

**INDUSTRY
REPORT:
WHAT CAN WE
DO TO
CHALLENGE
GREENWASHING?**


**BETTER
BUSINESS
NETWORK**



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INTRODUCTION

Greenwashing has emerged as a common topic in the environmental sphere with companies, governments and individuals all accused of making spurious claims, either rightly or wrongly.

At the Better Business Network we want to understand more around the trends of this, why it happens, and how to prevent it.

For the purpose of this report, 'greenwashing' will refer specifically to the false or misleading social and environmental claims, actions, publications and issues faced by businesses.

Across literature, greenwashing is also often used to describe a whole range of issues, with many other synonymous terms being used to describe smaller niches, including 'bluwashing' (misleading human rights claims), 'sportswashing' (using sports to hide wrongdoings) and 'pinkwashing' (using LGBTQ+ support to hide wrongdoings) amongst others.

This report will focus specifically on claims (or lack of) surrounding social and environmental issues.

The scope for greenwashing is everchanging, in particular with the growth in Artificial Intelligence, meaning that new forms are emerging all of the time. This makes regulation challenging, especially as vast amounts of the data needed to evidence claims are confidential.

WHY DO COMPANIES GREENWASH?

There is a lot to gain from greenwashing with potential benefits including:

- Increased profits
- Reputational gain
- Partnerships, deals and contracts
- Investment opportunities
- Market share

Greenwashing can simply hide the negative externalities an organisation may be committing, allowing them to avoid fines, sanctions or bad press.

Greenwashing does not always have to be a blatant inaccurate statement, it can be in the form of generalised claims, suggestive branding or unverifiable statements.

Greenwashing can also occur unintentionally, and it is worth differentiating between miscommunication for a specific means and genuine communication errors.

INTRODUCTION

STATE OF THE INDUSTRY

The British public has a worryingly low understanding of language around the climate crisis and environmental policies. (1)

Despite this the concern for the environment and sustainable practice is commonplace with “9 out of 10 consumers” believing it to be important that businesses and brands to talk about their sustainability initiatives. (1)

This is particularly true for younger consumers with 90% being prepared to pay more for sustainable products. (2)

Moreover, interest without understanding has led to the rise of greenwashing, as companies, governments and individuals all play on peoples concern for the planet in order to generate a desired response. In many cases this is in the form of money, but can also take reputational and influence forms.

From a business perspective, a 2022 survey indicated that over half of businesses regularly greenwash (3), either intentionally or by mistake. Considering the amount of interactions consumers with have with companies on a daily basis, be this through advertising, food, or countless other mediums, we are all regularly exposed to greenwashing.



(1) The Guardian; *Key climate language poorly understood by majority in UK, poll finds*; (2024); <https://www.theguardian.com/environment/2024/jan/24/key-climate-language-poorly-understood-by-majority-in-uk-poll-finds>

(2) Normative; *Unintentional greenwashing: what it is & how to prevent it*; (2024); <https://normative.io/insight/unintentional-greenwashing/>

(3) UCEM; *What is greenwashing (and how can you spot it)?*; (2024); <https://www.ucem.ac.uk/whats-happening/articles/greenwashing/>

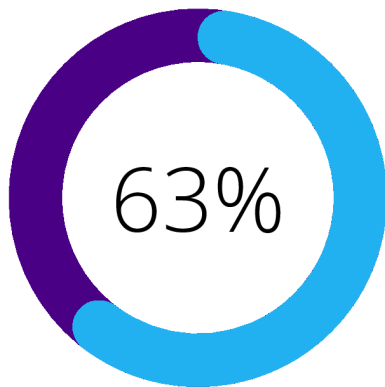
STATE OF THE INDUSTRY

Greenwashing does not exclusively get broadcast to consumers, with 63% of B2B focused organisations acknowledging that they have, in all likelihood, contributed to greenwashing. (4)

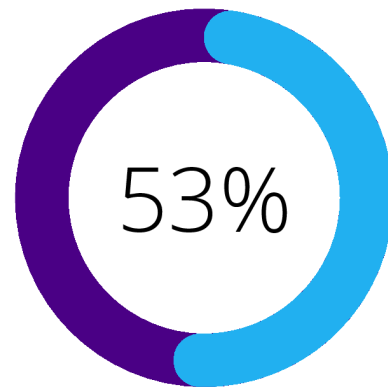
However, despite consumers believing that businesses have a responsibility in taking climate positive action, recognition of greenwashing and subsequent distrust is increasing, with “53% of American consumers “sometimes” or “never” believe companies’ environmental claims.” (5)

A 2019 study revealed that: “when greenwashing is identified in the product, it loses the aspects of loyalty, satisfaction, and benefits, as well as becoming a product that causes confusion of consumption.” (6)

As eco-awareness increases, and the expectation of green credentials grows, businesses are realising that in order to keep market share, they will need to be taking some form of climate positive action. Unfortunately in many cases it is easier to talk the talk rather than walk the walk, and as such greenwashing looks set to continue.



**63% OF B2B
ORGANISATIONS ADMIT TO
GREENWASHING**



**53% OF AMERICAN
CONSUMERS DON'T
BELIEVE 'GREEN' CLAIMS**

(4) Hattrick & The Carbon Literacy Project; *Credibility doesn't grow on trees*; (2023); https://drive.google.com/file/d/1RGYX6AfWQsOjtYNs7_lwmbQJ9nugv1S/view

(5) Envoria; *How transparency prevents greenwashing*; (2022); <https://envoria.com/insights-news/how-transparency-prevents-greenwashing>

(6) Junior et al.; *Greenwashing effect, attitudes, and beliefs in green consumption*; (2019);

WHAT THIS REPORT IS

THIS REPORT LOOKS TO UNDERSTAND THE CURRENT STATE OF THE GREENWASHING ACROSS THE BUSINESS COMMUNITY AND PROVIDE A PLATFORM FOR COMPANIES TO START TO MAKE POSITIVE CHANGES.

Considering industry insights, the report aims to contextualise some of the reasons greenwashing occurs, how to recognise it, and what actions and tools can be used to navigate clients and strategic decision making.

WHY WE'VE DONE IT

At the Better Business Network we believe it is important to share the insights and knowledge of our members with the wider business community. We believe that collective action is key to generating change and creating a better, more sustainable future for all of us.

Through this report, we aim to share industry insights surrounding greenwashing to help companies navigate the challenging landscape, avoid being unfairly labelled and to generate positive sustainable actions.

CATALYST CONVERSATIONS

The Better Business Network runs monthly Catalyst Conversations (similar to a roundtable) on specific topics with relevant Business Leaders and Experts. In contextualising this topic we look to understand some of the challenges businesses face when trying to build a team for a better world, and the opportunities there are to have a greater positive impact.

The idea is to leverage the experience and expertise of those in the room and pass on actionable advice that can help others make a greater positive impact, hopefully causing those ripples of change!

These Catalyst Conversations take place across the country, giving industry experts from all over the UK a chance to share their knowledge and tackle difficult subjects. Each Catalyst Conversation is facilitated and moderated by the Better Business Network.

WHO ARE THE BETTER BUSINESS NETWORK?

The Better Business Network (BBN) is an inclusive network for purpose-driven business owners and leaders who want to grow their business and make the world a better place. We help you grow your impact, income and audience while advocating for systemic change.

Members have access to events, tools, resources and workshops to help them on their journey to having a greater positive impact. We support impactful organisations such as Client Earth, B1G1 projects and 1% for the Planet.

As a supporting member of the Better Business Act we also actively lobby for improved government legislation to help businesses create positive systemic change. We believe that collective action is the key to building a better future for people and the planet.

We are the 4th business in the world to put Nature on the Board, read more about that [here](#).

You can sign up to the Better Business Network, starting at £300 per year [via this link](#)

If you're wanting to learn more in the meantime, get in touch with james@thebetterbusiness.network or check out our website [here](#).



**BETTER
BUSINESS
NETWORK**

**BETTER
BUSINESS
SUMMIT**

WHO WE INVITED

We invited business leaders from across the UK to share their expertise, experiences and thoughts on the topic of greenwashing.

A huge thanks to those who took part for their time, excellent advice and guidance:

Moderator: James Dady (*BBN*)

Maria Soleil (*Soleil Marketing*)

Malin Cunningham (*Hattrick*)

Louisa Holgate (*Emperor*)

Helena Houghton-Casella (*Open Media*)

James Gill (*EcoSend*)

Karen Webber (*Goodness Marketing*)

Madelyn Postman (*Grain Sustainability*)

Helen Salvin (*The PHA Group*)

Sam McMeekin (*Gipsy Hill Brewing Company*)

Ethar Alali (*Automedi*)

Richard Boon (*Webmart*)

Jon Conradi (*Wild Mosaic*)



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TRANSPARENCY

Being transparent to consumers, suppliers and all stakeholders can help to prevent greenwashing from occurring as well as having other reputational benefits.

One participant stated the need to be transparent in everything that you do. However across each session, group participants noted that you can never be truly 100% transparent as there are always things which are better to keep internally. Despite this the group did acknowledge that perfection is impossible and therefore it is important to always aim for positive progression.

Richard Boon explained that Webmart publicises that it is nowhere near carbon negative. However they share the progress they are making in their impact report and explain the positive impacts they are having. He made it clear that when you make claims these need to be substantiated.

James Gill from EcoSend outlined that whenever they make a claim they ensure that there is a footnote or link which backs it up. Other participants noted transparency naturally comes when the data was there to back claims up.

From working with other businesses, Helena Houghton-Casella from Open Media noted that many companies want to appear to be perfect all the time. All participants agreed that this is not a realistic expectation and consumers and suppliers understand that.

Karen Webber from Goodness Marketing noted that across the marketing industry there is limited transparency. The industry is built on a lack of transparency. However, some participants believed it's not marketing's job to be transparent. The transparency and accuracy of claims comes before marketing.

Across both catalyst conversations there was a consensus that the most effective way to avoid greenwashing was to be transparent, open and honest, both with your successes but also with failings.

TRANSPARENCY

Across the greenwashing studies, there is a general consensus that transparency is needed to help prevent false claims. Through honest dialogue, sanctions, reputational damage and misinformation can be prevented. This dialogue is not simply acknowledging the successes of companies, it also recognises the limitations and failings of an organisation.

Research from the hotel industry indicates that increased levels of transparency to consumers not only builds trust but can also lead to higher revenues. Through substantiating greener claims, a positive reputation is generated allowing businesses to justify higher price rises which consumers are will to pay. (7)

Hattrick research suggests that those companies “who are brave enough to be bold enough, and truly transparent, will stand-out” and will be the fastest movers in the carbon transition. (8)

Other studies highlighted the need to be consistent because “when consumers' perceived brand image is not aligned with companies' transparent communication, it will backfire, due to perceived greenwashing.” (9)

However this transparency can't simply be expected by companies, customers and wider stakeholder bases must demand transparency and accountability.

Consumers need to learn to challenge claims, ask for evidence and demand sanctions for those not complying. Similarly, through supply chains, constant challenging and vetting of expectations will ensure items are sourced from reputable places and the whole system can make positive impacts.

It must be noted that when referring to green claims, in particular in reference to product based industries, presenting traceability can be as valuable as transparency.

These must be used in tandem to ensure that greenwashing is prevented and to help engage stakeholders.

(7) Alyahia et al.; *Greenwashing Behavior in Hotels Industry: The Role of Green Transparency and Green Authenticity*; (2024)

(8) Hattrick & The Carbon Literacy Project; *Credibility doesn't grow on trees*; (2023); https://drive.google.com/file/d/1RGYX6AfWQsOjtYNs7_lewmBqJ9nugv1S/view

(9) Reck et al.; *The transparency paradox: When transparency cues helps or backfires for brands?*; (2022)

CASE STUDY

patagonia®

Patagonia is open about its limitations across its company pages.

Unlike most companies Patagonia does not present a discourse of doing everything perfectly, they even express that they “can’t pose Patagonia as the model of a responsible company,” acknowledging the flaws that they have. (10)

Instead they use their platform to be public about the journey they are on and the progression they strive to make.

“WE DON’T DO EVERYTHING A RESPONSIBLE COMPANY CAN DO, NOR DOES ANYONE ELSE WE KNOW. BUT WE CAN TELL YOU HOW WE CAME TO REALIZE OUR ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND THEN BEGAN TO ACT ON THEM.”

**VINCENT STANLEY & YVON CHOUINARD,
EMPLOYEE AND FOUNDER, PATAGONIA**

Through communicating transparently, trust is generated with consumers, creating brand loyalty and positioning the company as reputable.

Patagonia are open about the impact that they have on the planet, but they use this to their advantage through focusing on the progress and ambitions in the longer-term.

Patagonia have chosen to use the term ‘responsible’ rather than ‘sustainable’ because they believe that responsibility implies agency. They have agency as a company to do what they consider the right thing. However whilst they take responsibility for their actions they acknowledge that they still have an impact and therefore can’t be fully sustainable. (11)

(10) Patagonia; Excerpt from “The Responsible Company” by Yvon Chouinard; (2012); <https://eu.patagonia.com/gb/en/stories/what-we-do-for-a-living-an-excerpt-from-the-responsible-company/story-18397.html>

(11) Yale Insights; *How Patagonia Learned to Act on Its Values*; (2021); <https://insights.som.yale.edu/insights/how-patagonia-learned-to-act-on-its-values>

“A BIG PART OF THE TRANSPARENCY PIECE IS ADMITTING THAT IT'S NOT PERFECT OR THAT YOU'RE MAKING IMPROVEMENTS, YOU'RE ON A JOURNEY.

WE ARE HAPPY TO SAY WE'RE NOWHERE NEAR CARBON NEGATIVE, BUT WE ARE SHARING THAT PROGRESS. WE USE OUR IMPACT REPORT TO EXPLAIN WHERE WE ARE AND EDUCATE PEOPLE. WE USE THE IMPACT REPORT TO EXPLAIN THAT WE CAN GO FURTHER.

I THINK IT'S GOOD TO MAKE CLAIMS, BUT IT NEEDS TO BE LIKE IF YOU LIFT THE BONNET OF THE CAR, YOU GET EXACTLY WHAT YOU SAID YOU'VE CLAIMED.”

**RICHARD BOON,
BOARD ADVISOR, WEBMART**

KNOWLEDGE

Understanding terms such as ‘greenwashing,’ ‘sustainability,’ and ‘social value,’ can help to prevent misinformation occurring in the first place. This is corroborated by a Guardian study, which explains that both in business, and across wider society these terms are not understood. (12)

Maria Soleil explained that lots of businesses “don't even realise they're actually doing it.” For many companies, greenwashing is a total lack of awareness and understanding. This was substantiated by Malin Cunningham who noted that in her experience there is a lack of understanding around the terms ‘greenwashing’ and other environmental terminology. This lack of understanding of key terms, in particular the term ‘carbon negative’ leads to unintentional greenwashing claims.

Research from Malin’s company Hattrick indicates that 62% of people “say their organisation is ‘Carbon Neutral’ - a claim that’s widely affiliated with ‘greenwashing’ and one that both UK and European legislation aim to eradicate by 2024 and 2026.” (13)

In light of this, those involved raised the point that you need to be careful with accusations, making people feel bad doesn’t solve the problem, and can lead to inaction or silence linked a fear of being called out. It was suggested that an education piece is needed in order to help individuals understand the risks and learn best practice.

Despite this, one participant noted that people can react in different ways to being called out for greenwashing, with some reacting badly and others using it as an opportunity to generate growth and knowledge. How a business responds can shape how we perceive the original intentions.

Across the industry there is consensus that introducing training and educating employees and consumers is needed in order to tackle greenwashing. Information pieces must include the risks and opportunities of the miscommunication so that employees are able to understand why it occurs, how to recognise it and how to prevent it from happening.

Despite this, one study found that those “consumers who were more concerned about the environment were more susceptible to greenwashing.” (14) In addition, it must be noted that a lack of knowledge alone is not always a cause of greenwashing with one study revealing that inaccurate calculations are one of the five most common greenwashing traps. (15)

This indicates that education alone is not the only way to prevent creating and falling for greenwashing claims. However, knowledge can help to prevent these miscalculations happening in the first place as well as helping to identify when they do happen.

(12) The Guardian; *Key climate language poorly understood by majority in UK, poll finds*; (2024); <https://www.theguardian.com/environment/2024/jan/24/key-climate-language-poorly-understood-by-majority-in-uk-poll-finds>

(13) Hattrick & The Carbon Literacy Project; *Credibility doesn’t grow on trees*; (2023); https://drive.google.com/file/d/1RGYX6AfwQsOjtYNs7_lewmBqJ9nugv1S/view

(14) Two Sides; *The Effectiveness Of Greenwashing*; (2022); <https://twosides.info/UK/the-effectiveness-of-greenwashing/>

(15) Normative; *Unintentional greenwashing: what it is & how to prevent it*; (2024); <https://normative.io/insight/unintentional-greenwashing/>



**“62% OF PEOPLE SAY THEIR ORGANISATION IS
‘CARBON NEUTRAL.’**

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2024 AND 2026.”**

**HATTRICK & THE CARBON LITERACY PROJECT,
‘CREDIBILITY DOESN’T GROW ON TREES’ REPORT**

COLLABORATION

Collaboration is key to navigating greenwashing, through learning from one another we are all able to recognise, prevent and understand misinformation.

Through our catalyst conversations, participants expressed the importance of working with stakeholders both internally and externally.

EXTERNAL COLLABORATION

External collaboration refers to working with stakeholders outside of ones organisation. Throughout our catalyst conversations, the need to work with suppliers, customers and other businesses in order to create unifying change was continually discussed.

This was highlighted by one attendee who used the example of a marketing agency to raise the discussion; if an agency refused to work with a client who had been making questionable claims, they might never learn and these claims could get waved through at a different agency.

This was corroborated by the wider group who indicated that such as refusal to work with those who have spurious claims can, in some cases, be more damaging than working to engage and educate. Simply cutting ties can lead to greenwashed claims simply continuing as they don't learn what the impact this can have, or simply do not realise they are doing it. Through education and cooperation, we can begin to raise awareness and change business norms.

Whilst there is limited research into whether collaboration of this form can change business outcomes, several attendees noted that from experience, working with companies to make changes to their marketing strategy resulted in overall shifts away from greenwashing.

Externally, working with suppliers to ensure that the information they are providing is accurate and relevant can ensure that misinformation is not passed down onto the consumer or along a supply chain. Through a unified collective approach, supplier accountability can begin.

COLLABORATION

INTERNAL COLLABORATION

Creating a culture and process of communication and collaboration between individuals, and departments, can prevent greenwashing.

Karen Webber of Goodness Marketing noted that “most people are under too much pressure internally between revenue and wanting to do the right thing. some of that can be dissolved through collaboration, communication, learning.”

Through our catalyst conversations, participants expressed the importance of upskilling each department to ensure everyone is unified in the goals and ambitions of the company.

Richard Boon of Webmart explained how he brought each of the different departments of the business together only to discover that they were prioritising different things which explained why a miscommunication surrounding company strategy was occurring.

Internally, ensuring that marketing, sales and other departments all understand the different elements of the product or services being offered is essential to prevent greenwashing. Through training and communication, each separate department can work towards a collective goal, helping to prevent unintentional misinformation or inaccurate discourse.

Ethar Alali pointed out that his company Automedi did not have a direct sustainability person as everyone is educated on and therefore expected to be responsible for environmental action.

Madelyn Postman of Grain Sustainability said that in particular marketing departments have a knowledge gap which can help perpetuate greenwashing unintentionally. Collaboration and training is needed to bridge this gap and to generate consistent and accurate business communications. (16)

Louisa Holgate noted that her company, Emperor, have tried to address this through having brand sustainability engagement reporting areas, where employees can actively contribute towards the messaging and signalling of the company. This helped to generate employee engagement and ensure everyone was focusing on the same goals.

It is essential to engage with both internal and external stakeholders, so that everyone is working towards collective goals and is clear on messaging.

Engaging and educating is a much more effective way to pursue progress, than to criticise and potentially push them away. This doesn't mean we should stop flagging when we see or read something that seems to be questionable.

(16) Edie; *Greenwashing concerns: Marketing professionals warn of sustainability knowledge gap*; (2023); <https://www.edie.net/greenwashing-concerns-marketing-professionals-warn-of-sustainability-knowledge-gap/>



“COLLABORATION AND COMMUNICATION LIKE THIS WOULD BE SO POWERFUL ON A GREATER SCALE. IT IS GETTING THAT LEARNING OUT IN THE OPEN.”

**KAREN WEBBER,
OWNER, GOODNESS MARKETING**

CULTURE

Another key insight to emerge from the catalyst conversations was that workplace culture can create greenwashing. In many businesses toxic workplace cultures and ingrained hierarchical structures can limit the ability of employees to speak up against greenwashing.

One participant noted that if you are an internal stakeholder speaking “to your Managing Director about your greenwashing concerns, is more difficult because you are too embedded in the business and there's more on the line.”

The group as a whole concurred on this point with Karen Webber from Goodness Marketing noting that when trying to take your boss on, emotions and human nature can come and override the greater purpose that you're trying to achieve, making it difficult to have those conversations.

Interestingly, participants attributed this form of silence to large companies rather than SMEs. However they did note that one of the reasons for this was that in many cases “small businesses themselves don't have to report on certain emissions that larger businesses do,” this creates more opportunities for larger businesses to greenwash and subsequently to create a culture of silence.

Research by Hattrick substantiates these views, with one study suggesting 30% of respondents “recognised they had fallen foul to greenwash because they were acting upon a leadership request.” (17)

Despite this, one report claims that employees are more likely to identify corporate inconsistencies surrounding their social and green credentials and report this when compared with external stakeholders. (18) This suggests that there is a wider issue of a lack of green accountability across industry and wider society as a whole.

As a business owner, one participant explained that they are not always aware of everything going on in different areas of the company. Therefore, when receiving updates on sustainable matters, they have to put their trust in employees to not greenwash upwards. However they did note that due to their open book management style and the culture of the company, they trusted their employees not to do this.

This being said, they recognised that in other companies they've worked with, employees will greenwash, for fear of telling senior figures negative statistics or information. This links back to company culture and a fear of failure, indicating that greenwashing can occur both top-down and bottom-up in hierarchical systems.

(17) Hattrick & The Carbon Literacy Project; *Credibility doesn't grow on trees*; (2023); https://drive.google.com/file/d/1RGYX6AfWQsOjtYNs7_lwmBqJ9nugv1S/view

(18) Li et al.; *How and when does perceived greenwashing affect employees' job performance? Evidence from China*; (2022)

CULTURE

WHAT ARE THE CONSEQUENCES OF THIS?

From the experiences of participants, this lack of green accountability within companies leads to a toxic workplace where employees felt undervalued.

Negative work climates can have wider consequences for employees with impacts on mental health for individuals as well as reputational damage for companies.

Additionally, research suggests that in those companies where employees feel they are unable to speak up over greenwashing, “a decline in their job performance” tends to occur. (19) This highlights that overall company performance can decrease as a result of a lack of collaboration surrounding greenwashing.

This is corroborated by Robertson, Montgomery & Ozbilir who indicate that as workers become more educated on sustainability, those companies who continue to greenwash risk having higher attrition and worker turnover. (20) Perceptions of corporate hypocrisy have wider indirect consequences, shifting consumer trends and generating a reputation of worker mistreatment.

WHAT ARE THE SOLUTIONS?

A possible solution noted by Ethar Alali of Automedi was that everybody needs to be brought on the journey. He stated that “everybody is mandated to go through carbon training, at least” which means that everyone has an understanding of these issues and is able to call out and subsequently prevent greenwashing.

Automedi use Carbon Literacy alongside other tools such as Climate Fresks to engage everyone so that they feel confident to ask questions.

One participant explained how the culture of their company has changed over the last four years so that there were mechanisms in place for all employees to raise concerns about potential clients and claims. This enabled a culture shift as employees had different avenues to anonymously raise their grievances.

They also noted that changing how you approach miscommunication and poor work has helped to switch the culture. Shifting ones tone so that people are not being shamed for their actions has had a huge impact.

Industry research compounds this, outlining how creating familial values can empower a team, increasing buy-in, towards company goals. Through open communications and management, a positive work climate is created. This in turn can prevent greenwashing from occurring as honest dialogue occurs without jeopardising internal relationships. (21)

(19) Li et al.; *How and when does perceived greenwashing affect employees' job performance? Evidence from China*; (2022)

(20) Robertson, Montgomery & Ozbilir; *Employees' Response to Corporate Greenwashing*; (2022)

(21) Hitka et al.; *Corporate Culture as a Tool for Competitiveness Improvement*; (2015)



“YOUNGER PROFESSIONALS ARE MORE ATTUNED TO THE POTENTIAL FOR GREENWASHING AND ARE MORE LIKELY TO CALL IT OUT - YET DON'T FEEL ABLE TO DENY LEADERSHIP REQUESTS”

**HATTRICK & THE CARBON LITERACY PROJECT,
‘CREDIBILITY DOESN'T GROW ON TREES’ REPORT**

CASE STUDY

amazon

Amazon faced a series of walkouts following accusations of greenwashing in particular surrounding its failure to meet its climate pledge.

In 2019, an open letter was written to Jeff Bezos, Amazon CEO, demanding tangible action on climate change. The letter was signed by over 8,700 Amazon employees and made numerous references to company greenwashing and failed climate commitments. (23)

The response from Amazon was to make changes as they pledged to eliminate their own carbon emissions by 2040. (24)

WAS IT A SUCCESS?

Despite these green commitments, many critiques argue that Amazon is getting worse and continuing to greenwash.

Since announcing the Climate Pledge in 2019, Amazon's emissions have increased 40%, indicating that greenwashing is still occurring. (25)

Workers from within Amazon have reportedly been threatened with dismissal or suspension if they speak out against the company. In particular threats have correlated to worker comments on its role in fostering the climate crisis.

All this indicates that workplace culture is still preventing employees speaking out about greenwashing. Despite backlash against companies like Amazon, the power of some organisations to stifle their staff and continue greenwashing claims persists.

(23) Medium; *Open letter to Jeff Bezos and the Amazon Board of Directors*; (2019); <https://amazonemployees4climatejustice.medium.com/public-letter-to-jeff-bezos-and-the-amazon-board-of-directors-82a8405f5e38>

(24) Stanford Social Innovation Review; *Business Disruption From the Inside Out*; (2021); https://ssir.org/articles/entry/business_disruption_from_the_inside_out

(25) Medium; *Amazon is failing its own Climate Pledge*; (2023); <https://amazonemployees4climatejustice.medium.com/amazon-is-failing-its-own-climate-pledge-c6ff60fceccd>

LEGISLATION

Regulations and legislation have been put in place to prevent greenwashing with fines being issued for those companies failing to meet standards.

Despite this as a deterrent, experience from participants indicated that many companies are simply ignoring changes in legislation and are willing to take the fines. They explained that many businesses don't want to think about how they need to adapt and fail to consider that acting on the changes will help to future proof their business.

Others believed that this was more true of smaller companies as the legislation can be overwhelming, however they noted that larger companies have the financial security to take the fines whilst smaller companies do not.

Ethar Alali from Automedi points out that legislation is really bad at tackling statistics. In many cases legislation is brought in with a particular aim, but this does not align with the real world and the practicalities of running a businesses or taking environmental action.

The UK Competition and Markets Authority's (CMA) Green Claims Code (the Code) which came into force in 2021 aims to prevent greenwashing in the UK and is based on six key indicators:

- Claims must be truthful and accurate;
- Claims must be clear and unambiguous;
- Claims must not omit or hide important relevant information;
- Comparisons must be fair and meaningful;
- Claims must consider the full life cycle of the product or service; and
- Claims must be substantiated.

Despite several investigations into high profile brands, including ASOS and Boohoo, there is still limited enforcement of such legislation with many companies receiving no backlash for unsubstantiated claims. (26)

Additional legislative measures such as the 'The Digital Markets, Competition and Consumer Bill' indicate that national level action to prevent greenwashing by businesses is within the power of governments. (27) Despite this the UK still has some way to go to match the EU which in February announced companies could "face a fine of at least at 4% of their annual turnover" if caught falsifying environmental marketing claims. (28) Greenwashing is also regularly reviewed by the Advertising Standards Authority (ASA).

Unfortunately, the repercussions posed by UK legislation have also led to an increase in greenhushing by companies. Either they fear scrutiny of their claims or lack confidence that they have conducted the correct level of due diligence.

(26) JDSUPRA; *The UK Competition and Markets Authority Takes Action Against Allegedly Misleading Environmental Claims*; (2024); <https://www.jdsupra.com/legalnews/the-uk-competition-and-markets-1452218/>

(27) UK Government; *Digital Markets, Competition and Consumers Bill*; (2023); <https://publications.parliament.uk/pa/bills/cbill/58-03/0294/220294.pdf>

(28) European Parliament; *Greenwashing: how EU firms can validate their green claims*; (2024); <https://www.europarl.europa.eu/news/en/press-room/20240212IPR17624/greenwashing-how-eu-firms-can-validate-their-green-claims>



“SME’S MAKE UP 99% OF BRITISH BUSINESSES BUT THEY’RE NOT HELD TO THE SAME LEGISLATIVE REQUIREMENTS AS THE BIGGER BUSINESSES.

AS A GROUP THEY ARE SO, SO IMPORTANT TO ENGAGE. THEY ARE MORE ABLE TO RESPOND TO THE NEEDS OF CLIMATE CHANGE THAT THEY COULD ALMOST BE SETTING THE STANDARD.

BUT IT IS SO IMPORTANT THAT WE ENGAGE BUSINESSES ACROSS ALL INDUSTRIES AND SCALE TO ACHIEVE THAT NET ZERO FUTURE.”

**HELENA HOUGHTON-CASELLA,
SENIOR OPERATIONS AND
SUSTAINABILITY EXECUTIVE, OPEN MEDIA**

CASE STUDY



In 2022, H&M and Decathlon were accused of Greenwashing by the Netherlands Authority for Consumers and Markets (ACM) after their products claimed to be 'eco-conscience' and 'eco-designed.'

The claims made by the brands were unsubstantiated with no evidence to suggest what was meant by this terminology.

Despite being in breach of the legislation, the retailers managed to avoid fines through recognising their errors and promising to remove labels and better advertise their products in the future.

The changes in compliance were granted approval to be made over two years by the AMC allowing the brands time to make changes.

Additionally the firms made optional donations of €400,000 and €500,000 to sustainability programmes linked to the fashion industry. However, the specifics of these projects have not been publicised, and no direct outcomes have been associated with such donations.

Despite promising to make changes, the companies have subsequently been accused of greenwashing in 2023 following claims of sustainability on their labels. Claims referring to the closed-loop lifecycle of their products were deemed to be misleading, especially considering that for the everyday consumer, the majority of the H&M's clothes are unable to be recycled.

Similar charges for greenwashing have emerged in the US for the companies suggesting that greenwashing is a company wide issue rather than a regional problem.

This links to wider trends within the fashion industry of major fast-fashion retailers stating that their products are 'eco-friendly.'

There is guidance for brands on how to report their sustainability credentials with the UK government releasing the Green Claims Code to assist businesses. (29)

(29) UK Government; *Making environmental claims on goods and services*; (2021); <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims-on-goods-and-services>

GREENHUSHING

Greenhushing, which we have already mentioned, is another issue to emerge from the growing awareness of greenwashing. This refers to a situation where a company chooses not to disclose ESG information or other sustainable initiatives in fear of being accused of greenwashing.

This is a significant issue as many companies are running positive programmes which should be publicised. Details of sustainability initiatives, which if publicly available, could help to enhance the whole industry's sustainable ambitions. Without such publication, both consumers and business partners are cannot make informed purchasing decisions.

Similarly, catalyst conversation participants noted that in many cases their companies were afraid to call out greenwashing in another for fear of receiving backlash and scrutiny. This marks another form of greenhushing where companies are concerned to speak out against misinformation for fear of coming under fire.

Madelyn Postman from Grain Sustainability explained that in her experience, greenhushing can prevent broad claims of being 'sustainable' or 'green', for fear of scrutiny. In that sense it can be positive, encouraging clearer, fact-based communication.

This was backed up by Ethar Alali of Automedi. "Taking action but saying nothing can ensure you never fall foul of greenwashing, whilst still making a positive impact on the environment." He suggested that greenhushing is the strongest tool that businesses have in creating positive impact today.

This issue has arisen as many companies receive negative publicity and reputation through accusations of greenwashing. Often businesses are worried that if they miss targets or make suggestions that could be misinterpreted then this could lead to a negative backlash.

“IT'S ALMOST LIKE WE SHOULDN'T EVEN USE THE WORDS GREEN, SUSTAINABLE OR EGO BECAUSE THEY'RE ALL BROAD ALMOST BY DEFINITION.

YOU DON'T WANT TO TALK ABOUT THEM BECAUSE YOU DON'T WANT TO MAKE A CLAIM THAT YOU CAN'T LIVE UP TO”

**MADELYN POSTMAN,
MANAGING DIRECTOR, GRAIN SUSTAINABILITY**

GREENHUSHING

In some cases, companies are worried that stakeholders with conflicting priorities may no longer want to engage with the business if they are prioritising sustainable issues. Shareholders and stakeholders may be frustrated with the company taking its focus off profits, which can create friction.

James Gill from EcoSend spoke about how their company often falls foul of greenhushing because they worry that the knowledge base, as well as the internal collaboration and communication of all members of the team, may not always be aligned.

Similarly, failure to publicise environmental goals can lead to accusations that the business is not making any action. In many cases this can be more damaging to reputation and consumer confidence than publicly acknowledging what the company is, or is not doing.

Research by Deloitte reveals that an absence of sustainable ambitions can invite speculation or potentially lead to active misinformation. (30) A potential solution to this risk is to publicly show your ambitions as a company, whilst acknowledging that you are not there yet.



(30) Deloitte; *The sound of silence*; <https://www2.deloitte.com/nl/nl/pages/sustainability/articles/the-sound-of-silence.html>

CERTIFICATIONS

There are a whole range of certifications and accreditations out there which in theory indicate the ethicality of a business. Despite this, many certifications are not a definitive sign of a company's ethics or their participation in greenwashing.

One of the issues surrounding this is a lack of auditing. Once a certification has been achieved, in many cases there is limited scrutiny about the ongoing standards which are required. Once accredited, companies are able to overlook their pledges when opportunities to maximise profits emerge.

One participant noted that there needs to be greater scrutiny of those who have certifications in order to buttress the long-term validity of the certification. Whilst another participant noted that certifications such as B Corp, will become another fad, likening the accreditation to the way ESG is perceived.

Despite this, other participants who had achieved B Corp certification noted that engaging with the accreditation had led to them notice positive changes. Such changes were apparent both within the business and with the way they engaged with other organisations. One example they gave was that "members from all the different areas across the business got to vote on whether we should work with specific clients," this helped to prevent any potential greenwashing which may have occurred.

However one insight which arose during the London Catalyst Conversation was that not greenwashing (in reference to a specific certification) is challenging when standards for such certifications are constantly changing.

This is corroborated by Nygaard, who indicates that regular changes to standards can lead to certifications becoming "obsolete, ineffective, and prone to eco-opportunism." (3)

However those in Manchester Catalyst Conversation, used the example of B Corp standard changes to highlight that certifications can help to prevent greenwashing. In the proposed changes, there will be a minimum requirement in each section, meaning that the consumers and suppliers know those with the logo are definitely doing positive actions.

The consensus from across participants was that finding a balance between constantly changing standards and making necessary changes would help to create stability, reliability and trust in certifications.

(31) Nygaard; *Is sustainable certification's ability to combat greenwashing trustworthy?*; (2023);

CERTIFICATIONS



James Gill of EcoSend, explained that many of the certifications are all asking the same things in different ways. As such you can spend your whole time filling in forms and ticking boxes to prevent greenwashing, rather than actually running the business and taking more substantial action.

This is backed up by industry research which suggests that “The sheer volume of different certification schemes means that consumers are becoming confused about which of these schemes is legitimate.” (32)

Across industries, there is general consensus that certifications are good, but that they all have their limitations. Companies can use them as a form of greenwashing, but in general this is the minority, with most being used as a preventative method and means of validating social and environmental claims.

Mike Cangi, Co-Founder of United By Blue explains that “certifications can be an extremely helpful starting point, and they can help sift out the most obvious greenwashers.” However he suggests that certifications must be used in tandem with other mechanisms to prevent and false claims and intentional miscommunication. (33)

Creating a system where we do not solely rely on certifications, where consumers, suppliers and employees are able to still question and raise concerns is essential for creating a all stakeholder buy-in and not disillusioning the public with false discourses.

Many certifications have a funding model in which those certified pay to use their credentials. Therefore, in many cases it is in the certifying bodies interest to accredit more organisations as this results in higher profits.

Reforming the way that certifications are funded, approved, scrutinised and used will help to restore faith in them as a greenwashing prevention tool. Ultimately the effectiveness of the certification is unique for each, with each being used as a different tool and having its own limitations.

(32) BBC; *As greenwashing soars, some people are questioning B Corp certification*; (2024); <https://www.bbc.com/worklife/article/20240202-has-b-corp-certification-turned-into-corporate-greenwashing>
(33) The Good Trade; *Sustainability Certifications: What Do They Actually Mean?*; (2022); <https://www.thegoodtrade.com/features/sustainable-certifications-and-standards/>

CASE STUDY

BREWDOG



During the catalyst conversations, the role that BrewDog has played in bringing scrutiny and disrepute to the B Corp certification was brought up. Participants felt that B Corp has been unable to recover its legitimacy after BrewDog were awarded certification.

BrewDog's greenwashing was highlighted through their stepping away from B Corp after refusing to make the requisite changes. (34) Despite outwardly presenting to have an inclusive and equitable work culture during and after certification, it emerged that BrewDog ran a workplace culture of fear.

The greenwashing that the B Corp certification enabled BrewDog to perpetrate was highlighted by their Qatar Football World Cup Human Rights campaign which looked to call out abused workers. (35) This campaign took place whilst BrewDog's own workers were subject to "personal misconduct" with the CEO personally abusing "power in the workplace." (36)

MSC CERTIFICATION



Launched in 1997, the certification was aimed at preventing unsustainable fishing practices. However, in recent years Marine Stewardship Council (MSC) has repeatedly come under fire for greenwashing.

Research undertaken suggested that "83% of certified fish were caught by industrial-sized fisheries, some of which use controversial practices including bottom-trawling and fish-aggregating devices." (37)

Additionally, marketing techniques used by the MSC look to show consumers how they are supporting the work of small-scale, lower impact fisheries. (38) However this is simply untrue with the proportion of MSC-certified fish caught by small vessels declining from almost 70% in late 2000 to an average of 8% since 2009. (37) This appeals to consumers through symbolic satisfaction, using pre-existing discourses that small-scale is perceived as of not having harmed the environment.

Whilst there are undoubtedly issues surrounding the certification process and the actions of those certified, the MSC still provides a level of standards which is better than industry self-certification.

(34) The Guardian; *BrewDog loses its ethical B Corp certificate*; (2022); <https://www.theguardian.com/business/2022/dec/01/brewdog-loses-its-ethical-b-corp-certificate>

(35) BrewDog; *THE WORLD F* CUP*; <https://www.brewdog.com/uk/anti-sponsor-qatar>

(36) BBC; *Ofcom rejects Brewdog complaint over BBC documentary*; (2024); <https://www.bbc.co.uk/news/uk-scotland-68321350>

(37) The Economist; *Blue tick of sustainability or greenwashing?*; (2020); <https://ocean.economist.com/governance/articles/the-blue-tick-of-sustainability-or-the-greenwashing-of-large-scale-fisheries>

(38) Le Manach et al.; *Small is beautiful, but large is certified: A comparison between fisheries the Marine Stewardship Council (MSC) features in its promotional materials and MSC-certified fisheries*; (2020);

Certified



®

Corporation

“IT’S URGENT AND IMPORTANT. B CORP NEEDS TO MAKE SURE IT’S NOT JUST SOME KIND OF CLUB. IN 2023, WE DON’T HAVE THE LUXURY OF TIME TO LET GREENWASHING RULE. IF THEY DON’T RAISE STANDARDS THERE WILL BE A DILUTIONARY EFFECT” (39)

JOHN STEEL, CEO, CAFÉDIRECT

(39) Financial Times; *The struggle for the soul of the B Corp movement*; (2023); <https://www.ft.com/content/0b632709-afda-4bdc-a6f3-bb0b02eb5a62>

Photo: Better Business; *B Corp certification : What’s in it for my business?*

THE BIGGER PICTURE

Much of the issues surrounding greenwashing extend from deeply ingrained systemic issues.

Across the Catalyst Conversations there was a feeling among participants that greenwashing is not going anywhere. As businesses, competitiveness is essential to keeping the market flowing. Greenwashing is and will continue to be used as a technique by companies to out compete rivals and gain greater market share.

It is ingrained in the way we do business. Some participants noted companies needed to start operating in the interests of all stakeholders, rather than focusing on profit generation for the small number of shareholders.

Through drastically changing the way business in the UK operates, greenwashing can be prevented, simultaneously allowing companies to focus on more than simply profits.

However, as eco-conscience grows amongst individuals and businesses, greenwashing is also evolving, often being hidden in different ways, or clever language techniques.

It is also worth noting that participants expressed their belief that greenwashing is not limited to businesses, but that governments also greenwash.

When you see those with the power constantly greenwashing, be this for political approval, corruption, or many other motivating reasons, it sets a precedent to the rest of society that greenwashing can be expected and is okay.

Making a shift at the top of UK hierarchical structure and leading by example will help to challenge social norms and address societal greenwashing claims.

This is not to suggest that businesses do not have a responsibility to take action on greenwashing, but simply to acknowledge that it can come in from many mediums.



WHERE DO WE GO FROM HERE?

IS GREENWASHING INEVITABLE?

As shown by some of the amazing businesses which took part in our Catalyst Conversations, there are lots of companies actively checking themselves and preventing greenwashing.

Whilst this isn't to say we can eradicate greenwashing, we can undoubtedly work to remove it as the expected norm.

The responsibility to call out and take action on greenwashing falls to every one of us, as it is only through collective action that change can be made.

Consumers care what business do and say they do, and are increasingly forcing corporations to take accountability for their actions.

This corresponds with the rise of mindful consumers. Consumers want to be more eco-friendly and support the brands that are making positive changes. (40)

Whilst for some this is motivation to greenwash, consumers are also becoming more aware to the idea of greenwashing and will continue to question such claims.

As businesses continuing this educational journey with your staff can have wider reaching impacts as more people are aware of greenwashing and how to prevent it.



(40) VML; *New trend report: The New Sustainability: Regeneration*; (2018); <https://www.vml.com/insight/new-trend-report-the-new-sustainability-regeneration>

HOW TO TAKE ACTION?

There are lots of ways that business can take action to ensure that they are actively trying to prevent greenwashing.

TRAINING

Training employees so that they understand the environmental context of the business and are able to make accurate claims and actions surrounding it. Marketing, carbon literacy and communications are possible training courses.

CREDIBILITY

Gaining credibility through reputable certifications and accreditations can go some way to signalling to stakeholders your ambitions to make positive changes. Ensure that you act on these qualifications and are open and honest with which aspects need more development.

ACCOUNTABILITY

Create a system of reporting, both for external and internal stakeholders so that they are able to raise greenwashing concerns in an anonymous way. Ensure that there is a follow up process so that any suggestions are acted upon. Double check that everything you release is checked before it goes public!

RESOURCES AND GUIDES

There are several guides and resources which can help to ensure that you are taking appropriate steps to prevent greenwashing. Check them out in the Tools and Resources section at the end of this report and on the BBN Website.

COLLABORATION

Working with other stakeholders to learn about, share knowledge and tackle the issue of greenwashing can help to shift the dial. As you grow on your own journey, bringing others along with you create value, trust and wider action on miscommunication.

THE REPORT

Use this report to educate yourself on the themes surrounding greenwashing. Learn how to recognise, respond and prevent greenwashing from occurring in the first place.

WANT SUPPORT? GET IN TOUCH



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METHODOLOGY

STEP 1: BACKGROUND RESEARCH

We have worked hard to understand the current situational context of greenwashing in the UK as a whole. We have tried to consider as many different industries and the situational contexts in which greenwashing arises for different spheres.

Through initial research we have compiled the trends associated around the term greenwashing. This led us to discover the key sub-topics which we were able to extract more data from.

These insights allowed us to construct some key questions as to why and how greenwashing occurs.

STEP 2: CATALYST CONVERSATIONS

We invited relevant business leaders to join us for a Catalyst Conversation (like an industry roundtable).

Whilst we allowed the industry leaders to bring their own insights, we also posed questions, to them to help guide the discussions. Questions were generated from the general themes which arose during our background research, helping us to gain key industry perspectives and experiences on the topics which shape the greenwashing debate.

Participants were encouraged to use their own experiences to agree or disagree with the generalised trends. Through this approach, we aimed to validate how greenwashing impacts companies with lived business experiences.

Participants were asked to share insights into how they recognise, tackle and prevent greenwashing. Through these insights we aimed to analyse the themes in order to help other businesses deal with greenwashing.

We also asked participants to share with us any case studies and research which they felt would help back up their experiences.

We acknowledge that the experiences of every company is different and that we were only able to speak to a limited number of businesses. However, the businesses do reflect a cross-section of industries, and experiences leading us to deduce wider organisational trends.

METHODOLOGY

STEP 3: ANALYSE THE INSIGHTS

Having completed the roundtables, we analysed the comments and experiences of those involved in order to understand the core insights.

Through analysing the different forms that greenwashing arises, we established whether the trends gleaned in the initial background research were accurate. From many of the themes, the experience of the companies was linked but also contained nuances' specific to industry, size, location and stakeholders.

We worked hard to understand and explain why companies had the experiences they did and whether this could be extrapolated to other companies.

The conversations provided insights into the relationships between companies and also within them. It became apparent that internally companies actions are very different to the public facing actions which are easier to analysis. This validated our want to understand first hand the experiences of companies.

STEP 4: SUPPLEMENT WITH INDUSTRY KNOWLEDGE

To add further validity to the publicly available data, and those businesses who gave their direct experiences, further industry research was done to try and understand the nuances which emerged during the Catalyst Conversations.

We also used newspaper articles and online search to gather additional information which was used in this report.

Through merging all of the research, we established our core topics, the actions that could be taken and the current state of greenwashing in the UK.

STEP 5: DRAW CONCLUSIONS

Once all our high quality data had been gathered, our conclusions were drawn considering all sources of information. This led to the generation of this report on the state of greenwashing.

We acknowledge that this report has many limitations, and there are several other topics linked to greenwashing which were either not covered through our research or which participants felt were not relevant during the Catalyst Conversations.

TOOLS & RESOURCES

There are lots of Tools & Resources out there to help you learn more, act on and prevent greenwashing.

GREENWASHING TOOLS & RESOURCES

Deloitte; *The sound of silence*;

<https://www2.deloitte.com/nl/nl/pages/sustainability/articles/the-sound-of-silence.html>

European Parliament; *Greenwashing: how EU firms can validate their green claims*; (2024); <https://www.europarl.europa.eu/news/en/press-room/20240212IPR17624/greenwashing-how-eu-firms-can-validate-their-green-claims>

Hattrick & The Carbon Literacy Project; *Credibility doesn't grow on trees*; (2023); https://drive.google.com/file/d/1RGYX6AfWQsOjtYNs7_lwmbQJ9nugv1S/view

Normative; *Unintentional greenwashing: what it is & how to prevent it*; (2024); <https://normative.io/insight/unintentional-greenwashing/>

The Good Trade; *Sustainability Certifications: What Do They Actually Mean?*; (2022); <https://www.thegoodtrade.com/features/sustainable-certifications-and-standards/>

Two Sides; *The Effectiveness Of Greenwashing*; (2022); <https://twosides.info/UK/the-effectiveness-of-greenwashing/>

UK Government; *Digital Markets, Competition and Consumers Bill*; (2023); <https://publications.parliament.uk/pa/bills/cbill/58-03/0294/220294.pdf>

UK Government; *Making environmental claims on goods and services*; (2021); <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims/environmental-claims-on-goods-and-services>

VML; *The New Sustainability: Regeneration*; (2018); <https://www.vml.com/insight/the-new-sustainability-regeneration>

Better Business Network; *Workshops and Resources*; <https://thebetterbusiness.network/dashboard/>