guide serves as a roadmap for businesses aiming to communicate their sustainability achievements effectively while avoiding the pitfalls of greenwashing.





What is greenwashing?

Greenwashing occurs when a company either intentionally or unknowingly misleads consumers into believing that its more environmentally responsible than it is. Sometimes, these misconceptions are deliberate, to boost profits through positive associations.

However, greenwashing isn't always intentional and can occur unintentionally due to a lack of knowledge and guidance. Regardless of intent, the result is that it creates a barrier to consumers making an informed purchasing decision.

As consumers have become more educated on the severity of the climate crisis, people have the desire to engage with brands that demonstrate effective sustainability practices. While this is a positive societal change, this increasing consumer concern has led to more examples of greenwashing.

How to identify greenwashing

There are a variety of ways that companies can greenwash, here are a few common tactics:

- Using misleading labels, such as 'eco-friendly' or 'natural', without any substantiation or evidence.
- Spotlighting minor environmental achievements, while ignoring the overall impact of a company's operations.
- Making environmental claims with minimal verifiable proof or without thirdparty verification.
- Making use of images and symbols associated with nature and sustainability, to create a false impression of environmental responsibility.
- Claiming carbon neutrality solely through emissions offsetting schemes without a transparent carbon reduction strategy.

A <u>study</u> commissioned by the European Union found that:

53%

Of green claims on products and services make vague, misleading, or unfounded claims.

40%

Of green claims made have no supporting evidence to substantiate their existence.



The consequences of greenwashing



Damaged brand reputation

Greenwashing can undermine the authenticity and credibility of a company's environmental claims, leading stakeholders to question the sincerity of its sustainability efforts. When stakeholders perceive that a company is engaging in greenwashing practices to improve its environmental reputation, it breeds scepticism and reduces their confidence in the company.



Regulatory fines

Regulatory bodies closely monitor environmental claims made by companies to ensure they are accurate and not misleading. If a business is found guilty of greenwashing it can face fines and penalties. Recently, the European Parliament backed stricter rules to penalise companies engaging in greenwashing, supporting measures such as temporary bans from public procurement tenders and fines of at least 4% of annual revenue for non-compliant companies. Although these regulations were initially designed to ensure customer safety, they are now being used to hold companies accountable for their environmental and social impact claims.



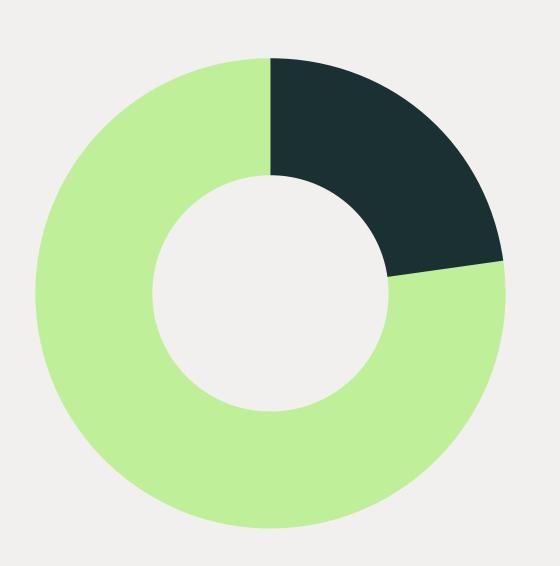
Hinder progress towards decarbonisation

Greenwashing often causes confusion and cynicism among the public, undermining the genuine efforts of business leaders around the world who are taking legitimate climate action. With climate action at its peak, it's more vital than ever that organisations improve their environmental record for the sake of the planet.

4%

Companies may face fines of at least 4% of their annual revenue for engaging in greenwashing.

Greenhushing is the deliberate silencing of a company's environmental impacts or sustainability efforts, rather than actively promoting misleading claims.



Reluctance to showcase sustainability initiatives

24%

Environmental charity Earthwatch Europe found that 24% of senior decision makers from medium and large companies felt their business had under-communicated sustainability goals or initiatives since April 2022.

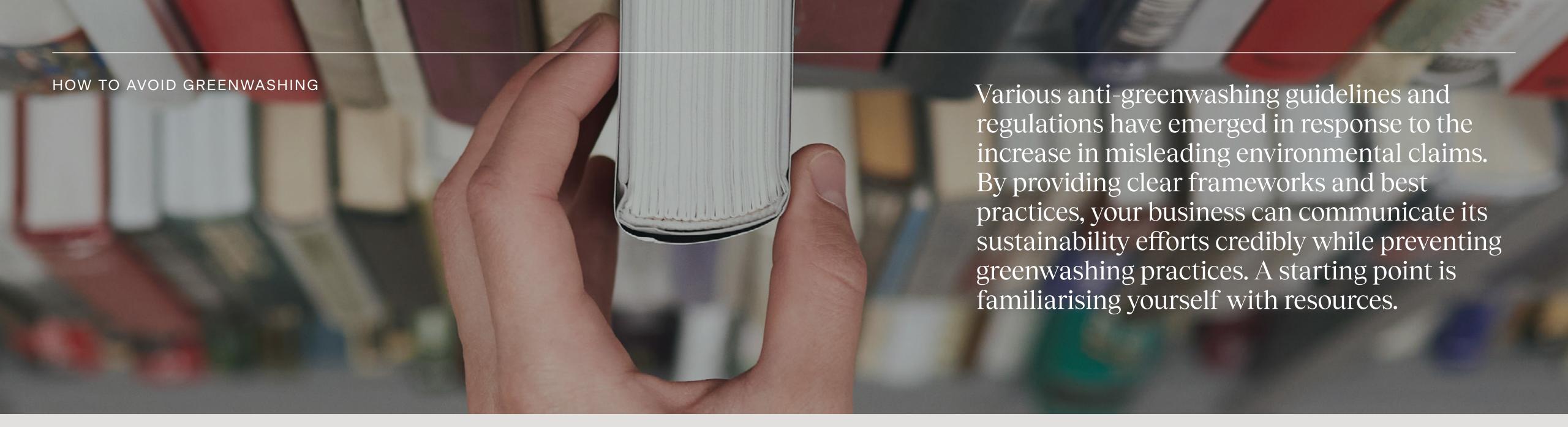
The rise of greenhushing

In recent years, alongside the growing awareness and scrutiny of greenwashing practices, there has been a concerning rise of what is termed "greenhushing." This involves the deliberate silencing of a company's environmental impacts or sustainability efforts, rather than actively promoting misleading claims.

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In many cases, greenhushing arises as a response to the fear of being accused of greenwashing. A 2020 study published in **Environmental Sciences Europe** shows that 'green scepticism' has grown along with greenwashing, and that genuine environmental claims suffer from greater suspicion since it's increasingly difficult for consumers to assess the trustworthiness in green marketing.

As a result, some companies choose not to communicate their environmental goals out of fear of backlash.



Evolving regulation and guidance

Key regulation and guidance to be aware of

Competition and Markets Authority Green Claims Code:

A guide assisting your business in understanding and meeting your current obligations under consumer protection law when communicating environmental claims.

Advertising Standard Authority (ASA) Advertising Guidance:

Guidance to help your business in complying with the regulations outlined in the ASA Advertising Codes, ensuring that environmental and social responsibility claims are accurate and transparent.

United Nations Integrity Matters:

A practical guide outlining the steps for making credible and accountable net zero pledges.

EU Green Claims Directive:

Guidance aimed at ensuring the credibility and reliability of environmental labels and claims.

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Examples of greenwashing

In the UK, the Advertising Standards Authority (ASA) has recently ruled several adverts by major brands, as 'greenwashing.' This decision comes as the watchdog increases its efforts to combat misleading environmental claims, asserting its commitment to enforcing advertising standards rigorously.

MG Motor UK

The ASA ruled against an MG advertisement that claimed "Zero Emissions" without providing clear context or explanation. While the ad promoted various MG vehicle models, it failed to differentiate between electric and hybrid vehicles, leading to potential consumer confusion.

The ruling highlighted the importance of clarity and specificity in environmental claims, especially regarding emissions. To avoid such rulings, companies should ensure that environmental claims are accurate, clear, and applicable to the specific context of the product. The ASA recommended that the claim of "Zero Emissions" should only be made for fully electric vehicles and should explicitly specify that it refers to emissions while the vehicle is being driven.

Anglian Water Services Ltd

Despite portraying Anglian Water as making significant environmental contributions, such as creating wetlands and installing rainwater collection tanks, the television and video on demand ads failed to disclose their history of sewage discharge into rivers and the sea.

This absence of material information, including pollution incidents and enforcement actions, led the <u>ASA to uphold complaints</u> against the ads. Anglian Water Services Ltd were instructed to ensure that their environmental claims are adequately qualified and don't exclude material information about their negative environmental impact in future ads.



Examples of greenwashing

Intrepid Travel:

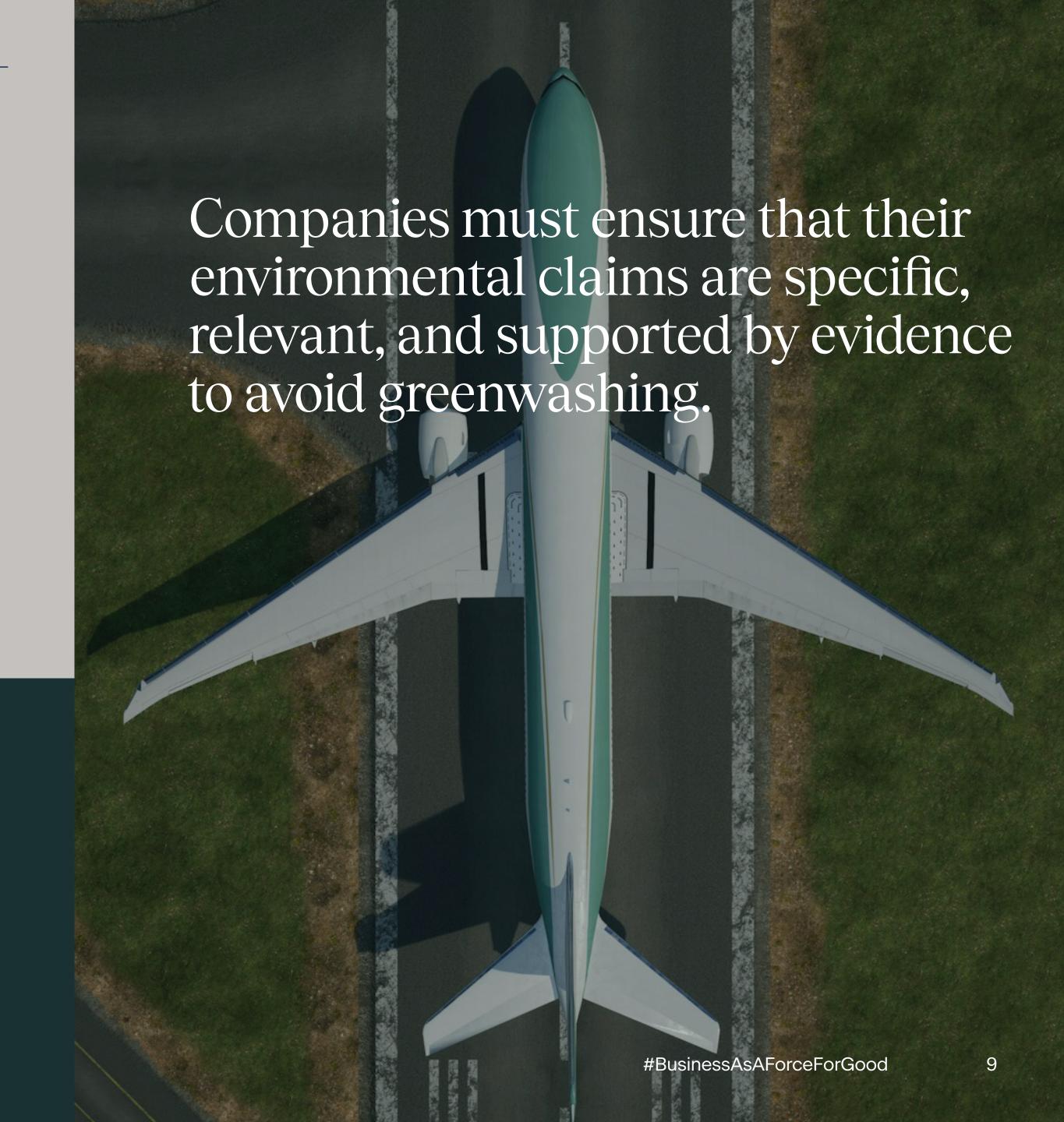
The ASA upheld a complaint against an advertisement by Intrepid Travel, which claimed "people & planet-friendly small group adventures since 1989." The ASA determined that the claim could mislead consumers as it did not clarify that the reference was limited to tour offerings and did not account for the environmental impact of travel to and from destinations.

Intrepid Travel asserted that their carbon offsetting program and other environmental initiatives supported their claim, but the ASA found these insufficient to substantiate the claim of being "people & planet-friendly."

In summary

These cases demonstrate that vague or misleading environmental claims can lead to consumer confusion and undermine trust in a brand's sustainability efforts.

Clear communication, backed by data, is essential to maintain credibility and foster trust with consumers. These rulings by the ASA serve as valuable lessons for companies seeking to promote their environmental initiatives authentically and responsibly.



Tips for clear and accurate sustainability communications

This section provides actionable tips and strategies to help your business navigate sustainability communication with integrity and transparency. From substantiating claims with evidence to adopting clear and honest messaging, this guide can serve as your team's go-to tool, helping you navigate sustainability communication effectively.



Provide context to your environmental claims:

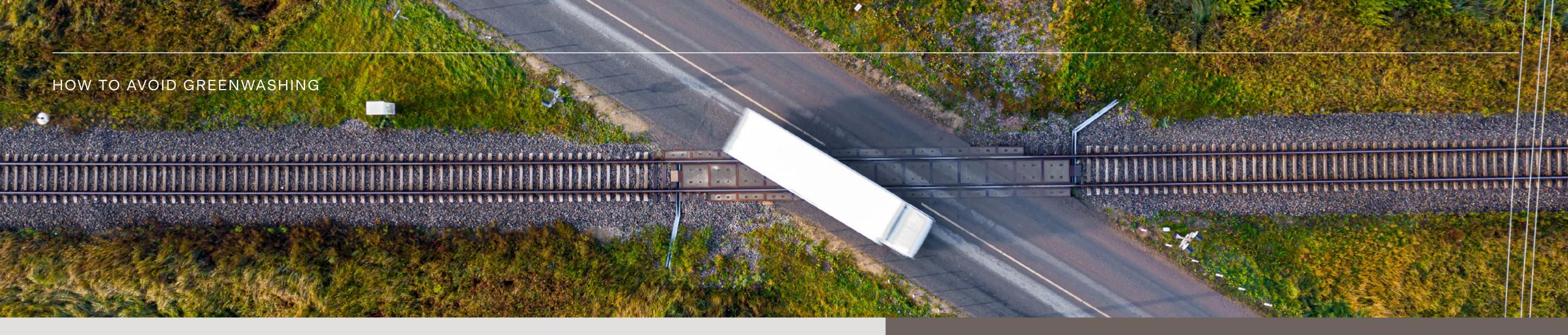
Ensure that your environmental claims are backed by context, including clear communication of your reporting boundaries, such as emission sources and scopes of emissions, the reporting year, and the results achieved. This transparency helps to avoid ambiguity and ensures that stakeholders have a comprehensive understanding of your sustainability efforts.



Verify claims with trusted third parties:

Take an evidence and data-led approach with storytelling, using third-party verification to substantiate your claims. To enhance credibility and avoid inaccuracies or bias in your environmental claims, consider verifying them with a trusted third party. These organisations operate as independent verifiers, assisting companies globally in communicating their data accurately. By undergoing third-party verification, your data is rigorously assessed before being made public, minimising doubts and bolstering trust.





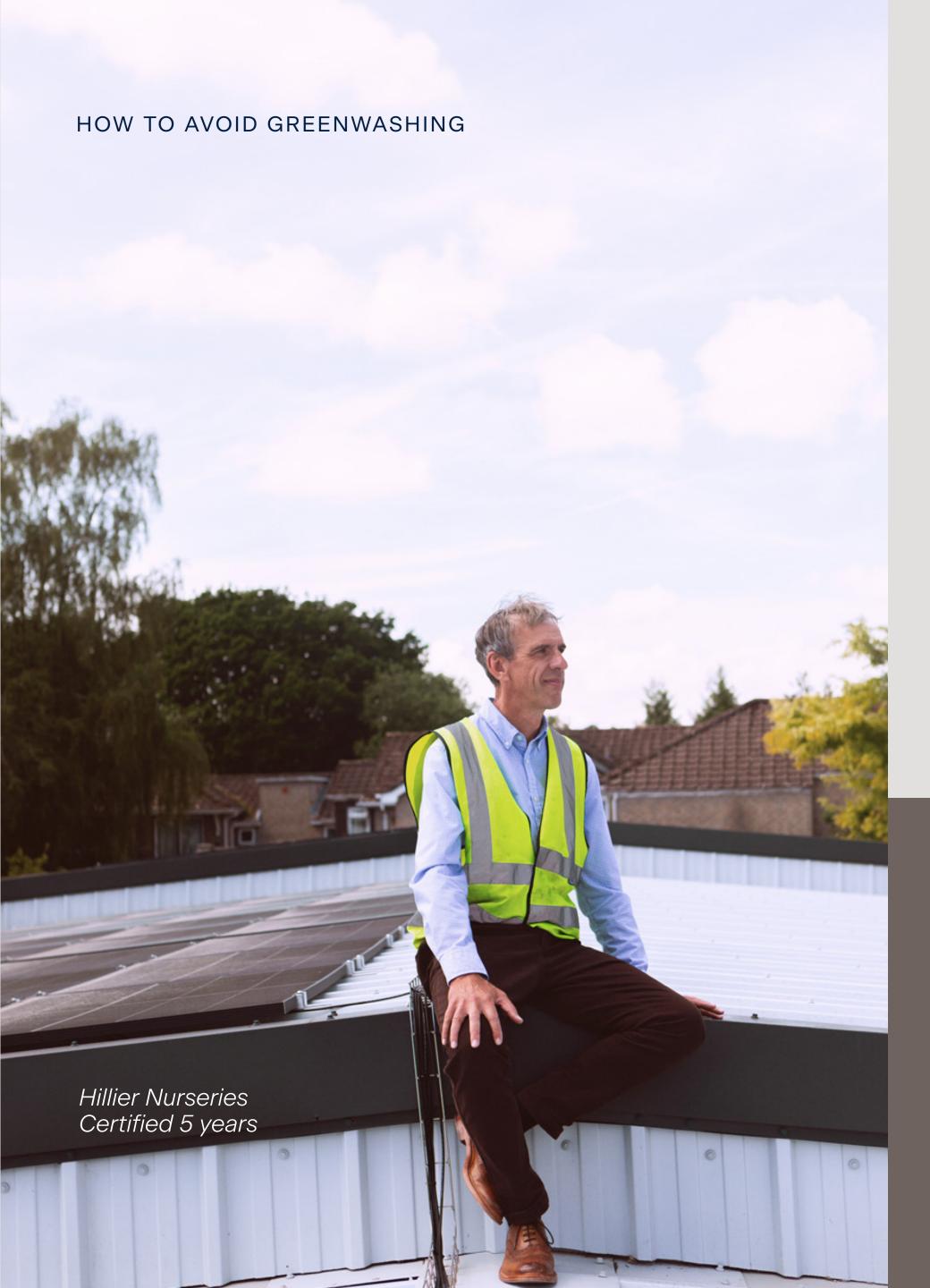


Align with internationally recognised standards and frameworks:

When reporting your carbon footprint, carbon neutrality, or net zero claims, aligning with internationally recognised standards and frameworks is crucial. By aligning with established standards, such as the Greenhouse Gas Protocol, the PAS 2060 Carbon Neutrality Standard and the ISO Net Zero Guidance, which don't rely solely on offsetting, you provide clear rules and measurements for evaluating your environmental impact, substantiating your claims with evidence, and reducing the risk of greenwashing. The ASA's 2021 research revealed that "carbon neutral" and "net zero" were the most commonly encountered environmental claims in advertisements.

However, a small fraction of individuals understood the meaning of these terms, and there was little consensus among them regarding definitions. In light of these findings, the ASA suggests that businesses should only make such claims if they can provide supporting evidence to empower consumers in their decision-making process. Additionally, any claims based on future goals should be supported by a verifiable strategy. For example, when claiming carbon neutral operations, publishing your accompanying Quantification, Emission Reduction, and Sustainability (QES) statement maintains credibility and transparency. This document provides a complete picture of carbon emissions, reduction efforts, and sustainability initiatives.

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Avoid vague and misleading terms:

Avoid using vague terms such as "net-positive," "green," or "eco-friendly," in your communication if they are uns bstantiated and unverified. While these terms may sound appealing, their lack of standardisation can lead to confusion and potentially contribute to greenwashing. As highlighted by the European Commission, the methodologies behind these terms vary widely and may not always be transparent, accurate, or consistent. To truly convey your environmental commitment, it's crucial to back up your claims with specific evidence.

Instead, aim for well-rounded communication that provides consumers with a clear understanding of your environmental efforts. By explaining the basis for your claims and offering evidence to support them, you can tell the complete story about your products and services. This approach fosters transparency and authenticity, helping consumers make informed decisions and build trust in your brand.

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Evaluate the imagery used in your advertising campaigns:

When evaluating the imagery used in communications, it's essential to carefully consider how these visuals align with your company's sustainability efforts. Images play a powerful role in shaping consumer perceptions and can significantly impact the credibility of environmental claims. It's crucial to ensure that the visuals accurately reflect your sustainability initiatives and avoid using images that could mislead consumers about your environmental credentials. Avoid using generic or stock images that may not accurately depict your company's specific efforts or environmental impact. Instead, use images that showcase real-life examples of sustainability in action.

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Create a dedicated sustainability page on your website:

Devoting a dedicated page on your website to discuss your sustainability journey, targets, partners, certificates, and achievements serves as a central hub for transparent and credible communication.

Allowing you to showcase your commitment to sustainability in a thorough and accessible way, providing stakeholders with valuable insights into your environmental initiatives and progress. By showcasing your sustainability partners and certifications, you reinforce the legitimacy of your efforts. Regularly updating this page, at least annually, ensures that stakeholders are informed of your latest sustainability efforts and achievements.

Avoid using generic or stock images that may not accurately depict your company's specific efforts or environmental impact. Instead, use images that showcase real-life examples of sustainability in action.





If your company has not yet set a net zero target, consider joining the UN-backed Race to Zero campaign via Planet Mark's Pledge Wall.



Clearly outline carbon reduction targets:

Clearly outline your carbon reduction targets and explain the nterventions and strategies you plan to implement to achieve them. Transparency about your roadmap to carbon reduction boosts credibility and demonstrates genuine commitment to sustainability. If your company has not yet set a net zero target, consider joining the UN-backed Race to Zero campaign via Planet Mark's Pledge Wall.

By committing to achieve net zero emissions by 2050 and publishing a transition plan within 12 months of joining, you signal your dedication to tackling climate change. You can submit your nearterm and long-term net zero targets to the **Science-Based Targets initiative (SBTi)** for validation. The SBTi Corporate Net Zero Standard, released in October 2021, provides a rigorous framework aligned with climate science for setting corporate net zero targets. Validation by SBTi enhances the credibility of your sustainability commitments and demonstrates alignment with global climate goals.



Communicate sustainability year-round:

It's important to showcase your alignment with specific awareness days while consistently communicating your efforts to reduce environmental impact throughout the year. While awareness days like Earth Day serve as key opportunities for engagement, sustainability should be a year-round focus. Too often, brands limit their sustainability promotion to special occasions, missing the chance to authentically embed environmental initiatives into their ongoing narrative.

Authenticity lies in demonstrating why your brand aligns with them and reflecting on tangible actions taken to uphold sustainability values. By maintaining a continuous dialogue about environmental responsibility, brands can foster genuine connections with consumers and demonstrate their commitment to sustainable practices.



Tips for demonstrating your organisation is holding itself to account



Prioritise impact and ensure you are walking the talk:

Prioritising impact is fundamental to holding your brand accountable in sustainability communication. Instead of merely making bold claims, prioritise tangible actions that make a meaningful difference. Whether it's reporting updates on your sustainability initiatives or highlighting recent environmental responsibility or showcasing recent social initiatives, focusing on the real impact your company is making ensures authenticity and credibility.



Communicate sustainability progress authentically:

Acknowledging that sustainability is a journey rather than a destination is key to fostering trust and credibility in your communications. Embracing the non-linear nature of this process demonstrates authenticity and a genuine commitment to progress. By openly sharing your sustainability journey with your audience, including both successes and challenges, you not only build transparency but also invite stakeholders to be part of the journey alongside you. This honesty not only strengthens brand loyalty but also inspires others within your industry to embark on their own sustainability endeavours.



Case study

One+All, a schoolwear manufacturer deeply rooted in principles of trust and continual improvement, created its first impact report with a commitment to transparency.

The report openly acknowledges and apologises for a misleading environmental claim about recycled polyester used in their schoolwear garments. The claim assumed that its use of recycled polyester would save a specific quantity of plastic bottles based upon 100% recycled content. Through product testing in collaboration with SgT Group, One+All gained valuable insight into the true composition of their polyester. The tests highlighted that the products met the requirement of a minimum 20% recycled content but not the 100% content they assumed.

As a result, One+All promptly retracted these claims. Certainty about how many plastic bottles are used in their recycled fabric is variable, so One+All's Performa Eco Blazers, Performa Eco Jackets and Eco Ties now feature the clear message: "I contain recycled plastic bottles."

By embracing transparency as a cornerstone of its operations, B Corp One+All sets a powerful example for the industry, demonstrating that honesty and accountability are vital in combating greenwashing and fostering genuine sustainability. This clear message encouraged all competitor brands to remove similar claims, aking a considered approach to communicating and correcting their messaging serves as an excellent example of anti-greenwashing.

The trajectory to becoming a sustainable business is often not linear. The important thing is to bring people on the path of progression with you, using communications as the drumbeat of your sustainability journey. Utilise clear and transparent messaging through your communication channels to showcase your commitment to becoming a sustainable business.

Tips for clear and accurate sustainability communications



Educate yourself and your internal team:

Change starts from within, and education is fundamental for inspiring that change. It's crucial that every member of our organisation grasps the fabric of your sustainability plan.

Organise carbon literacy workshops to involve the entire team in understanding and addressing environmental issues. These workshops serve as a catalyst for increased sustainability engagement and awareness. It's crucial for all departments, particularly stakeholder-facing ones like marketing and senior leadership to understand the importance of accurate and honest environmental claims. This shared understanding fosters a high level of ownership and accountability throughout the organisation.



Publicise any certificates that validate your claims:

Ensure that your company publicises any certificates that substantiate your claims, as well as prominently displaying the logo of your third-party verification provider. This gives credibility to your communications and demonstrate your commitment to transparency and accountability in sustainability practices.



Publish an annual impact report:

Publishing an annual Impact Report provides stakeholders with a detailed overview of your environmental initiatives, progress made, goals achieved throughout the year and areas where further improvement can be made.

By encapsulating your sustainability efforts in a single document, you demonstrate transparency and accountability, showcasing your commitment to responsible business practices. Through the annual publication of this report, your company can effectively communicate its dedication to environmental stewardship and inspire others to join in the collective pursuit of sustainability.



Tailor language to your audience:

To ensure clarity and credibility, steer clear of vague language that could easily be misunderstood. Instead, use language that is straightforward, concise, and targeted. Recognise that complex concepts like "measured carbon footprint" may not resonate with all audiences.

Consider employing simpler terms or visual aids to communicate these ideas in a more accessible and relatable way, tailored to your specific audience. This approach not only promotes understanding and engagement but also strengthens connections with stakeholders across diverse backgrounds and levels of expertise.

In summary

In the face of mounting environmental challenges, businesses must navigate sustainability communication with integrity and transparency.

Regulatory bodies and consumers demand transparency and authenticity, requiring accurate and credible sustainability communication. By embracing transparency, accountability, and accessibility in their communication practices, businesses can foster genuine connections with stakeholders, demonstrate their commitment to climate action, and contribute to positive environmental change.





About Planet Mark

Interested in developing a robust sustainability strategy that avoids greenwashing?

Accelerate your journey with Planet Mark. As pioneers in the sector for over a decade, we collaborate with leading businesses to advance their mission to net zero.

From supporting the development of industry standards to advocating for best practices in reporting and transparent communication, we are committed to guiding organisations toward their climate goals.

Our expertise extends beyond environmental initiatives to encompass a unified approach to sustainability. Whether it's accurately measuring your carbon footprint, engaging your employees, communicating your achievements, or identifying innovative solutions, our team is committed to helping your business lead in your industry.

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