

## Issues over Greenwashing

### Why in news?

In the first official acknowledgment of greenwashing, UN Secretary General Antonio Guterres warned private corporations to abstain from such practices and mend their ways within a year.

### What is greenwashing?

- Greenwashing refers to a range of activities that companies or even countries indulge in to present misleading or dubious claims about their climate action.
- Also known as "**green sheen**," greenwashing is an attempt to capitalize on the growing demand for environmentally sound products.
- Greenwashing help in boosting the image of the entity and help them garner benefits for things they do nothing against climate change.

### How prevalent is greenwashing?

- Greenwashing in the context of net-zero targets is being pursued by many corporations and sub-national governments.
- **Governments** - Developed countries are often accused of greenwashing their normal business investments in developing countries.
- They also greenwash their bilateral aid by highlighting climate co-benefits of the financial flows.
- **Companies** - The Volkswagen scandal, in which the German car company was found to have been cheating in emissions testing of its supposedly green diesel vehicles, was a case of greenwashing.
- Several other multinational corporations, including oil giants like Shell and BP, and Coca Cola have faced accusations of greenwashing.

### What are the challenges in preventing greenwashing?

- **Monitoring** - It is practically impossible to monitor and verify all the processes and products that can potentially cut emissions.
- **Regulation** - There is lack of regulation and standardisation in most of these spaces.
- **Methodologies** - The processes, methodologies and institutions to measure, report, create standards, verify claims and grant certifications are still being set up.

**Greenwashing** is the process of providing misleading information to make people believe a company is doing more to protect the environment than it really is.

NEARLY **60%**  
OF SUSTAINABILITY CLAIMS  
BY FASHION BRANDS ARE  
**GREENWASHING**

### greenwashing:

- takes attention away from real environmental threats
- can be used to disguise bad or destructive actions
- can mislead people to think they're part of the problem
- helps brands to increase sales by deception
- takes advantage of people's goodwill

### What is the issue with carbon trade?

- In addition to greenwashing, the trade in carbon credits has become a major issue.
- **Carbon market** - Countries or firms that reduce emissions beyond their mandate are granted carbon credits, which can then be bought for money by entities that need it to achieve their targets.
- There was a carbon market under the **Kyoto Protocol**, and a new one is being created under the **Paris Agreement** as well.
- Informal carbon markets also exist.
- Any activity that has the potential to reduce or avoid emissions can earn credits and are often certified by unofficial third party companies and sold to others.

### Issues with carbon trade

- **Transactions** - The carbon markets have been flagged for lack of integrity and double counting.
- Many developed countries question the integrity of the credits, claiming that they did not accurately represent reductions in emissions.

- **Carbon offsets from forests** - [Carbon offsets from forests](#) are one of the most controversial.

### What lies ahead?

- An expert group formed by the UN Secretary General in 2021 to suggest remedial actions on greenwashing has recommended that corporations pursuing net zero targets
  - Must not be allowed to make fresh investments in fossil fuels
  - Must be asked to present short-term emission reduction goals on the path to achieving net zero
  - Must bring an end to all activities that lead to deforestation
  - Must not use offset mechanisms at the start of their journey to net-zero status
- It has also recommended the creation of regulatory structures and standards as soon as possible.
- To ensure a level playing field, non-state actors need to move from voluntary initiatives to regulated requirements for net-zero.

*Net zero refers to a situation in which an organisation's, or a country's, total emissions are balanced by absorption or removal of carbon dioxide from the atmosphere. China has a net zero target for 2060 while India has pledged to become net-zero by 2070.*

### References

1. [The Indian Express | Red flags over greenwashing at COP27](#)
2. [The Indian Express | Zero tolerance for greenwashing](#)

