

Is it climate action or is it just greenwashing?

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Details:

Home > Articles > Is it climate action or is it just greenwashing?

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Greenwashing is when companies spend more time and money marketing their product or brand as "green" rather than implementing actual business practices that minimise environmental impact, in order to capitalise on the growing demand for environmentally sound products and services. The article contrasts this with genuine climate action, which requires measurable, verified outcomes with clear boundaries and evidence of what energy use would have been without the intervention.

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It appears that sustainability and climate action is finally hitting the mainstream. More and more companies are making climate announcements and publishing their net zero commitments.

To capitalise on the growing demand for environmentally sound products and services, there is a risk that companies spend more time and money on marketing their product or brand as "green" rather than implementing actual business practices that minimise environmental impact. This is called greenwashing.

In the short term, greenwashing is tempting. Cutting emissions is hard work! You'll need buy-in from the board, funding, maybe even an overhaul of your business model.

Why not pay some clever marketing people to come up with a new campaign that makes it look like you're tackling that pesky climate problem so you can buy some time and save some money?

In reality, the coalescence of extreme climate events, emerging of regulatory pressure and changing consumer and investor sentiment means that there won't be much time before the climate risk becomes a reality.

So, how do you assess the robustness of your climate action strategy?

You may want to start by understanding your business's context and drivers in relation to climate change. This may include stress testing your business strategy using the Task Force on Climate-related Financial Disclosures (TCFD) framework and start transparently reporting the risks and opportunities your business faces.

The framework allows you to put climate change in the context of your business and will result in:

Having an effective and comprehensive climate-related risk assessment,

Making better-informed decisions on where and when to allocate your capital, and

Planning strategically to address risks and exposures over the short, medium and long term.

Once the risks are understood, it is important to develop and deliver a carbon and energy management framework that underpins the implementation of your carbon strategy.

Collectively at Northmore Gordon, we have over 100 years of experience specialising in energy and carbon strategy management and this has informed the development of our Carbon & Energy Health Check . Comparing against best-practice will uncover gaps in your strategy that could be hindering your energy and carbon performance.

Just remember, long term carbon targets without interim goals or a plan to realise, may turn out to be a little more than greenwashing.

Reporting and compliance context

Confirm the reporting entity and period, current thresholds, regulator guidance, evidence boundary and assurance obligations before applying the dated discussion to a live report.

Related guidance

Carbon advisory

Scope 1, 2 and 3 emissions

Contact us

Read the original article for the source publication and its full context.

What is greenwashing, according to Northmore Gordon's article?

Greenwashing is when companies spend more time and money marketing their product or brand as "green" rather than implementing actual business practices that minimise environmental impact, in order to capitalise on the growing demand for environmentally sound products and services. The article contrasts this with genuine climate action, which requires measurable, verified outcomes with clear boundaries and evidence of what energy use would have been without the intervention.

Why might a company be tempted to greenwash instead of taking real climate action?

Cutting emissions is hard work - it requires buy-in from the board, funding, and possibly an overhaul of the business model. Greenwashing offers a shortcut: paying marketing people to create a campaign that makes it look like the company is tackling climate change, allowing it to buy time and save money in the short term. However, the article cites extreme climate events, regulatory pressure, and changing consumer and investor sentiment as reasons this approach is becoming unsustainable.

What framework does Northmore Gordon recommend for distinguishing real climate action from greenwashing?

We recommend stress testing business strategy using the Task Force on Climate-related Financial Disclosures (TCFD) framework and transparently reporting the risks and opportunities the business faces. The TCFD approach helps businesses put climate change in context through effective risk assessment, better-informed capital allocation decisions, and strategic planning to address exposures over short, medium and long term periods.

What is a carbon and energy management framework, and why does Northmore Gordon say it matters?

A carbon and energy management framework underpins the implementation of a company's carbon strategy by connecting emissions information with engineering, procurement and investment decisions. Rather than relying on forecasts or marketing claims, the framework establishes documented boundaries, activity data, factors and calculations to create a baseline and provide a reporting record. We emphasise that the framework turns strategy into operational reality through assigned ownership,

opportunity registers and performance tracking.

What does Northmore Gordon mean by 'interim goals' when warning against greenwashing carbon targets?

Long-term carbon targets without interim goals or a plan to realise them may turn out to be little more than greenwashing - aspirational statements without measurable progress. Interim goals break the journey into achievable steps with documented owners, implementation dependencies, capital requirements and evidence of progress. Our approach distinguishes forecast targets from verified outcomes, keeping rejected or deferred options visible so the organisation can revisit them when conditions change.

How should genuine climate action claims be structured to avoid greenwashing accusations?

Genuine climate action claims should be based on measurable, verified outcomes with clear boundaries - specifying what is being measured (an organisation, product, project, or energy purchase), the reporting period, the framework, data sources and exclusions. Claims should explain what energy use would have been without the intervention under comparable conditions, rather than relying on forecasts or conditional expectations. We advise maintaining a claim file with exact wording, supporting calculations, source documents, period, assumptions and approver, keeping forecast and realised outcomes distinct.

What is the Carbon & Energy Health Check that Northmore Gordon offers, and who might benefit from it?

The Carbon & Energy Health Check is informed by our collective 100+ years of experience in energy and carbon strategy management. It helps uncover gaps in a company's strategy that could be hindering its energy and carbon performance. This tool is relevant for companies seeking to move beyond greenwashing rhetoric toward genuine climate action by identifying whether their strategy is backed by measurable targets, interim milestones, clear ownership, and verified progress.

How does separating different types of climate claims help prevent greenwashing?

Greenwashing often conflates different outcomes. Genuine climate action keeps evidence lines separate: energy-use reduction establishes a clear boundary and comparison period; avoided emissions requires a documented counterfactual and emissions factors; stored carbon requires physical storage/removal process and accounting basis; and renewable electricity or carbon certificates require recognised instruments, periods and retirement treatment. We emphasise not using a single certificate total to support all these claims, ensuring each assertion is traceable to distinct, verifiable evidence.

What role does reporting and compliance play in preventing greenwashing?

Genuine climate action benefits from formal reporting frameworks - NGER for corporate and facility thresholds, Safeguard Mechanism for covered facilities, and sustainability reporting under ASIC requirements. These separate tests and boundaries, preventing companies from collapsing multiple obligations into one inflated claim. A sound reporting approach recognises that company service descriptions do not establish that every business must report under every framework, but legitimate climate action is documented, traceable and aligned with applicable regulatory obligations.